

Version: 7 June 2016

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The “Definitions and Interpretations” section of this Circular commencing on page 7 apply throughout including, where required, on this cover page.

Action required

1. This entire Circular is important and should be read with particular attention to the section entitled “Action required by Shareholders” which commences on page 4.
2. If you are in any doubt as to what action to take as regards this Circular, please consult your Broker, CSDP, banker, accountant, legal advisor or professional financial advisor as soon as possible.
3. If you have disposed of all of your Shares, please forward this Circular to the purchaser of such Shares or to the Broker, CSDP, banker or other agent through whom the Shares were disposed of.

Eqstra does not accept responsibility, and will not be held liable, for any action of, or omission by, any CSDP or Broker including, without limitation, any failure on the part of the CSDP or Broker of any Beneficial Owner of Shares to notify such Beneficial Owner of the General Meeting convened in terms of the notice of General Meeting contained in and forming a part of this Circular.



EQSTRA HOLDINGS LIMITED

(Incorporated in South Africa)
(Registration number 1998/011672/06)
Share code: EQS ISIN: ZAE000117123
("Eqstra")

CIRCULAR TO EQSTRA SHAREHOLDERS

regarding the proposed Disposal by Eqstra of the Excess Assets over a period of 24 months to third parties, such Disposal constituting a category 1 transaction in terms of the JSE Listings Requirements,

and incorporating:

- a Notice of General Meeting of Shareholders; and
- a Form of Proxy for purposes of the General Meeting for use by Certificated Shareholders and Own Name Dematerialised Shareholders only.

Transaction Sponsor:

Deloitte.

Legal Advisor


WERKSMANS
ATTORNEYS

**Independent Reporting
Accountants and Auditors**

Deloitte.

Date of issue: Friday, 10 June 2016

This Circular is only available in English. Copies of this Circular may be obtained during normal business hours on Business Days from the registered office of Eqstra at the address as set out in the “Corporate Information and Advisors” section of this Circular (situated on the inside front cover) from the date of issue hereof until the date of the General Meeting. The Circular is also available in electronic form on Eqstra’s website: www.eqstra.co.za from Friday, 10 June 2016.

CORPORATE INFORMATION AND ADVISORS

Company Secretary and Registered Office

Company Secretary

L Möller

Registered Office

61 Maple Street, Pomona,
Kempton Park, 1619
(PO Box 1050, Bedfordview, 2008)
Tel: +27 11 966 2000
Fax: +27 86 532 2967

Date of incorporation: 19 June 1998

Place of incorporation: Republic of South Africa

Transaction Sponsor

Deloitte & Touche Sponsor Services Proprietary Limited
Deloitte Place
The Woodlands
20 Woodlands Drive
Woodmead, 2196
(Private Bag X6, Gallo Manor, 2052)

Legal Advisor to Eqstra

Werksmans Inc.
155 5th Street
Sandton, 2196
(Private Bag 10015, Sandton, 2146)

Independent Reporting Accountants and Auditors

Deloitte & Touche
Registered Auditors
Deloitte Place
The Woodlands
20 Woodlands Drive
Woodmead, 2196
(Private Bag X6, Gallo Manor, 2052)

Transfer Secretaries

Computershare Investor Services Proprietary
Limited
Ground Floor
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

Ongoing sponsor

RAND MERCHANT BANK
(A division of FirstRand Bank Limited)
(Registration number 1929/001225/06)
1 Merchant Place
Corner Fredman Drive and Rivonia Road
Sandown, 2196
(PO Box 786273, Sandton, 2146)

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ACTION REQUIRED BY SHAREHOLDERS

The “Definitions and Interpretations” section of this Circular, commencing on page 5, apply throughout including to this “Action Required by Shareholders” section.

This Circular is important and requires your immediate attention. The action you need to take is set out below. If you are in any doubt as to what action to take, you should consult your Broker, CSDP, banker, accountant, legal advisor or other financial or professional advisor as soon as possible. You should carefully read through this Circular and decide how you wish to vote on the Resolutions to be proposed at the General Meeting. If you have disposed of all of your Shares, this Circular should be handed to the purchaser of such Shares or the Broker, CSDP or other agent through whom you disposed of your Shares.

Please take careful note of the following provisions and actions to be taken by Shareholders.

ACTIONS AS REGARDS VOTING AND ATTENDING OF GENERAL MEETING:

The General Meeting of Shareholders will be held at 10:00 on Monday, 11 July 2016 at Eqstra’s registered office, 61 Maple Street, Pomona, Kempton Park, 1619 in order to consider, and if deemed fit, passing, with or without modification, the Resolutions set out in the Notice of General Meeting attached to and forming part of this Circular.

1. IF YOU HAVE DEMATERIALISED YOUR SHARES BUT DO NOT HAVE “OWN NAME REGISTRATION”

1.1 Voting at the General Meeting

- 1.1.1 Your CSDP or Broker should contact you to ascertain how you wish to cast your vote (or abstain from casting your vote) at the General Meeting and thereafter to cast your vote (or abstain from casting your vote) in accordance with your instructions.
- 1.1.2 If you have not been contacted by your CSDP or Broker, it is advisable for you to contact your CSDP or Broker immediately and furnish your CSDP or Broker with your voting instructions in the manner and by the cut-off time stipulated by your CSDP or Broker in terms of the Custody Agreement between you and your CSDP or Broker.
- 1.1.3 If your CSDP or Broker does not obtain voting instructions from you, your CSDP or Broker will be obliged to act in accordance with the standing instructions contained in your Custody Agreement.
- 1.1.4 You must not complete the attached Form of Proxy.

1.2 Attendance and representation at the General Meeting

- 1.2.1 In accordance with the Custody Agreement between you and your CSDP or Broker, you must advise your CSDP or Broker if you wish to attend, speak and vote at the General Meeting.
- 1.2.2 Your CSDP or Broker will then issue the necessary letter of representation to you to enable you to attend, speak and vote at the General Meeting.

2. IF YOU HAVE NOT DEMATERIALISED YOUR SHARES OR IF YOU HAVE DEMATERIALISED YOUR SHARES WITH “OWN NAME REGISTRATION”

2.1 Voting, attendance and representation at the General Meeting

You may attend, speak and vote at the General Meeting in person (or if you are a company or other body corporate, be represented by a duly authorised natural person). Alternatively, you may appoint a proxy to represent you at the General Meeting by completing the attached Form of Proxy in accordance with its instructions and returning it to the Transfer Secretaries, namely, ComputerShare Investor Services Proprietary Limited, at 70 Marshall Street, Johannesburg, 2001, South Africa or, PO Box 61051, Marshalltown, 2107, South Africa at any time prior to the commencement of the General Meeting. If you wish to Dematerialise your Shares, please contact your CSDP or Broker.

3. IF YOU HAVE DISPOSED OF ALL OF YOUR SHARES, THIS CIRCULAR SHOULD BE HANDED TO THE PURCHASER OF SUCH SHARES OR THE BROKER, CSDP OR OTHER AGENT WHICH DISPOSED OF YOUR SHARES FOR YOU

Eqstra does not accept responsibility and will not be held liable for any failure on the part of the CSDP of a Dematerialised Shareholder to notify such Shareholders of the General Meeting or any business to be conducted thereat.

4. ACTIONS AS REGARDS ELECTRONIC PARTICIPATION AT THE GENERAL MEETING

In terms of section 61(10) of the Companies Act, every Shareholders' meeting of a public company must be reasonably accessible within South Africa for electronic participation by Shareholders.

Shareholders wishing to participate electronically at the General Meeting are required to deliver a Notice to the Transfer Secretaries (e-mail address: proxy@computerShare.co.za or facsimile (011) 688 5238 or post) at any time prior to the commencement of the General Meeting, that they wish to participate via electronic communication at the General Meeting. Each Shareholder will bear its own costs of accessing the General Meeting by electronic communication. Eqstra reserves the right to elect not to provide for electronic participation if it determines that it is not practical to do so.

In order for the Notice to be valid it must:

- (a) if the Shareholder is an individual, contain a certified copy of such Shareholder's identity document and/or passport;
- (b) if the Shareholder is not an individual, a certified copy of a resolution by the relevant entity and a certified copy of the identity documents and/or passports of the persons who passed the relevant resolution. The relevant resolution must set out who from the relevant entity is authorised to represent the relevant entity at the General Meeting via electronic communication; and
- (c) provide a valid e-mail address and/or facsimile number (the "contact address/number").

Prior to the commencement of the General Meeting, Eqstra will use its reasonable endeavours to notify a Shareholder at its chosen contact address/number who has delivered a valid Notice of the relevant details through which the Shareholder can participate at the General Meeting via electronic communication.

Shareholders or their proxies who wish to participate in the General Meeting by way of electronic communication will be required to use the dial-in facility provided on the date of the General Meeting. The dial-in facility will be limited to the venue at which the General Meeting will take place on the date of, and from the time of commencement of, the General Meeting. The dial-in facility will enable all persons to participate electronically in the General Meeting in this manner and to communicate concurrently with each other without an intermediary, and to participate in the General Meeting.

Shareholders or their proxies participating electronically will not be able to vote electronically and must follow the standard voting arrangements indicated above. Eqstra reserves the right not to provide for electronic participation at the General Meeting in the event that it determines that it is not practical to do so, or an insufficient number of Shareholders (or their representatives or proxies) request to so participate.

IMPORTANT DATES AND TIMES

	2016
Posting Record Date to determine those Shareholders who are eligible to receive the Circular	Friday, 3 June
Circular posted to Shareholders and Notice of General Meeting released on SENS on	Friday, 10 June
Notice of General Meeting published in the South African press on	Monday, 13 June
Last day to trade Shares in order to be eligible to participate in and to vote at the General Meeting (see notes 2 and 4 below) on	Friday, 24 June
Record Date for purposes of the General Meeting being 17:00 on	Friday, 1 July
Last day to lodge request for participation in General Meeting via electronic participation being 10:00 on	Monday, 11 July
Completed Form of Proxy to be lodged by 10:00 on (see note 5 below)	Monday, 11 July
General Meeting at 10:00 on	Monday, 11 July
Results of General Meeting published on SENS on	Monday, 11 July

Notes:

1. All or any of the above important dates and times are subject to change as may be required. Any changes made will be communicated to Shareholders by publication as soon as practicably possible on SENS and in the South African press.
2. Shareholders should note that trade in Shares on the JSE is settled through Strate, with settlement of a trade occurring five Business Days following a trade. Accordingly, Shareholders who acquire Shares on the JSE after the Last Day to Trade in Shares, namely, Friday, 24 June 2016, will not be entitled to vote at the General Meeting as they will not be recorded as Shareholders in the Register by the Record Date, namely, Friday, 1 July 2016.
3. All Dematerialised Shareholders (other than those with Own Name Registration) must provide their CSDP or Broker with their instructions for voting at the General Meeting by the cut-off time and date stipulated by their CSDP or Broker in terms of their respective Custody Agreements.
4. No Dematerialisation or Rematerialisation of Shares may take place from the Business Day following the Last Day to Trade.
5. Shareholders may lodge the completed Form of Proxy with the Chairman of the General Meeting at any time prior to the commencement of the General Meeting.
6. All times referred to in this Circular are references to South African standard time on a 24 hour basis unless specified otherwise.
7. The Certificated Register of Eqstra will be closed between the Last Day to Trade and the Voting Record Date.
8. If the General Meeting is adjourned or postponed, Forms of Proxy submitted for the initial General Meeting will remain valid in respect of any adjournment or postponement of the General Meeting.

DEFINITIONS AND INTERPRETATIONS

Throughout this Circular, unless inconsistent with the context, an expression which denotes one gender includes the other gender, a natural person includes a juristic person and vice versa, the singular includes the plural and vice versa and the following words and expressions bear the meanings assigned to them below:

“Beneficial Owner”	a Shareholder on whose behalf any Dematerialised Share (not held with Own Name Registration) is held by a CSDP or Broker, or a nominee of a CSDP or Broker, in accordance with a Custody Agreement;
“Benga Excess Assets”	means the mining equipment used by Eqstra at the Benga Coal Mine in Mozambique that were identified as held for sale as at 31 December 2015;
“Board”	the Directors of Eqstra whose names appear in paragraph 5 of this Circular;
“Broker”	any person registered as a broking member (equities) in terms of the Rules of the JSE made in accordance with the provisions of the FMA;
“Business Day”	any day other than a Saturday, Sunday or official public holiday in South Africa;
“Certificated Shareholders”	holders of Certificated Shares;
“Certificated Shares”	a Share being ‘Certificated Securities’ as defined in the FMA having not yet been Dematerialised, title to which is evidenced by a Document of Title;
“Circular”	this entire bound document dated Friday, 10 June 2016, including the Notice of General Meeting and Form of Proxy;
“Companies Act”	the Companies Act, 2008 Act No. 71 of 2008, as amended;
“Companies Regulations”	the Companies Regulations, 2011 as amended, promulgated under the Companies Act;
“Contract”	means the Benga Coal Project Mining Contract – RIVMOZ BEPROJ/10/2010, dated 13 April 2010, for open pit mining services and comprising the General Conditions, Special Conditions and Specification as well as various Annexes, Schedules and Appendices, clarifications to tender submissions as well as the Amendments thereto;
“Contract period” or “Contract term”	refers to the period from date the Contract was entered being 13 April 2010 until the expiry date being 31 December 2015;
“Contract Mining and Plant Rental division”	the consolidated businesses of MCC Contracts, MCC Plant Hire, EML and other subsidiaries of Eqstra that perform contract mining and plant rental services;
“CSDP”	a participant, as defined in Chapter 1 of the FMA;
“Custody Agreement”	a custody mandate agreement concluded between a Shareholder and a CSDP or Broker, regulating their relationship in respect of Dematerialised Shares held on a sub-register of Eqstra Shareholders as administered by such CSDP or Broker on behalf of such Shareholder;
“Dematerialisation”	the process by which Certificated Shares and/or Documents of Title are converted to an electronic form and recorded in the sub-register of Shareholders of Eqstra maintained by a CSDP;
“Dematerialised Shareholders”	holders of Dematerialised Shares;

“Dematerialised Shares” or “Dematerialised”	a Share that has been Dematerialised or has been issued in Dematerialised form, and is held on a sub-register of Eqstra Shareholders administered by a CSDP;
“Directors” or “Board”	as at the Last Practicable Date, the Board of Directors of Eqstra comprising the Directors named in paragraph 5 of this Circular;
“Disposal”	the proposed sale by Eqstra of the Excess Assets for an estimated total consideration of not less than ZAR802.9 million;
“Disposal Consideration”	means the estimated total consideration for the Excess Assets, being an amount in the aggregate not less than ZAR802.9 million, as set out in paragraph 3 of the Circular;
“Documents of Title”	tangible documents of title including a Share certificate, certified transfer deed, balance receipt or any other document of title acceptable to Eqstra in respect of Shares;
“EML”	Eqstra Moçambique Limitada (Registration number 100156210), a company organised under the laws of Mozambique, a subsidiary of Eqstra;
“Eqstra”	Eqstra Holdings Limited (Registration number 1998/011672/06), a public company duly incorporated and registered in accordance with the laws of South Africa, the ordinary Shares of which are listed on the main board of the JSE;
“Eqstra Group” or “Group”	collectively, Eqstra and its subsidiary companies;
“Excess Assets”	collectively the Benga Excess Assets and the Local Excess Assets, being excess and under utilised mining equipment;
“FMA”	the Financial Markets Act, No. 19 of 2012;
“Form of Proxy”	for purposes of the General Meeting, the form of proxy for use only by Certificated Shareholders and Own Name Dematerialised Shareholders;
“General Meeting”	the General Meeting of Shareholders convened to be held in terms of the Notice of General Meeting at Eqstra’s registered office, 61 Maple Street, Pomona, Kempton Park, 1619 at 10:00 on Monday, 11 July 2016;
“IFRS”	International Financial Reporting Standards;
“JSE”	the JSE Limited (Registration number 2005/022939/06), a public company duly incorporated and registered in accordance with the laws of South Africa and licensed to operate as an exchange under the FMA or the exchange it operates, as the context requires;
“JSE Listings Requirements”	the Listings Requirements of the JSE in force as at the Last Practicable Date;
“Last Day to Trade”	Friday, 24 June 2016, being the last Business Day to transact in Shares on the JSE in order to settle same and to reflect in the Register and thereby be eligible to vote at the General Meeting;
“Last Practicable Date”	Friday, 3 June 2016, being the last practicable date on which information was capable of being included in this Circular prior to its finalisation;
“Local Excess Assets”	the mining equipment owned by Eqstra in South Africa that were identified as assets held for sale as at 31 December 2015;
“MBL”	Minas de Benga Limitada (previously Riversdale Moçambique Limitada), (Registration number 100156210), a company organised under the laws of Mozambique;

“MCC Contracts”	MCC Contracts Proprietary Limited, (Registration number 1983/008084/07), a subsidiary of Eqstra;
“MCC Plant Hire”	Mutual Construction Company (Transvaal) Proprietary Limited, trading as MCC Plant Hire (Registration number 1988/002721/07), a subsidiary of Eqstra;
“MOI”	the Memorandum of Incorporation of Eqstra;
“Notice”	a valid written notice that a Shareholder wishes to participate via electronic communication at the General Meeting, which notice has been given in the manner contemplated on page 3 of this Circular;
“Notice of General Meeting”	the Notice of General Meeting attached to and forming part of this Circular convening the General Meeting of Shareholders to be held at Eqstra’s registered office, 61 Maple Street, Pomona, Kempton Park, 1619 at 10:00, on Monday, 11 July 2016, for the purpose of considering and, if deemed fit, passing, with or without modification, the Resolutions;
“Own Name Dematerialised Shareholders” or “Own Name Registration”	Shareholders holding Dematerialised Shares in their own name and recorded as such in the Register;
“Own Name Dematerialised Shares”	Dematerialised Shares held by Own Name Dematerialised Shareholders;
“Posting Record Date”	the date determined by the Board in accordance with section 59 of the Companies Act for Eqstra Shareholders to be eligible to receive the Circular, being Friday, 3 June 2016;
“Party” or “Parties”	refers to MBL and EML;
“Record Date”	Friday, 1 July 2016, being in terms of section 59(1)(b) of the Companies Act, the date by which a Shareholder is required to be recorded as such in the Register in order to be eligible to attend, participate in and to vote at the General Meeting;
“Register”	the securities register of Shareholders maintained by Eqstra in terms of section 50(1) of the Companies Act, including the uncertificated securities register maintained by a CSDP in terms of section 50(3) of the Companies Act;
“Rematerialisation”	the process by which a holding of Shares recorded in the sub-register of Shareholders of Eqstra maintained by a CSDP is converted from an electronic form into Certificated Shares and/or other Documents of Title;
“Resolutions”	the resolutions as contained in the Notice of General Meeting to be considered and voted upon by Shareholders at the General Meeting;
“SENS”	the Stock Exchange News Service of the JSE;
“Shareholder” or “Shareholders”	a registered holder of Shares;
“Shares”	ordinary Shares of no par value in the stated capital of Eqstra;
“South Africa”	the Republic of South Africa;
“Strate”	Strate Proprietary Limited (Registration number 1998/022242/07) a private company duly incorporated and registered in accordance with the company laws of South Africa, which is a registered central securities depository and which is responsible for the electronic custody and settlement system of the JSE;

“Tax”	means any tax, VAT, levy, duty, charge, deduction or withholding, direct or indirect, however it is described, that is imposed by law or a government agency, together with any related interest, penalty, fine or other charge other than one that is imposed on taxable income;
“Transfer Secretaries”	ComputerShare Investor Services Proprietary Limited, (Registration number 2004/003647/07), a limited liability private company duly incorporated and registered under the company laws of South Africa;
“VAT”	means Value Added Taxation payable in accordance with the laws of the Republic of South Africa;
“Voting Record Date”	the date on which Eqstra Shareholders must be entered in the Register in order to be eligible to vote at the General Meeting, expected to be Friday, 1 July 2016; and
“ZAR” or “Rand” or “R”	South African Rand.

EQSTRA HOLDINGS LIMITED
(Incorporated in South Africa)
(Registration number 1998/011672/06)
Share code: EQS ISIN: ZAE000117123
("Eqstra")

DIRECTORS

Executive:

Jan Lodewyk Serfontein (CEO)
David Alan Austin (CFO)

Independent Non-Executive

Nkateko Peter Mageza (Chairperson)
Anthony John Phillips (Lead independent)
Sankie-Dolly Mthembu-Mahanyele
Marthinus Johannes Croucamp
Veli Joseph Mokoena
Timothy Dacre Aird Ross
Louis Leon Von Zeuner
Zacharias Bernardus Swanepoel

CIRCULAR TO SHAREHOLDERS

1. INTRODUCTION AND PURPOSE OF THE CIRCULAR

Shareholders are referred to the cautionary announcement released on SENS on 3 February 2016, and renewed on 15 March 2016, 3 May 2016 and detailed SENS announcement released on 6 June 2016, wherein it was advised that EML signed a Memorandum of Intent with MBL to purchase the Benga Excess Assets. To date the Memorandum of Intent could not be concluded and management decided to dispose of the Excess Assets to third parties for an amount in the aggregate not less than the Disposal Consideration. The Excess Assets will be sold through an auction process. Reputable auction houses had been approached and a list of units with each items' floor price had been provided. These auction houses will then sell the assets at best, but not below the floor price. The floor prices in aggregate equates to the minimum price of R802.9 million. Management will approve all sales offers prior to releasing the units. Given the nature and the size of the equipment it is unlikely that the units will all be sold in one transaction and multiple transactions over a period of time (24 months) was envisaged. The buyers and the specific selling prices per unit that would be achieved would be unknown at the time of the Circular being issued. All sales will be made through local and/or international auctions. It must also be noted that the R802.9 million is an indicative price and that the consideration received could be less or more depending on prevailing market conditions.

Eqstra hereby confirm that it is currently unclear to whom the Excess Assets will be sold to or the exact proceed amounts. All the units will be disposed of through auction houses given that the assets are very large mining equipment. It is imperative that the assets be sold to improve the Group's liquidity position. Eqstra already received an expression of interest for some of the Local Excess Assets through auction houses, subject to Shareholder approval.

All sales will be made through auction houses, therefore no sales will be made to related parties and their associates. Management will also only approve sales once the purchaser had been identified as a non-related party.

Due to the Disposal being a category 1 transaction in terms of the JSE Listings Requirements, the Disposal requires the approval of Shareholders in a General Meeting.

The impaired carrying value of the assets held for sale, being the Excess Assets, is ZAR1 147 million and the consolidated total assets of Eqstra were worth ZAR13 454 million as at 31 December 2015. Therefore, the Disposal does not constitute a disposal of the greater part of Eqstra's assets or undertaking as contemplated in section 112 of the Companies Act, and as such the Disposal does not need to be approved by a special resolution of Eqstra Shareholders.

The purpose of this Circular is to:

- provide Shareholders with all relevant information on the Disposal, thereby enabling them to make an informed decision as to whether or not they should vote in favour of the Resolutions contained in the Notice of General Meeting attached to and forming part of this Circular; and
- convene the required General Meeting.

2. BACKGROUND INFORMATION ON THE EXCESS ASSETS

2.1 Benga Excess Assets

MBL is the titleholder and owner of the Benga Coal Mine located at Benga in the Tete Province, Mozambique (Mine). MBL and EML were parties to the Contract, pursuant to which EML agreed to perform open pit mining and associated services at the Benga mine. The Contract expired in accordance with its terms on 31 December 2015. As announced previously, the Parties entered into a Memorandum of Intent with regard to the Contract, in terms of which EML sells the Benga Excess Assets to MBL. The Memorandum of Intent was entered into on 29 January 2016.

To date the Parties have not reached finality on this sale and the Board has therefore resolved that the Benga Excess Assets be sold partially or in whole to any third party over a two-year period.

Since termination of the Contract with effect from 31 December 2015, the mining operations ceased, and the Benga Excess Assets were impaired and valued as assets held for sale and recorded as assets held for sale amounting to ZAR782.0 million, as at 31 December 2015. These assets were previously classified as leasing assets and valued as assets in use.

Below is a summary of the Benga Excess Assets.

	Assets held for sale value at 31 December 2015 (R' million)
Zambia Road Estate property	9.3
Plant, equipment and other fixed assets	746.2
Inventory	26.5
Total Benga Excess Assets	782.0

All the Benga assets were acquired on inception of the contract in 2010.

2.2 Local Excess Assets

Further, it was announced that Eqstra is also in the process of closing or selling other non-core operations as part of its strategy to refocus the group. This includes the Local Excess Assets in Eqstra's Contract Mining and Plant Rental division as it was unlikely that these assets will deliver desired return over the short-term. These assets were previously valued as part of leasing assets. Following the decision to sell the assets, the assets were classified as held for sale and impaired by R736 million to the value of ZAR365.0 million as at 31 December 2015. All the local Excess Assets were purchased prior to 2011.

3. THE DISPOSAL TERMS AND CONDITIONS

3.1 Terms

Eqstra impaired the Benga Excess Assets to a value of ZAR782.0 million. The disposal amount of the Benga Excess Assets is limited to not lower than 70% of the valuation amount, being ZAR547.4 million.

Eqstra has also impaired the Local Excess Assets in the Contract Mining and Plant Rental division to the value of ZAR365.0 million as at 31 December 2015. The disposal amount of the Local Excess Assets is limited to not lower than 70% of the valuation amount, being ZAR255.5 million.

Net asset values for the Excess Assets that were identified as held for sale, as at 31 December 2015:

Entity	Assets held for sale value Rm	Disposal Consideration Rm
MCC Plant Hire	84.0	58.8
MCC Contracts	281.0	196.7
EML	782.0	547.4
Total Excess Assets	1 147.0	802.9

The Board has therefore resolved to approve the disposal of the Excess Assets owned by MCC Contracts, EML and MCC Plant Hire, provided that:

- the aggregate consideration for all the Excess Assets to be disposed of by the Contract Mining and Plant Rental division shall not be less than ZAR802.9 million, being an amount equal to 70% (seventy percent) of the asset held for sale value of such Excess Assets; and
- the Excess Assets shall be disposed of within a period of 24 (twenty-four) months, calculated from the date upon which the Shareholder resolution approving the Disposal has been adopted.

The Forecast Holding costs of the Excess Assets, if not sold, are set out in Annexure 9, and the reporting accountants report thereon has been issued in Annexure 10.

3.2 Condition precedent

The Disposal will be subject to the fulfilment of the following condition precedent:

- the Shareholders approving the sale of the Excess Assets at the General Meeting with the requisite majority in terms of the Listings Requirements (at least 50% + 1 by number of votes, present and voting).

3.3 Rationale for the Disposal

The intention to dispose of the Excess Assets was previously discussed at the September 2015 annual results presentation of Eqstra and re-emphasised during the interim results presentation in March 2016. The proposed sale of the Excess Assets is in line with Eqstra's stated strategy to reduce its exposure to the mining industry. The proceeds of the proposed sale of the Excess Assets would enhance the Group's cash liquidity position.

The Benga Excess Assets are largely mine specific and assembled on site. Throughout the Contract period the intention was to either:

- sell the assets to the mine owner (MBL) at the end of the period;
- extend the contract mining agreement; or
- find alternative contracts or buyers for the equipment.

Eqstra considered the various options. It became clear towards the end of the Contract term that the mine owner had some liquidity constraints based on the low coal prices and the last option was most likely to succeed. MBL continued to express an interest to purchase the Benga Excess Assets for the impaired carrying value.

Eqstra engaged with MBL for a sale of the Benga Excess Assets, but such sale has not been successfully concluded to date, hence Eqstra's decision to consider alternative buyers for the Benga Excess Assets.

Eqstra changed the manner in which the assets are valued from assets in use included in leasing assets to assets held for sale, in the 31 December 2015 interim results. An impairment on the Benga Excess Assets of R449 million was recorded and the operations which had been closed down were classified as discontinued operations in line with the requirements of IFRS.

Eqstra changed the strategy of the Group in June 2015 to become a services-focussed group. As part of the process, Eqstra started to reconsider the current business model.

In addition, approximately 18 months ago the Contract Mining and Plant Rental division of Eqstra reported the termination of two major contract mining projects. The mining environment had been in a decline in South Africa and opportunities for contract mining has become less frequent. Pricing also became more competitive. The combination of these factors resulted in equipment to the value of approximately ZAR700 million being in excess of the then current operational requirements. This resulted in an impairment of ZAR97.0 million being recorded in the South African operations in June 2015 for some of these Local Excess Assets, as a portion had then been earmarked for future opportunities. It was noted that no Excess Assets existed prior to the June 2014 financial year.

The change in strategy, the current mining environment as well as the cost of maintaining and repairing these assets resulted in management changing direction. These assets, as well as underutilised assets on sites, were then classified as assets held for sale by December 2015. This change resulted in an impairment of ZAR736 million as the Local Assets were impaired to fair value, being the current anticipated selling price less cost to sell.

The intention is to dispose of the Excess Assets over a period of 24 months to various parties from date of Shareholder approval. In aggregate the Excess Assets will not be sold for less than the Disposal Consideration.

Eqstra is also in a tight liquidity position and the cash from the Disposal would greatly alleviate the constraints. The proceeds of the Disposal will be utilised to repay debt.

All proceeds from the sales of Local Excess Assets will be utilised to repay South African bank debt and proceeds from the sales of Benga Excess Assets will be utilised to repay Rest of World Funding.

3.4 Categorisation and Shareholder approval

Based on the value of the Excess Assets to be sold relative to the market capitalisation of Eqstra, in terms of the JSE Listings Requirements, the Disposal is classified as a category 1 transaction and Shareholders will be asked for approval to sell these Excess Assets over a two-year period, as detailed in the notice of the General Meeting attached. Eqstra believes that the Disposal Consideration for the Excess Assets of ZAR802.9 million should be realisable (subject to market conditions), over the next 24 months after Shareholder approval.

4. INFORMATION RELATING TO EQSTRA

4.1 Overview of the business

Eqstra is the holding company of various operating subsidiaries and is listed on the JSE under the Diversified Industrials sub-sector of the General Industrials sector. Eqstra's core business is the provision of capital equipment and related value-added services to clients in the construction, mining, industrial and commercial sectors in South Africa, rest of Africa, the United Kingdom (UK) and Ireland. Value is created for clients by providing equipment and services which are critical to their operations. Value is created in Eqstra through its ability to extract optimal value from each revenue-generating asset at each point in its lifecycle.

The Group comprises the following core divisions:

- Industrial Equipment;
- Fleet Management and Logistics; and
- Contract Mining and Plant Rental.

4.2 Prospects

The December 2015 interim results presentation advised Shareholders that the Contract Mining and Plant Rental division remains an important part of the Group. The re-positioning of the division has shown encouraging signs of recovery over the past six months under new management. Management continues to reduce the exposure to contract mining so that it does not exceed 30% of the group's revenue-generating assets. The division plans to sell Excess Assets and improve liquidity. Tender activity is to continue on the same revenue-generating leasing asset base.

5. DIRECTORS

5.1 Directors

The table below sets out information pertaining to the current Directors of Eqstra:

NAME, QUALIFICATION, AND AGE	FUNCTION
Jan Lodewyk Serfontein (41) <i>BCOM (HONS), CA(SA)</i>	CEO
David Alan Austin (58) <i>BCOM (HONS), CA(SA)</i>	CFO
Nkateko Peter Mageza (60) <i>FCCA (UK)</i>	Independent Non-Executive Director, Chairperson
Anthony John Phillips (69) <i>BSC (ENG)</i>	Lead Independent Non-Executive Director
Sankie-Dolly Mthembu-Mahanyele (64) <i>BA, PHD (HON), MSC PUBLIC AND MANAGEMENT POLICY (SOAS)</i>	Independent Non-Executive Director
Marthinus Johannes Croucamp (70) <i>IAC, AEP, AMP</i>	Independent Non-Executive Director
Veli Joseph Mokoena (55) <i>BA, PDM (WBS)</i>	Independent Non-Executive Director
Timothy Dacre Aird Ross (71) <i>CTA CA (SA)</i>	Independent Non-Executive Director
Louis Leon Von Zeuner (54) <i>B.ECON</i>	Independent Non-Executive Director
Mr. B Swanepoel (55) <i>BCom (Hons), BSc (Min Eng)</i>	Independent Non-Executive Director

5.2 Directors' Shareholding

As at the Last Practicable Date, the Directors of Eqstra, including those that have resigned in the past 18 months, held the following Shares:

Director	Direct beneficial interest	Indirect beneficial interest	Total number of Shares	Percentage of issued Shares
WS Hill (resigned on 1 June 2015)	3 500	–	3 500	0.0
S Dakile-Hlongwane (retired effective 23 November 2015)	–	636 944	636 944	0.2
JL Serfontein	504 000	–	504 000	0.1

Other than as set out above, no other Directors and their associates (including those that have resigned in the past 18 months) own Shares in Eqstra. None of the Directors of Eqstra will be participating in the Disposal and their direct and indirect beneficial interest in the issued Share capital of Eqstra will accordingly not change as a result thereof.

No change in the interests of any Directors has occurred between the end of the preceding financial period ended 31 December 2015 and the Last Practicable Date.

5.3 Directors' interest in the Disposal

None of the current Directors of the Board nor any former Directors who have resigned as Directors of Eqstra during the past 18 months have any interest in the Disposal as contemplated in this Circular nor in any other transaction by Eqstra that were effected during the current or immediately preceding financial year, which remains in any material respect outstanding or unperformed.

5.4 Directors' remuneration and Share schemes and options

Director's remuneration and Share schemes as set out in the 2015 Annual Report, being the most recent financial year of Eqstra, will not change as a result of the implementation of the Disposal.

The remuneration receivable by any of the Directors will not be varied as a consequence of the Disposal.

6. FINANCIAL INFORMATION

6.1 Stated Capital

The authorised and issued Share capital of Eqstra is as follows:

	Rm
Authorised 500 000 000 ordinary Shares of no par value	
Issued 405 502 997 ordinary Shares of no par value	1 839
(5 889 279) treasury Shares	
Balance: 391 104 718	

6.2 Share Issues

No Shares were issued during the preceding three years.

6.3 Pro forma financial effects of the Disposal

The *pro forma* financial effects of the Disposal are presented below and should be read in conjunction with the *pro forma* income statement and *pro forma* consolidated statement of financial position presented in Annexure 7. The *pro forma* financial effects are presented in accordance with the Listings Requirements of the JSE, the Guide on *Pro Forma* Financial Information issued by The South African Institute of Chartered Accountants, ISAE 3420 and the measurement and recognition requirements of International Financial Reporting Standards (“IFRS”).

The *pro forma* financial effects have been presented for illustrative purposes only to provide information on how the Disposal might have impacted the financial results and position of Eqstra and, because of their nature may not fairly present Eqstra’s financial position, changes in equity, or results of operations or cash flows after the Disposal.

The *pro forma* financial effects have been prepared using accounting policies that are consistent with IFRS and with the basis on which the historical financial information has been prepared in terms of the Group’s accounting policies.

The Directors of Eqstra are responsible for the preparation of the *pro forma* financial effects.

The *pro forma* financial effects must be read in conjunction with the reporting accountants’ report thereon in Annexure 8.

Pro forma effects on the six months to 31 December 2015

	Unaudited 31 December 2015		Pro forma
	Before the transaction Note 1	Excess Asset transaction	After the transaction Note 2
Ordinary shares weighted (millions)	391.16		391.16
Ordinary shares in issue (millions)	405.50		405.50
Earnings per Share – continuing operations (cents)	(112.5)	4.3	(108.2)
Headline earnings per Share – continuing operations (cents)	22.2	10.0	32.2
Earnings per Share – discontinued operations (cents)	(174.9)	17.4	(157.5)
Headline earnings per Share – discontinued operations (cents)	(24.4)	(2.9)	(27.3)
			Note 3
Net asset value per Share (cents)	704.8	(1.5)	703.3
Tangible net asset value per Share (cents)	648.3	(1.5)	646.9

Reconciliation of headline earnings

	Unaudited 31 December 2015	<i>Pro forma</i>
	Before the transaction Note 1 Rm	After the transaction Rm
Basic Earnings from continuing operations		
Basic Earnings	(440)	(423)
Impairment of leasing assets	530	–
Loss on sale of Excess Assets	–	552
Profit on sale of property, plant and equipment	(3)	(3)
	87	126
Basic Earnings from discontinued operations		
Basic Earnings	(684)	(616)
Impairment of leasing assets	588	6
Loss on sale of Excess Assets	–	497
Withholdings tax on dividends	–	6
	(96)	(107)
Basic Earnings from total operations		
Basic Earnings	(1 124)	(1 039)
Impairment of leasing assets	1 118	6
Loss on sale of Excess Assets	–	1 049
Profit on sale of property, plant and equipment	(3)	3
	(9)	19

Notes:

1. Extracted from the unaudited condensed consolidated financial results of Eqstra for the six months ended 31 December 2015.
2. *Pro forma* earnings and *pro forma* headline earnings per Share are presented based on the following principal assumptions:
 - a. The loss on sale of Excess Asset from continuing operations is calculated based on proceeds of R365 million and the net book value of the assets on 1 July 2015.
 - b. The loss on sale of Excess Asset from discontinued operations is calculated based on proceeds of USD50 million and the net book value of the Excess Assets on 1 July 2015. An exchange rate of USD1:R12.14 was used.
 - c. Interest saved on loan repayments is calculated at 9.5% pa.
 - d. Exchange rate of USD1:R15.637 (31 December 2015) and USD1:R12.14 (1 July 2015) was used.
 - e. Once-off transaction costs of R1 119 000 are assumed and expensed.
3. *Pro forma* net asset and *pro forma* net tangible asset value per Share are presented based on the following principal assumptions:
 - f. The Transaction was effective 31 December 2015.
 - g. Exchange rate of USD1:R15.637 (31 December 2015).
 - h. Excess Assets at 31 December 2015 assumed to have been disposed of on 31 December 2015.
 - i. The net proceeds from the sale of Excess Assets in Mozambique, after repayment of Mozambique debt and the equity loan with Eqstra, is subject to withholding tax at 8%.
 - j. Sale proceeds are used to settle debt.
4. All effects are of a recurring nature except where otherwise stated.

7. MAJOR SHAREHOLDERS

In the five years preceding this Circular, there has been no change in the controlling Shareholders of Eqstra or of the Group.

At the Last Practicable Date, the following Shareholders, other than Directors, held direct and indirect beneficial interests of more than 5% in the issued capital of Eqstra:

Shareholders	Number of Shares	Percentage of issued Shares
Beneficial Shareholders (direct)		
Protea Asset Management	53 037 120	13.08
Peregrine Group	38 030 973	9.38
PSG	31 270 578	7.71
Fund Managers (indirect)		
Protea Asset Management	53 037 120	13.08
PSG Alphen Asset Management	35 228 472	8.69
Peregrine Capital	30 172 691	7.44
Allan Gray	23 977 377	5.91

8. LITIGATION STATEMENT

Eqstra and its subsidiaries are not aware of any legal or arbitration proceedings, (including such proceedings which are pending or threatened) which may have or have had in the recent past, being the previous 12 months, a material effect on Eqstra Group's financial position.

9. MATERIAL CHANGES

The Contract termination will have a substantial impact on the MCC business when comparing year-on-year revenue and profit as disclosed in December discontinued operations. Continuing operations will not be effected. The proceeds from the disposal as stated in paragraph 3 will reduce the loan balances.

Other than the above, there have been no material changes in the financial or trading position of Eqstra and the Group since the publication by Eqstra of its interim results for the period ended 31 December 2015 and the Last Practicable Date.

10. MATERIAL CONTRACTS

No material contracts were entered into by Eqstra and its subsidiaries during the two years preceding the date of this Circular or entered into at any time containing an obligation or settlement that is material to Eqstra Group as at the Last Practicable Date.

Service contracts with the Executive Directors of Eqstra as well as the Company Secretary were concluded with terms and conditions that are standard for such appointments and contain normal terms of employment. The service contracts are available for inspection as detailed in paragraph 18. There are no service contracts in place in respect of Non-Executive Directors of Eqstra.

11. MATERIAL LOANS

The proceeds of the proposed sale of the Excess Assets would enhance the Group's cash liquidity position. Proceeds arising as a result of the implementation of the Disposal will be utilised to repay material loans owing by Eqstra as set out in the 2015 Annual Report.

Eqstra through its subsidiary Eqstra Corporation Limited entered into a Common Terms Agreement with various banks in 2008 that determine the terms of the loans. Loans are entered into to meet the requirements of the group and utilised based on group capital requirements. Each bank then negotiate separately the rates of the various facilities. Major subsidiaries of Eqstra form part of the guarantee structure. The loans as at 31 December 2015 are mostly unsecured, except in the United Kingdom and Mozambique (which are secured by their own in country assets). None of the loans have conversion or redemption rights.

Funding facilities (R' million)		Facility size	Utilised	Headroom
South African bank debt	General banking facility	900	710	190
	Liquidity facility	1 000	820	180
	Term facility	2 628	2 628	
Botswana bank debt	General banking facility	28		28
	Term facility	263	263	
ECE backed debt	US Ex-Im and Coface	136	136	
Total		4 955	4 557	398
South African non-bank debt	Bond	Maturity date	1 853	
	Commercial paper	22 Mar 2016	100	
	EQS09	29 Nov 2016	100	
	EQS05	25 Apr 2017	900	
	EQS06	09 Apr 2018	340	
	EQS07	09 Apr 2018	106	
	EQS08A	04 Oct 2018	Amortising	279
Botswana non-bank debt	Private placement	05 Sep 2018	28	
Total CMA funding			6 410	398
Rest of World		1 731	1 394	337
Total funding			7 804	735
Cash and cash equivalent			(433)	433
Net funding			7 371	1 168

Interest rate analysis	Notes	31 December 2015		30 June 2015	
		Effective rates %	Analysis of debt Rm	Effective rates %	Analysis of debt Rm
<i>Fixed</i>					
– Secured loans	(1)	5.36%	259	5.36%	327
– Unsecured loans					
– Bonds		–	–	12.92%	50
<i>Variable linked</i>					
– Capitalised finance leases					–
– Secured loans	(2)	2.9% – 6.08%	1 113	2.9% – 6.08%	890
– Unsecured loans	(3)	6% – 9.48%	3 841	6% – 9.48%	3 891
– Unsecured short-term, call borrowings and bank overdrafts	(4)	6.6% – 23.5%	738	6.6% – 23.5%	180
– Bonds	(5)	8.11% – 11.13%	1 853	8.11% – 11.13%	2 181
			7 804		7 519

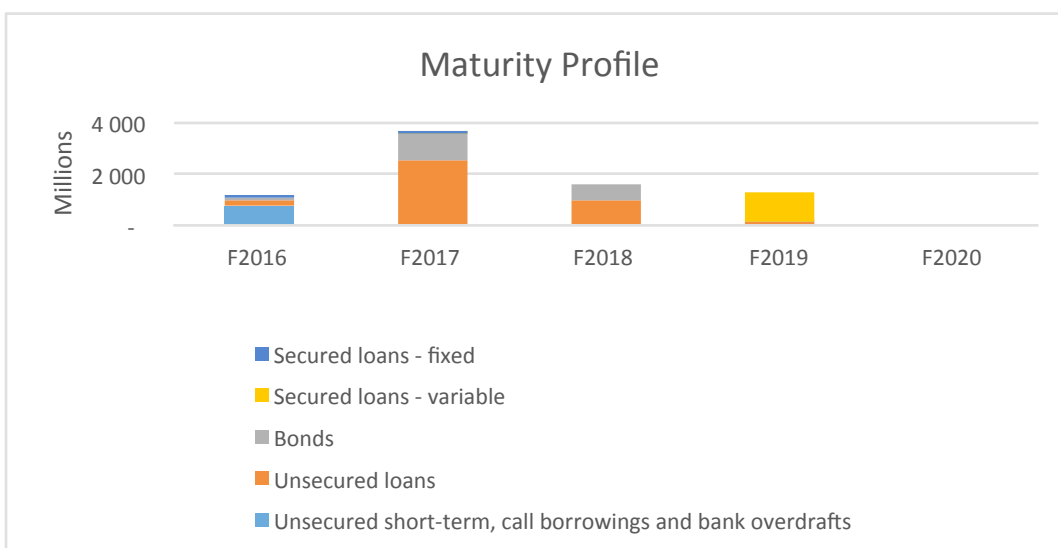
- (1) Comprises CAT Finance loan in Mozambique. Proceeds from the sale of Benga Excess Assets will be used to repay this debt. The loan is secured by the leasing assets in Mozambique.
- (2) Comprises secured loan in the United Kingdom (HSBC) and Mozambique (RMB). The loan is secured by the leasing assets in the United Kingdom and non-Benga Mozambique plant hire assets, hence these will not be repaid from the proceeds from the sale of the Benga assets.

- (3) Represents unsecured loans South Africa (with ABSA, Nedbank, RMB, Standard Bank, Standard Chartered and HSBC), Zambia (Stanbic) and Botswana (Momentum). Proceeds from the sale of Excess Assets will be used to repay SA debt.
- (4) Represents call accounts in South Africa (with ABSA, Nedbank, RMB, Standard Bank, Standard bank Swaziland and HSBC) and Botswana (FNB). Proceeds from the sale of Excess Assets will be used to repay SA debt.
- (5) Represents unsecured listed bonds. (Refer below)

December 2015 SA Bond debt – unsecured and listed

South African non-bank debt	Bond	Maturity date	Interest rates	1 753
	EQS09	29 Nov 2016	9.0%	100
	EQS05	25 Apr 2017	9.99%	900
	EQS06	09 Apr 2018	9.78%	340
	EQS07	09 Apr 2018	8.655%	106
	EQS08A	04 Oct 2018	9.233%	279
Botswana non-bank debt	Private placement	05 Sep 2018	4%	28

The group has entered into a refinancing programme with its various Banks to smooth and extend its funding profile. The amount, terms and conditions and rates are being negotiated. The current repayment profile before finalisation of the refinancing package is as follows:



Both MCC Contracts and MCC Plant Hire are guarantors to this funding structure. All proceeds from the sales of Local Excess Assets will be utilised to repay RSA bank debt and proceeds from the sales of Benga Excess Assets will be utilised to repay Rest of World Funding. These liabilities were disclosed as liabilities associated to assets held for sale, refer to Annexure 1.

12. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors whose names appear in paragraph 5 of this Circular collectively, and individually, accept full responsibility for the accuracy of the information given in this Circular and certify that to the best of their knowledge and belief that there are no facts that have been omitted in this Circular that would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that the Circular contains all information required by the Listings Requirements.

13. EXPENSES

The estimated costs of concluding and implementing the Disposal are approximately R1 119 000 (costs are exclusive of VAT) and include the following:

Nature of fee and payable to	Amount (R)
Transaction Sponsor – Deloitte & Touche Sponsor Services Proprietary Limited	420 000
Legal Advisor – Werksmans	130 000
Independent Reporting Accountants and Auditors – Deloitte & Touche	225 000
JSE documentation inspection fees	42 000
Other (Strate, CIPC, postage, etc.)	110 000
Estimated printing and publishing	167 000
Total	1 119 000

Eqstra has not incurred any other preliminary expenses within the three years preceding the date of this Circular.

14. WORKING CAPITAL STATEMENT

The Board is of the opinion that, for a period of 12 months subsequent to the date of this Circular taking into consideration the current position and the effects of the Disposal:

- the Group will in the ordinary course of business be able to pay its debts;
- the assets of the Group fairly valued, will be in excess of its liabilities;
- for this purpose the assets and liabilities are recognised and measured in accordance with the accounting policies applied to the latest audited financial results;
- the Share capital and reserves of the Group will be adequate for ordinary business purposes; and
- the working capital of the Group will be adequate for ordinary business purposes.

15. CONSENTS

Each of the advisors set out in the “Corporate Information and Advisors” section of this Circular have provided their written consent to act in the capacity stated and to their names being used in this Circular and, in the case of Deloitte & Touche, reference to their reports in the format and context in which they appear in this Circular and have not withdrawn such consents prior to the publication of this Circular.

16. OPINIONS AND RECOMMENDATION OF THE DIRECTORS

The Directors having carefully considered the rationale for and terms and conditions of the Disposal, and are unanimously of the opinion that the terms and conditions of the Disposal are fair and reasonable to the Shareholders, are beneficial for Eqstra and in the best interest of the Shareholders and accordingly recommend that Shareholders vote in favour of all resolutions to be considered at the General Meeting. The Directors who hold Shares intend voting in favour of the relevant resolutions.

17. GENERAL MEETING AND ACTION REQUIRED

The General Meeting of Eqstra Shareholders will be held at Eqstra’s registered office, 61 Maple Street, Pomona, Kempton Park, 1619 at 10:00 on Monday, 11 July 2016 to consider, and if deemed fit, to pass, with or without modification, the Resolutions required to implement the Disposal. A notice convening such General Meeting is attached to, and forms part of this Circular. Eqstra Shareholders are referred to the Notice of General Meeting for details on the Resolutions to be proposed at the General Meeting and to page 2 of this Circular stipulating the action required by Shareholders for information on the procedure to be followed by Shareholders in order to exercise their votes at the General Meeting.

For the avoidance of doubt, Shareholders are advised to carefully read the section titled “Action Required by Shareholders” commencing on page 2 of this Circular.

18. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours on Business Days at the registered offices of Eqstra, from the issue date of this Circular until and inclusive of Monday, 11 July 2016:

- the MOI of Eqstra and its major subsidiaries;
- the audited annual financial statements of Eqstra and the historical financial information of Excess Assets and the Net Asset Values and Costs financial information of the Local Excess Assets for the three financial years ended 30 June 2015, 30 June 2014 and 30 June 2013, as well as the unaudited interim results for the period ended 31 December 2015;
- all the signed Independent Reporting Accountants’ reports;
- the signed consents referred to in paragraph 15;
- the service agreements of Executive Directors; and
- a signed copy of this Circular.

Signed in Kempton Park by Jan Lodewyk Serfontein in his capacity as a Director of Eqstra and Chief Executive Officer and on behalf of all of the other Directors of Eqstra, he being duly authorised thereto in terms of Board resolutions granted to him by all other Directors of Eqstra.

10 June 2016



Jan Lodewyk Serfontein
Chief Executive Officer

ANNEXURE 1 – HISTORICAL FINANCIAL INFORMATION OF THE BENGA EXCESS ASSETS FOR THE FINANCIAL YEARS ENDED 30 JUNE 2015, 2014 AND 2013 AND SIX MONTHS ENDED 31 DECEMBER 2015

INTRODUCTION AND BASIS OF PREPARATION

The geographic financial information below has been extracted from the audited segmental reports for the years ended 30 June 2015, 2014, 2013 and the published segmental report for the six months ended 31 December 2015 and indicates the portion relating to the Benga Coal Project Mining Contract included in the Rest of World segment as disclosed under Contract Mining and Plant Rental division. The Benga Excess Assets form part of the Rest of World segment. This information was extracted from the underlying financial records utilised to compile the Eqstra group financial statements.

The historical financial information of the Benga Excess Assets is the responsibility of the Directors. The historical information has been prepared in accordance with IFRS and in terms of the company's current accounting policies. Deloitte & Touche is the auditor to Eqstra and has reported without qualification on the audited statutory financial statements of Eqstra for the three years ended 30 June 2015, 2014 and 2013. Full accounting policies can be found in the integrated report of Eqstra for the financial year ended 30 June 2015 on website: www.eqstra.co.za.

The guidance set out in International Standard on Auditing (ISA) 805: Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement were followed as part of Deloitte & Touche's audit procedures in respect of the Historical Financial Information of the Benga Excess Assets for the year ended 30 June 2015.

The guidance set out in the International Standard on Review Engagements (ISRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" were followed as part of Deloitte & Touche's review procedures in respect of the Historical Financial Information of the Benga Excess Assets for the years ended 30 June 2014 and 30 June 2013 and for the six months ended 31 December 2015.

GENERAL COMMENTARY

Nature of assets

The Benga Excess Assets, being excess and under utilised mining equipment held in EML, forming part of the total Excess Assets held by Eqstra.

Subsequent financial information

There has been no other financial information made available to holders of securities subsequent to the latest published financial interim period.

General review

Since termination of the Contract with effect from 31 December 2015, the mining operations ceased, and the Benga Excess Assets were impaired and recorded as assets held for sale amounting to ZAR782.0 million, as at 31 December 2015.

As no Shares are being sold, no financial statistics (e.g net asset value, net tangible asset value, earnings and headline earnings per Share) have been presented.

During the period 30 June 2013 to 31 December 2015, these assets continued to generate revenue and contributed to the profitability of the EML operations.

Subsequent events

Other than as set out above, there has been no other material fact or circumstance that has occurred between the end of the latest financial period and the date of this Circular.

Extracts from published segmental reports

FINANCIAL INFORMATION – SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Contract Mining and Plant Rental		Contract Mining and Plant Rental		Contract Mining and Plant Rental		Contract Mining and Plant Rental	
	Group	Rental	Group	Rental	Group	Rental	Group	Rental
	30 Jun 2013	30 Jun 2013	30 Jun 2014	30 Jun 2014	30 Jun 2015	30 Jun 2015	31 Dec 2015	31 Dec 2015
	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm
Notes	Note 1,2	Note 1,2	Note 1,2	Note 1,2	Note 1,2	Note 1,2	Note 1,2	Note 1,3
GEOGRAPHIC SEGMENTATION								
Operating assets	12 937	5 689	13 697	5 594	13 580	5 686	12 920	4 887
– South Africa	10 287	4 065	10 586	3 973	9 938	3 649	10 081	3 873
– Rest of World	2 650	1 624	3 111	1 621	3 642	2 037	2 839	1 014
Trade and other payables and derivatives	1 656	622	1 667	592	1 782	697	1 949	689
– South Africa	1 425	502	1 327	436	1 339	441	1 291	347
– Rest of World	231	120	340	156	443	266	658	342
Interest-bearing borrowings	7 597	3 312	7 976	3 300	7 519	2 990	7 545	2 881
– South Africa	6 017	2 441	6 280	2 631	5 932	2 385	6 073	2 498
– Rest of World	6 1 580	871	1 696	669	1 587	697	1 472	383
Net capital expenditure	2 835	702	3 130	752	2 520	521	1 154	318
– South Africa	2 472	548	2 717	724	1 767	226	888	278
– Rest of World	363	154	413	28	753	341	266	40
		Note 4		Note 4		Note 4		Note 4,5
Operating assets – Benga		1 474		1 413		1 454		428
Trade and other payables and derivatives – Benga		106		133		178		246
Interest-bearing borrowings – Benga		730		573		540		–
Net capital expenditure – Benga		118		7		46		20

FINANCIAL INFORMATION – SUMMARISED CONSOLIDATED INCOME STATEMENT

	Contract Mining and Plant Rental		Contract Mining and Plant Rental		Contract Mining and Plant Rental		Contract Mining and Plant Rental	
	Group	Rental	Group	Rental	Group	Rental	Group	Rental
	30 Jun 2013	30 Jun 2013	30 Jun 2014	30 Jun 2014	30 Jun 2015	30 Jun 2015	31 Dec 2015	31 Dec 2015
	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm
Notes	Note 1,2	Note 1,2	Note 1,2	Note 1,2	Note 1,2	Note 1,2	Note 1,2	Note 1,3
GEOGRAPHIC SEGMENTATION								
Revenue	9 089	4 223	9 978	4 515	9 463	4 094	4 113	1 651
– South Africa	7 537	3 364	7 999	3 490	7 038	2 740	3 185	1 329
– Rest of World	1 552	859	1 979	1 025	2 425	1 354	928	322
Operating profit	1 038	473	938	239	1 037	308	436	76
– South Africa	827	312	589	(22)	725	91	350	46
– Rest of World	211	161	349	261	312	217	86	30
Net finance costs	541	273	603	263	653	261	300	133
– South Africa	468	221	520	211	555	200	264	117
– Rest of World	73	52	83	52	98	61	36	16
		Note 4		Note 4		Note 4		Note 4,5
Revenue – Benga		737		864		918		–
Operating Profit – Benga		136		235		152		–
Net finance costs – Benga		50		50		38		–

Notes:

1. The results presented for 2013, 2014 and 2015 are prepared in terms of the principals of International Financial Reporting Standards.
2. The results for the 12 months ended 30 June 2013, 2014 and 2015 have been audited.
3. The segmental results for the six months ended 31 December 2015 have been reviewed.
4. This Mozambique information was extracted from the underlying financial records utilised to compile the Eqstra group financial statements.
5. At 31 October 2015, the Benga leasing assets and property were reclassified in terms of IFRS 5 non-current assets held for sale and discontinued operations and measured at the fair value less costs to sell of ZAR782 million. In terms of IFRS 5 depreciation ceased as of this date. Liabilities comprising tax liabilities of ZAR133 million and interest-bearing debt of R273 million were also reclassified as liabilities associated with assets held for sale.
6. Interest bearing debt represents debt external to the group.

The information below relating to the Benga Excess Assets has been prepared so as to present the relevant Benga Excess Assets, property and related liabilities and related depreciation. The information has been extracted for the underlying financial records utilised to compile the Eqstra group financial statements.

HISTORICAL FINANCIAL INFORMATION OF BENGA EXCESS ASSETS

		30 June 2013 Rm	30 June 2014 Rm	30 June 2015 Rm	31 December 2015 Rm
	Notes	Note 1,2	Note 1,2	Note 1,2	Note 1,3,4
Depreciation	5	182	205	246	71
<i>Exchange rate</i>	5	8.78	10.32	11.43	13.14
Interest expense	6	50	50	38	12
<i>Exchange rate</i>	6	8.82	10.36	11.34	13.60
Impairment	7	–	–	–	449
<i>Exchange rate</i>		–	–	–	13.50
Property	8	34	36	39	–
Leasing assets	4	1 173	1 039	988	–
• Cost		1 511	1 568	1 824	–
• Accumulated depreciation		(338)	(529)	(836)	–
Assets held for sale	7	–	–	–	782
Interest bearing borrowings	9	730	573	540	–
Liabilities associated with assets held for sale	7	–	–	–	406
<i>Exchange rate</i>		9.93	10.63	12.14	15.64

Notes:

- The results presented for 2013, 2014 and 2015 are prepared in terms of the principals of International Financial Reporting Standards. These results were included in the Rest of World geographical segment report under the Contract Mining and Plant Rental division of Eqstra Holdings Limited.
- The results for the 12 months ended 30 June 2013, 2014 and 2015 have been audited.
- The segmental results for the six months ended 31 December 2015 have been reviewed.
- Benga Excess Assets extracted from the statement of financial position converted at the applicable spot exchange rate stated.
- Depreciation extracted from the statement of comprehensive income from operations attributable to the Benga Coal Mine in Mozambique converted at the applicable average exchange rate stated. Leasing assets are depreciated on an hourly basis in line with production.
- Interest is paid on debt external to the group, which was classified as liabilities associated with assets held for sale at 31 December 2015. The amounts were previously included as of the "Net finance costs" in the geographical segment results as part of Rest of World being 31 December 2015 – R16 million, 30 June 2015 – R62 million, 30 June 2014 – R52 million and 30 June 2013 – R52 million.
- At 31 October 2015, the leasing assets and property were reclassified in terms of IFRS 5 non-current assets held for sale and discontinued operations and measured at the fair value less costs to sell of ZAR782 million. In terms of IFRS 5 depreciation ceased as of this date. Liabilities comprising tax liabilities of ZAR147 million and interest bearing debt of ZAR259 million were also reclassified as liabilities associated with assets held for sale. An impairment of R449 million was recognised.
- Represents Zambia Road Estate property converted at the applicable spot exchange rate stated. Property is held at cost.
- Interest-bearing debt represents debt external to the group.

Notes:

	31 December 2015 Rm	30 June 2015 Rm	30 June 2014 Rm	30 June 2013 Rm
Assets classified as held for sale				
<i>Leasing assets</i>	782	–	–	–
The leasing assets classified as held for sale comprise assets from the Benga discontinued operation amounting to R782 million in the Contract Mining and Plant Rental division which have been earmarked for sale				
Impairment of assets				
<i>Discontinued operations</i>	449		–	–
During the year, the group performed a review of the recoverable amount of the leasing assets, equipment and property of the Benga operations assets in the Contract Mining and Plant Rental division. The review led to the impairment of R449 million, which has been recognised in profit and loss. (Level 2 valuation: valuations based on observable inputs)				
The impairment relates to specific assets which were written down to their fair-value less costs-to-sell. The fair-value less costs-to-sell valuation was done based on recent market prices of the assets with similar age and obsolescence				
Discontinued operations				
Operations in Mozambique have also ceased with the termination of the Benga contract. Non-current leasing assets of R782 million have been included as assets held for sale and the associated interest-bearing liabilities and taxation liabilities of R406 million also separately disclosed.				

Note: The assets were impaired and classified as held for sale and the operations classified as discontinued operations in the 31 December 2015 interim period, thus the comparative values are nil.

Notes on Benga Excess Assets:

1. PROPERTY, PLANT AND EQUIPMENT

	Cost Rm	Accumulated depreciation and impairment Rm	Net book value Rm
30 June 2013			
Property	34	–	34
	34	–	34
30 June 2014			
Property	39	(3)	36
	39	(3)	36
30 June 2015			
Property	45	(6)	39
	45	(6)	39
31 December 2015			
Property	60	(60)	–
	60	(60)	–

Reconciliation

	30 June 2013 Rm	30 June 2014 Rm	30 June 2015 Rm	31 December 2015 Rm
Property				
Opening balance	32	34	36	39
Additions – external	2	3	1	1
Impairment	–	–	–	(42)
Depreciation	–	(3)	(3)	(1)
Translation*	(2)	(2)	5	3
Closing balance	34	36	39	–

* The translation arose from conversion of the Benga results from its reporting currency to ZAR.

The estimated useful lives for the current year were as follows:

Property	20 years
Equipment and machinery	4–10 years
Motor vehicles	4 years
Furniture	5 years

All property, plant and equipment are considered by the Directors to be stated at their market and fair values.

2. LEASING ASSETS

	Cost Rm	Accumulated depreciation and impairment Rm	Net book value Rm
30 June 2013			
Leasing assets owned	1 512	(338)	1 174
	1 512	(338)	1 174
30 June 2014			
Leasing assets owned	1 569	(530)	1 039
	1 569	(530)	1 039
30 June 2015			
Leasing assets owned	1 826	(836)	990
	1 826	(836)	990
31 December 2015			
Leasing assets owned	2 374	(1 592)	782
	2 374	(1 592)	782

Reconciliation

	30 June 2013 Rm	30 June 2014 Rm	30 June 2015 Rm	31 December 2015 Rm
Opening balance	1 266	1 174	1 039	990
Additions – replacement	139	–	49	24
Disposals	(32)	(18)	–	–
Depreciation	(176)	(194)	(232)	(67)
Impairment	–	–	–	(407)
Translation*	(182)	(202)	(243)	(70)
Closing balance	1 174	1 039	990	782

* The translation arose from conversion of the Benga results from its reporting currency to ZAR.

The estimated useful lives for the current year were as follows:

Excavators, dump trucks, dozers, loaders, water trucks and graders 5 – 10 years

All leasing assets are considered by the Directors to be stated at their market and fair values.

The book value of leasing assets serve as security for the Caterpillar loan.

At 31 October 2015, the leasing assets and property were reclassified in terms of IFRS 5 non-current assets held for sale and discontinued operations and measured at the fair value less costs to sell of ZAR782 million.

3. BANK BORROWINGS

	30 June 2014	30 June 2014	30 June 2015	31 December 2015
Non-current				
CAT Finance loan (Note 3.1)	49	290	59	–
	49	290	59	–
Current				
CAT Finance loan (Note 3.1)	217	241	268	259
	217	241	268	259

3.1 CAT Finance loan

The facility amount was USD110 000 000 and the lender is Caterpillar Financial Services Corporation from the United States of America.

The loan inception date was 25 January 2011 and the total amount of tranches drawn down by 30 June 2014 is USD108 517 499. Each drawdown bears interest at a fixed rate calculated based on the five year interest rate swap plus a margin.

An up front fee of 1.5% (USD1 650 000) was paid on the total facility amount of USD110 000 000.

Each drawdown is repayable on a quarterly basis over five years in 20 equal installments. The last repayment date is 5 May 2017.

The financed assets are the main security for the loan.

ANNEXURE 2 – INDEPENDENT REPORTING ACCOUNTANTS’ REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF THE BENGA EXCESS ASSETS FOR THE YEARS ENDED 30 JUNE 2015, 2014 AND 2013

3 June 2016

The Directors
Eqstra Holdings Limited
61 Maple Street, Pomona
Kempton Park
1619

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS’ REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF THE BENGA EXCESS ASSETS FOR THE YEARS ENDED 30 JUNE 2015, 2014 AND 2013

The definitions commencing on page 5 of the Circular to which this letter is attached apply *mutatis mutandis* to this report.

At your request, and for the purposes of the Circular, we have audited the Historical Financial Information of the Benga Excess Assets for the year ended 30 June 2015 set out in Annexure 1 of the Circular (“2015 Historical Financial Information”). We have also reviewed the Historical Financial Information of the Benga Excess Assets in respect of the years ended 30 June 2014 and 30 June 2013, as set out in Annexure 1 (“2014 and 2013 Historical Financial Information”). These comprise the Summarised Consolidated Statement of Financial Position, Geographic Segmentation, Summarised Consolidated Income Statement, Assumptions and other explanatory notes (“the Historical Financial Information”).

These have been prepared in accordance with the basis of preparation as presented in Annexure 1 to this Circular, prepared with the specific purpose to meet paragraph 8.2 of the JSE Limited Listings Requirements.

Responsibility of the Directors

The Directors are responsible for the compilation, contents and preparation of the Circular, including the Historical Financial Information, in accordance with the Listings Requirements, and for such internal control as the Directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement whether due to fraud or error.

Responsibility of the Independent Reporting Accountant

Our responsibility is to express an opinion on the 2015 Historical Financial Information based on our audit. We conducted our audit of the 2015 Historical Financial Information in accordance with International Standards on Auditing (ISA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 2015 Historical Financial Information is free from material misstatement.

Our responsibility is further to express review conclusions on the 2014 and 2013 Historical Financial Information, based on our reviews. We conducted our reviews in accordance with International Standard on Review Engagements (ISRE) 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” (ISRE 2410). Those standards require that we comply with ethical requirements.

Scope of audit

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the 2015 Historical Financial Information of the Benga Excess Assets. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the Historical Financial Information of the Benga Excess Assets for the year ended 30 June 2015, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the Historical Financial Information of the Benga Excess Assets for the year ended 30 June 2015 in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the 2015 Historical Financial Information.

We believe that the evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Scope of review

A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the 2014 and 2013 Historical Financial Information is not prepared, in all material respects, in accordance with the applicable financial reporting framework. A review is substantially less in scope than an audit conducted in accordance with the ISAs and consequently does not enable the auditor to obtain assurance that the auditor would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We believe that the evidence we have obtained in our review is sufficient and appropriate to provide a basis for our conclusion.

Opinion

In our opinion, the Historical Financial Information of the Benga Excess Assets for the year ended 30 June 2015, as set out in Annexure 1 to the Circular, are prepared, in all material respects, for the purpose of the Circular, in accordance with the basis of preparation paragraph included in Annexure 1 to the Circular and in accordance with the requirements of the JSE Limited Listings Requirements.

Conclusion

Based on our reviews of the 2014 and 2013 Historical Financial Information of the Benga Excess Assets, nothing has come to our attention that causes us to believe that the 2014 and 2013 Historical Financial Information of the Benga Excess Assets is not prepared, in all material respects, in accordance with the basis of preparation paragraph included in Annexure 1 to the Circular and in accordance with the requirements of the JSE Limited Listings Requirements.

Basis of accounting

Without modifying our opinion and conclusion, we draw attention to the Notes to the Historical Financial Information of the Benga Excess Assets in Annexure 1, which describe the basis of accounting. We also draw attention to the fact that this Historical Financial Information has been prepared specifically to meet the requirements of the Listings Requirements for the Circular to Shareholders and may not be suitable for another purpose.

Deloitte & Touche
Registered Auditors

Per M Rayfield

Partner

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20 Woodlands Drive
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ANNEXURE 3 – INDEPENDENT REPORTING ACCOUNTANTS’ REPORT ON THE INTERIM HISTORICAL FINANCIAL INFORMATION OF THE BENGA EXCESS ASSETS FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

3 June 2016

The Directors
Eqstra Holdings Limited
61 Maple Street, Pomona
Kempton Park
1619

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS’ REPORT ON THE INTERIM HISTORICAL FINANCIAL INFORMATION OF THE BENGA EXCESS ASSETS FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

Introduction

The definitions commencing on page 5 of the Circular to which this letter is attached apply *mutatis mutandis* to this report.

At your request, and for the purposes of the Circular, we have reviewed the interim historical financial information of the Benga Excess Assets for the six months ended 31 December 2015 which comprises the Condensed Consolidated Statement of Financial Position, Geographic Segmentation, Condensed Consolidated Income Statement, Assumptions, a summary of significant accounting policies and other explanatory notes (“the Interim Historical Financial Information”).

Responsibility of the Directors

The Directors are responsible for the compilation, contents and preparation of the Report of Interim Historical Financial Information in accordance with the relevant International Financial Reporting Standards and the JSE Listing Requirements.

Responsibility of the Independent Reporting Accountants

Our responsibility is to express a review conclusion on the Interim Historical Financial Information based on our review for the six months ended 31 December 2015, in accordance with International Standards on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity (ISRE 2410)”.

We conducted our review of the Interim Historical Financial Information in accordance with ISRE 2410. A review of Interim Financial Information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the Interim Historical Financial Information.

Conclusion on the Interim Historical Financial Information

Based on our review, nothing has come to our attention that causes us to believe that the Interim Historical Financial Information included in the Circular is not prepared, in all material respects, in accordance with relevant International Financial Reporting Standards and in accordance with the requirements of the JSE Limited Listings Requirements.

Deloitte & Touche

Registered Auditors

Per M Rayfield

Partner

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ANNEXURE 4 – NET ASSET VALUES AND EXCESS COSTS FINANCIAL INFORMATION OF THE LOCAL EXCESS ASSETS FOR THE FINANCIAL YEARS ENDED 30 JUNE 2015, 2014 AND 2013 AND THE SIX MONTHS ENDED 31 DECEMBER 2015

NET ASSET VALUES AND EXCESS COSTS OF THE LOCAL EXCESS ASSETS

	Notes	30 June 2013 Note 1,2,10 Rm	30 June 2014 Note 1,2 Rm	30 June 2015 Note 1,2,4 Rm	31 December 2015 Note 1,3,5 Rm
Net asset value (before impairment)	6	1 342	1 339	1 131	365
– Cost		2 209	2 209	2 209	2 209
– Accumulated depreciation		(867)	(870)	(981)	(1 011)
– Accumulated impairment		–	–	(97)	(833)
Excess costs	7	134	12	206	96
– Depreciation	8,9	134	3	111	30
– Interest costs		–	–	52	34
– Holding costs		–	9	43	32
Impairment		–	–	97	736

Notes:

1. The results presented for 2013, 2014 and 2015 are prepared in terms of the principals of International Financial Reporting Standards.
2. The results for the 12 months ended 30 June 2013 and 2014 have been reviewed and 2015 have been audited.
3. The results for the six months ended 31 December 2015 have been reviewed.
4. Impairment recognised as at 30 June 2015 based on IAS 36 Impairment of Assets to record the Excess Assets at the recoverable amount being value-in-use.
5. As at 31 December 2015, the leasing assets were reclassified in terms of IFRS 5 non-current assets held for sale and discontinued operations and measured at the fair value less costs to sell of ZAR365 million.
6. The data was extracted from the Excess Asset list of Contract Mining and Plant Rental divisions.
7. Excess costs represent depreciation, interest and holding costs related to the Excess Assets.
8. Leasing assets are depreciated on an hourly basis in line with production.
9. Depreciation of 2% per month was applied to assets which were idle for a period exceeding 12 months.
10. The assets were fully utilised in June 2013 period and hence not classified as Excess Assets. The depreciation for 2013 is significantly higher as these assets were depreciated on an hourly basis at full utilisation.

The table below represents the historical information relating to the Local Excess Assets. The information has been extracted from the underlying financial records utilised to compile the Eqstra group financial statements. A complete income statement is not shown as the Excess Assets historically formed part of several projects which terminated. The relevant items relating to the transactions are disclosed below.

Basis of preparation

The Net Asset Values financial information of the Local Excess Assets is the responsibility of the Directors. The financial information has been prepared in accordance with IFRS and in terms of the company's current accounting policies. Deloitte & Touche is the auditor to Eqstra and has reported without qualification on the audited statutory financial statements of Eqstra for the three years ended 30 June 2015, 2014 and 2013 as well as the interim period 31 December 2015. Full accounting policies can be found in the integrated report of Eqstra for the financial year ended 30 June 2015 on website: www.eqstra.co.za.

The guidance set out in International Standard on Auditing (ISA) 805: Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement were followed as part of Deloitte & Touche's audit procedures in respect of the Net Asset Values financial information of the Local Excess Assets for the financial year ended 30 June 2015.

The guidance set out in the International Standard on Review Engagements (ISRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" was followed as part of Deloitte & Touche's review procedures in respect of the Net Asset Values financial information of the Local Excess Assets for the financial years ended 30 June 2014 and 30 June 2013 and for the six months ended 31 December 2015.

General Commentary

Nature of assets

Excess Assets comprise the Local Excess Assets being excess and under utilised mining equipment held in the Contract Mining and Plant Rental division.

Subsequent financial information

There has been no other financial information made available to holders of securities subsequent to the latest published financial interim period.

General review

The assets which became excess after termination of various contracts during the 2014 financial period, have been identified as excess and under utilised and were impaired as at 30 June 2015 by R97 million and 31 December 2015 by R736 million. These assets have not generated revenue and have incurred interest and holding costs. All assets were actively employed during the 2013 financial period and were thus not classified as Excess Assets.

Subsequent events

Other than as set out above, there has been no other material fact or circumstance that has occurred between the end of the latest financial period and the date of this Circular.

Notes:	31 December 2015 Rm	30 June 2015 Rm	30 June 2014 Rm	30 June 2013 Rm
Assets classified as held for sale				
<i>Leasing assets</i>	1 181	–	–	–

The leasing assets classified as held for sale comprise leasing assets of R365 million in the Contract Mining and Plant Rental division which have been earmarked for sale

	31 December 2015 Rm	31 December 2015 Rm	30 June 2014 Rm	30 June 2013 Rm
Impairment of assets				
<i>Continuing operations</i>	736	–	97	–

During the period, the group performed a review of the market conditions and underutilised leasing assets in the Contract Mining and Plant Rental division. The review led to an impairment of R736 million (30 June 2015: R97 million) being recorded, which has been recognised in profit and loss from continued operations. The R736 million relates to specific leasing assets which have been written down to their estimated fair-value less costs-to-sell, being their current market values.

Extracted from 30 June 2015 annual financial statements

During the year, the group performed a review of the recoverable amount of the unutilised assets in the South African Contract Mining and Plant Rental operations. The review led to the impairment of R97 million, which has been recognised in profit and loss. (Level 2 valuation: valuations based on observable inputs.

Of the R97 million, R47 million relates to specific assets which were written down to their fair-value less costs-to-sell, being their scrap values. The remaining R50 million impairment was accounted for to write down the assets to their fair-value less costs-to-sell. In determining the fair-value less costs-to-sell, a valuation was obtained from an independent industry valuer, not related to the group. The valuation was done based on recent market prices of the assets with similar age and obsolescence.

ANNEXURE 5 – INDEPENDENT REPORTING ACCOUNTANTS’ REPORT ON THE NET ASSET VALUES AND EXCESS COSTS FINANCIAL INFORMATION OF THE LOCAL EXCESS ASSETS FOR THE FINANCIAL YEARS ENDED 30 JUNE 2015, 2014 AND 2013

3 June 2016

The Directors
Eqstra Holdings Limited
61 Maple Street, Pomona
Kempton Park
1619

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS’ REPORT ON THE NET ASSET VALUES AND COSTS FINANCIAL INFORMATION OF THE LOCAL EXCESS ASSETS FOR THE FINANCIAL YEARS ENDED 30 JUNE 2015, 2014 AND 2013

The definitions commencing on page 5 of the Circular to which this letter is attached apply *mutatis mutandis* to this report.

At your request, and for the purposes of the Circular, we have audited the Net Asset Values and Excess Costs financial information of the Local Excess Assets for the financial year ended 30 June 2015 (“the 2015 Net Asset Values Financial Information”) set out in Annexure 4 of the Circular. We have also reviewed the Net Asset Values and Excess Costs financial information of the Local Excess Assets for the financial years ended 30 June 2014 and 30 June 2013, as set out in Annexure 4 (“2014 and 2013 Net Asset Values and Excess Costs Financial Information”). These comprise the Net Asset Values, Excess costs and other explanatory notes (“the Net Asset Values Financial Information”).

These have been prepared in accordance with the basis of preparation as presented in Annexure 4 to this Circular, prepared with the specific purpose to meet paragraph 8.2 of the JSE Limited Listings Requirements.

Responsibility of the Directors

The Directors are responsible for the compilation, contents and preparation of the Circular, including the Net Asset Values and Excess Costs Financial Information, in accordance with the JSE Limited Listings Requirements, and for such internal control as the Directors determine is necessary to enable the preparation of the Net Asset Values and Excess Costs Financial Information that is free from material misstatement whether due to fraud or error.

Responsibility of the Independent Reporting Accountant

Our responsibility is to express an opinion on the 2015 Net Asset Values and Excess Costs Financial Information based on our audit. We conducted our audit of the 2015 Net Asset Values and Excess Costs Financial Information in accordance with International Standards on Auditing (ISA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 2015 Net Asset Values and Excess Costs Financial Information is free from material misstatement.

Our responsibility is further to express review conclusions on the 2014 and 2013 Net Asset Values and Excess Costs Financial Information, based on our reviews. We conducted our reviews in accordance with International Standards on Review Engagements (ISRE) 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” (ISRE 2410). Those standards require that we comply with ethical requirements.

Scope of audit

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the 2015 Net Asset Values and Excess Costs Financial Information. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the 2015 Net Asset Values and Excess Costs Financial Information, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the 2015 Net Asset Values and Excess Costs Financial Information in order to design audit procedures that

are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the 2015 Net Asset Values and Excess Costs Financial Information.

We believe that the evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Scope of review

A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the 2014 and 2013 Net Asset Values and Excess Costs Financial Information is not prepared, in all material respects, in accordance with the applicable financial reporting framework. A review is substantially less in scope than an audit conducted in accordance with the ISAs and consequently does not enable the auditor to obtain assurance that the auditor would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We believe that the evidence we have obtained in our review is sufficient and appropriate to provide a basis for our conclusion.

Opinion

In our opinion, the 2015 Net Asset Values and Excess Costs Financial Information, as set out in Annexure 4 to the Circular, are prepared, in all material respects, for the purpose of the Circular, in accordance with the basis of preparation paragraph included in Annexure 4 to the Circular and in accordance with the requirements of the JSE Limited Listings Requirements.

Conclusion

Based on our reviews of the 2014 and 2013 Net Asset Values and Excess Costs Financial Information of the Local Excess Assets, nothing has come to our attention that causes us to believe that the 2014 and 2013 Net Asset Values and Excess Costs Financial Information is not prepared, in all material respects, in accordance with the basis of preparation paragraph included in Annexure 4 to the Circular and in accordance with the requirements of the JSE Limited Listings Requirements.

Basis of accounting

Without modifying our opinion and conclusion, we draw attention to the Notes to the Net Asset Values and Excess Costs Financial Information in Annexure 4, which describe the basis of accounting. We also draw attention to the fact that the Net Asset Values and Excess Costs Financial Information has been prepared specifically in accordance with the requirements of the JSE Limited Listings Requirements for the Circular to Shareholders and may not be suitable for another purpose.

Deloitte & Touche

Registered Auditors

Per M Rayfield

Partner

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ANNEXURE 6 – INDEPENDENT REPORTING ACCOUNTANTS’ REPORT ON THE NET ASSET VALUES AND EXCESS COSTS FINANCIAL INFORMATION OF THE LOCAL EXCESS ASSETS FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

The Directors
Eqstra Holdings Limited
61 Maple Street, Pomona
Kempton Park
1619

3 June 2016

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS’ REPORT ON THE NET ASSET VALUES AND COSTS FINANCIAL INFORMATION OF THE LOCAL EXCESS ASSETS FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

Introduction

The definitions commencing on page 5 of the Circular to which this letter is attached apply *mutatis mutandis* to this report.

At your request, and for the purposes of the Circular, we have reviewed the Net Asset Values and Excess Costs financial information of the Local Excess Assets for the six months ended 31 December 2015 which comprises the Net Asset Values, Excess costs and other explanatory notes (“the Net Asset Values and Excess Costs Financial Information”).

Responsibility of the Directors

The Directors are responsible for the compilation, contents and preparation of the Report of the Net Asset Values and Excess Costs Financial Information in accordance with the relevant International Financial Reporting Standards and the JSE Limited Listing Requirements.

Responsibility of the Independent Reporting Accountants

Our responsibility is to express a review conclusion on the Net Asset Values and Excess Costs Financial Information based on our review for the six months ended 31 December 2015, in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” (ISRE 2410).

Scope of review

We conducted our review of the Net Asset Values and Excess Costs Financial Information in accordance with ISRE 2410. A review of Interim Financial Information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the Net Asset Values and Excess Costs Financial Information.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Net Asset Values and Excess Costs Financial Information included in the Circular is not prepared, in all material respects, in accordance with relevant International Financial Reporting Standards and in accordance with the requirements of the JSE Limited Listing Requirements.

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(Private Bag X6 Gallo Manor 2052)

ANNEXURE 7 – PRO FORMA CONSOLIDATED INCOME STATEMENT AND STATEMENT OF FINANCIAL POSITION

The *pro forma* consolidated income statements for the financial periods ended 31 December 2015 and *pro forma* consolidated statements of financial position as at such dates (together, the “*pro forma* consolidated financial information”) are presented below to provide information on how the Disposal might have impacted the results and financial position of Eqstra Group. The *pro forma* financial information is presented in accordance with the Listings Requirements of the JSE, the Guide on *Pro Forma* Financial Information issued by The South African Institute of Chartered Accountants, ISAE 3420 and the measurement and recognition requirements of International Financial Reporting Standards (“IFRS”).

The *pro forma* consolidated financial information has been prepared for illustrative purposes only, in order to provide information about the financial position and results of Eqstra assuming the Transaction had been implemented at 31 December 2015 for statement of financial position purposes and with effect from 1 July 2015 for statement of comprehensive income purposes. Due to its nature, the *pro forma* consolidated financial information may not give a fair reflection of the company’s financial position subsequent to the Transaction.

The *pro forma* consolidated financial information has been presented for illustrative purposes only and, because of its nature may not fairly present Eqstra’s financial position, changes in equity, or results of operations or cash flows after the Disposal.

The compilation, contents and preparation of the *pro forma* consolidated financial information is the responsibility of the Directors of Eqstra.

The *pro forma* consolidated financial information has been prepared using accounting policies that are consistent with IFRS and with the basis on which the historical financial information has been prepared in terms of the Group’s accounting policies.

The *pro forma* consolidated financial information as set out below should be read in conjunction with the independent reporting accountants’ report set out in Annexure 8 to this Circular.

The *pro forma* consolidated income statement for the six months ended 31 December 2015 has been prepared to show the impact of the Disposal as if the Disposal were effective 1 July 2015.

Pro forma Condensed Consolidated Income Statement for the six months ended 31 December 2015

		Unaudited 31 December 2015	Excess Asset transaction		<i>Pro forma</i>
		Before the transaction Note 1 Rm	Benga Excess Assets Note 2 Rm	Local Excess Assets Note 2 Rm	After the transaction Rm
	Notes				
Continuing operations					
Revenue		4 113	–	–	4 113
Profit from operations before depreciation, amortisation and recoupments	10	1 360	(1)	13	1 372
Depreciation and amortisation	2	(928)	–	18	(910)
Recoupments		4	–	–	4
Operating profit		436	(1)	31	466
Net foreign exchange (losses) gains		(16)	–	–	(16)
Net impairment of assets	2	(736)	–	736	–
Loss on sale of asset	3	–	–	(767)	(767)
(Loss) profit before net finance costs		(316)	(1)	–	(317)
Net finance costs		(300)	7	17	(276)
Finance costs including fair value gains	4,5	(306)	7	17	(282)
Finance income		6	–	–	6
(Loss) profit before taxation		(616)	6	17	(593)
Income tax income (expense)	6,8	178	(2)	(5)	171
(Loss) profit for the period from continuing operations		(438)	4	12	(422)
Discontinued operations					
(Loss) profit for the period from discontinued operations		(684)	68	–	(616)
(Loss) profit for the period		(1 122)	72	12	(1 038)
Attributable to:					
Owners of the parent		(1 124)	72	12	(1 040)
– (Loss) profit for the period from continuing operations		(440)	4	12	(424)
– (Loss) profit for the period from discontinued operations		(684)	68	–	(616)
Non-controlling interests		2	–	–	2
(Loss) profit for the period		(1 122)	72	12	(1 038)
Cents					
(Loss) earnings per Share from continuing operations					
– Basic and diluted (loss) earnings per Share		(112.5)	1.2	3.1	(108.2)
(Loss) earnings per Share from discontinued operations					
– Basic and diluted (loss) earnings per Share		(174.9)	17.4	–	(157.5)

Pro forma Condensed Consolidated Discontinued Income Statement for the six months ended 31 December 2015

		Unaudited 31 December 2015	Excess Asset transaction	<i>Pro forma</i>	
	Notes	Before the transaction Note 1 Rm	Benga Excess Assets Note 2 Rm	Local Excess Assets Rm	After the transaction Rm
Revenue		517	(387)	–	130
Profit from operations before depreciation, amortisation	2	(1)	(66)	–	(67)
Depreciation and amortisation	2	(82)	71	–	(11)
Operating (loss) profit	2	(83)	5	–	(78)
Net foreign exchange gains	2	29	(28)	–	1
Net impairment of assets	2	(458)	449	–	(9)
Loss on sale of assets	7		(420)	–	(420)
(Loss) profit before net finance costs		(512)	6	–	(506)
Net finance costs		(16)	12	–	(4)
Finance costs	2,5	(17)	12	–	(5)
Finance income		1	–	–	1
(Loss) profit before taxation		(528)	18	–	(510)
Income tax (expense) income		(156)	50	–	(106)
(Loss) profit for the period		(684)	68	–	(616)

		Unaudited 31 December 2015	Excess Asset transaction	<i>Pro forma</i>	
		Before the transaction Note 1	Benga Excess Assets	Local Excess Assets	After the transaction
Ordinary weighted (millions)		391.16	–	–	391.16
Ordinary in issue (millions)		405.50	–	–	405.50
Earnings per Share – continuing operations (cents)		(112.5)	1.2	3.1	(108.2)
Headline earnings per Share – continuing operations (cents)		22.2	1.2	8.8	32.2
Earnings per discontinued operations (cents)		(174.9)	17.4	–	(157.5)
Headline earnings per Share – discontinued operations (cents)		(24.4)	(2.9)	–	(27.3)
Net asset value per Share (cents)		704.8	(1.5)	–	703.3
Tangible net asset value per Share (cents)		648.3	(1.5)	–	646.9

Notes:

1. Extracted from the unaudited condensed consolidated financial results of Eqstra for the six months ended 31 December 2015.
2. Represents the reversal of entries relating to the Excess Assets included in the interim financial results of Eqstra for the six months ended 31 December 2015.
3. The once-off loss on sale of Excess Asset from continued operations is calculated based on proceeds of R365 million and the net book value of the assets on 1 July 2015.
4. Sale proceeds are used to settle debt on 1 July 2015.
5. Interest saved on loan repayments is calculated at 9.5% pa, which is of a continuing nature.
6. Additional tax on discontinued operations calculated at the South African corporate tax rate of 28%.
7. The loss on sale of asset from discontinued operations is calculated based on proceeds of USD50million and the net book value of the assets on 1 July 2015. An exchange rate of USD1:R12.14 was used. Proceeds raised in Mozambique are first used to settle Mozambique debt and withholding taxes on dividends and repatriated to South Africa at a rate of USD1:R12.14 on 1 July 2015.
8. A dividend withholding tax of 8% was applied on the dividend paid from EML.
9. Assumptions used
 - a. Interest rate of 9.5% per annum.
 - b. Exchange rate of USD1:R15.637 (31 December 2015) and USD1:R12.14 (1 July 2015) was used.
10. Once-off transaction costs of R1 119 000 have been included.

Pro Forma Condensed Consolidated Statement of Financial Position as at 31 December 2015

The *pro forma* consolidated statement of financial position as at 31 December 2015 has been prepared to show the impact of the Disposal as if the Disposal was effective 31 December 2015.

Pro Forma Condensed Consolidated Statement of Financial Position as at 31 December 2015

		Unaudited 31 December 2015	Excess Asset transaction		<i>Pro forma</i>
	Notes	Before the transaction Note 1 Rm	Benga Excess Assets Note 2 Rm	Local Excess Assets Note 2 Rm	After the transaction Rm
ASSETS					
Non-current assets		8 734			8 734
Intangible assets		229	–	–	229
Property, plant and equipment		382	–	–	382
Leasing assets		8 022	–	–	8 022
Deferred tax assets		83	–	–	83
Finance lease receivables		4	–	–	4
Other investments and loans		14	–	–	14
Current assets		4 720	(782)	(365)	3 573
Finance lease receivables		4	–	–	4
Other investments and loans		89	–	–	89
Inventories		1 108	–	–	1 108
Trade and other receivables and derivatives		1 887	–	–	1 887
Taxation in advance		18	–	–	18
Cash and cash equivalents		433	–	–	433
Assets held for sale	3,4	1 181	(782)	(365)	34
Total assets		13 454	(782)	(365)	12 307
EQUITY AND LIABILITIES					
Capital and reserves					
Stated capital		1 839	–	–	1 839
Other reserves		574	–	–	574
Retained income	3	445	(6)	–	439
Equity attributable to owners of the parent	3	2 858	(6)	–	2 852
Non-controlling interests		27	–	–	27
Total equity	3	2 885	(6)	–	2 879
Non-current liabilities					
Interest-bearing borrowings		5 212	–	–	5 212
Deferred tax liabilities		607	–	–	607
Current liabilities		4 750	(776)	(365)	3 609
Current portion of interest-bearing borrowings	4	2 333	(187)	(365)	1 781
Trade and other payables, provisions and derivatives	4	1 949	(177)	–	1 772
Current tax liabilities	3	43	(6)	–	37
Liabilities directly associated with assets held for sale	4	425	(406)	–	19
Total equity and liabilities		13 454	(782)	(365)	12 307

Notes:

1. Extracted from the unaudited condensed consolidated financial results of Eqstra for the six months ended 31 December 2015.
2. Assets held for sale at 31 December 2015 assumed to have been disposed of on 31 December 2015. The disposal has been based on the impaired value as at 31 December 2015 and hence no further loss has been recognised.
3. The net proceeds from the sale of Excess Assets in Mozambique, after repayment of Mozambique debt and the equity loan with Eqstra, is subject to withholding tax at 8%.
4. Sale proceeds are used to settle debt.
5. There are no other subsequent events that require adjustments to the *pro forma* financial information.

Reconciliation of headline earnings

	Unaudited 31 December 2015	Pro forma
	Before the transaction Note 1 Rm	After the transaction Rm
Basic Earnings from continuing operations		
Basic Earnings	(440)	(423)
Impairment of leasing assets	530	–
Loss on sale of Excess Assets	–	552
Profit on sale of property, plant and equipment	(3)	(3)
	87	126
Basic Earnings from discontinued operations		
Basic Earnings	(684)	(616)
Impairment of leasing assets	588	6
Loss on sale of Excess Assets	–	497
Withholdings tax on dividends	–	6
	(96)	(107)
Basic Earnings from total operations		
Basic Earnings	(1 124)	(1 039)
Impairment of leasing assets	1 118	6
Loss on sale of Excess Assets	–	1 049
Profit on sale of property, plant and equipment	(3)	3
	(9)	19

ANNEXURE 8 – INDEPENDENT REPORTING ACCOUNTANTS’ LIMITED ASSURANCE REPORT ON THE *PRO FORMA* FINANCIAL INFORMATION

3 June 2016

The Directors
Eqstra Holdings Limited
61 Maple Street, Pomona
Kempton Park
1619

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS’ LIMITED ASSURANCE REPORT ON THE COMPILATION OF *PRO FORMA* FINANCIAL INFORMATION INCLUDED IN THE CIRCULAR TO SHAREHOLDERS

We have completed our assurance engagement to report on the compilation of *pro forma* financial information of Eqstra Holdings Limited by the Directors. The *pro forma* financial information, as set out in paragraph 6 and Annexure 7 of the Circular (“the Circular”), to be dated on or about 10 June 2016, consists of *pro forma* condensed consolidated income statement and *pro forma* condensed consolidated statement of financial position for the six months ended 31 December 2015 and related notes. The *pro forma* financial information has been compiled on the basis of the applicable criteria specified in the JSE Limited (JSE) Listings Requirements.

The *pro forma* financial information has been compiled by the Directors to illustrate the impact of the corporate action or event, described in paragraph 1 of the Circular, on the company’s financial position as at 31 December 2015, and the company’s financial performance for the period then ended, as if the corporate action or event had taken place at 1 July 2015, being the commencement date of the financial period for the purposes of the statement of comprehensive income and at 31 December 2015, being the last day of the financial period for the purposes of the statement of financial position. As part of this process, information about the company’s financial position and financial performance has been extracted by the Directors from the company’s unaudited condensed financial statements for the six months period ended 31 December 2015.

Directors’ responsibility for the *pro forma* financial information

The Directors are responsible for compiling the *pro forma* financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in paragraph 6 and Annexure 7 of the Circular.

Quality control

The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Independence and other ethical requirements

We have complied with the independence and other ethical requirements of the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code), which is consistent with Parts A and B of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Reporting Accountant’s responsibility

Our responsibility is to express an opinion about whether the *pro forma* financial information has been compiled, in all material respects, by the Directors on the basis specified in the JSE Listings Requirements based on our procedures performed. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, “Assurance Engagements to Report on the Compilation of *Pro Forma* Financial Information Included in a Prospectus” which is applicable to an engagement of this nature. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the *pro forma* financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *pro forma* financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *pro forma* financial information.

As the purpose of *pro forma* financial information included in a prospectus is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2015 would have been as presented.

A reasonable assurance engagement to report on whether the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria, involves performing procedures to assess whether the applicable criteria used in the compilation of the *pro forma* financial information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- The related *pro forma* adjustments give appropriate effect to those criteria; and
- The *pro forma* financial information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgement, having regard to our understanding of the nature of the company, the corporate action or event in respect of which the *pro forma* financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *pro forma* financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in paragraph 6 and Annexure 7 of the Circular.

Deloitte & Touche

Registered Auditors

Per M Rayfield

Partner

Deloitte Place
The Woodlands
20 Woodlands Drive
Woodmead
Sandton
2196

(Private Bag X6 Gallo Manor 2052)

ANNEXURE 9 – FORECAST HOLDING COSTS OF THE EXCESS ASSETS

The table below sets out the Forecast Holding costs for the Excess Assets for the six months ending 30 June 2016, and the years ending 30 June 2017 and 30 June 2018 and should be read in conjunction with the Reporting Accountants' reports thereon as set out in Annexure 10.

The Forecast Holding costs have been prepared in accordance with IFRS for the forecast periods. The Forecast have been prepared using the accounting policies of Eqstra. The Directors of Eqstra are responsible for the preparation of the Forecast set out in the table below.

The Forecast has been prepared on the assumption that there will be no significant circumstances which will affect the operations which are outside of the control of the Directors apart from market indicators such as foreign exchange, interest and inflation rates and financial market movements.

FORECAST HOLDING COSTS

	Notes	Forecast 6 months ending June 2016 Note 7 Rm	Forecast 12 months ending June 2017 Note 7 Rm	Forecast 12 months ending June 2018 Note 7 Rm
SA Excess Assets				
Excess costs				
• Depreciation	5	–	–	–
• Interest costs	1	18	40	44
• Holding costs	2	11	12	13
• Impairment	4,5	–	44	77
		29	96	134
Benga Assets				
Excess costs				
• Depreciation	4,5	–	–	–
• Interest	6	12	25	28
• Holding costs	2	164	177	191
• Impairment	4,5	–	94	165
		188	296	384

Notes

Assumptions – not within Directors control

- Interest on SA Excess Assets is calculated at a rate of 11% and 12% for June 2017 and June 2018 respectively on the net book value of the Excess Assets based on intergroup borrowings.
- Holding costs comprise costs related to maintenance, security and storage of the Excess Assets. Costs are escalated at a projected annual inflation of 8%.
- Exchange rate of R15.637 was used.
- Interest on Benga Assets is calculated on the loan balance of USD15 million.

Assumptions – within Directors control

- Assumed an additional consumables cost of 2% per month on Excess Assets from January 2017 (after 12 months standing).
- Interest has been calculated on the outstanding balance of the CAT finance loan.
- In terms of IFRS 5 all depreciation ceases when the assets are classified as held for sale.
- Forecast has been prepared on the basis that the Excess Assets are not sold.

ANNEXURE 10 – INDEPENDENT REPORTING ACCOUNTANTS’ LIMITED ASSURANCE REPORT ON THE FORECAST FINANCIAL INFORMATION OF THE EXCESS ASSETS

3 June 2016

The Directors
Eqstra Holdings Limited
61 Maple Street, Pomona
Kempton Park
1619

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS’ LIMITED ASSURANCE REPORT ON THE FORECAST FINANCIAL INFORMATION INCLUDED IN THE CIRCULAR TO SHAREHOLDERS

We have examined the accompanying forecast of the Excess Assets of Eqstra Holdings Limited (“the Company”) for the six months ending 30 June 2016 and for the year ending 30 June 2017 and 30 June 2018, as set out in the Circular, dated on or about 10 June 2016 regarding the proposed disposal of Excess Assets. Hereafter referred to as the “forecast”. The forecast was prepared based on the accounting policies and assumptions as disclosed in Annexure 9.

Directors’ responsibility

The Directors are responsible for the forecast, including the accounting principles and assumptions set out in Annexure 9, on which it is based, and for the financial information from which it has been prepared. This responsibility, arising from compliance with the Listings Requirements of the JSE Limited, includes determining whether the assumptions, barring unforeseen circumstances, provide a reasonable basis for the preparation of the forecast; whether the forecast has been properly compiled on the basis stated; and whether the forecast is prepared and presented on a basis consistent with the accounting policies of the Company.

Our independence, ethics and quality control

The firm applies International Standards on Quality Control 1 (ISQC 1), and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of Parts A and B of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Reporting Accountants’ responsibility

Our responsibility is to provide a limited assurance report on the forecast prepared for the purpose of complying with the Listings Requirements of the JSE Limited. We conducted our assurance engagement in accordance with the ISAE 3400: the International Standard on Assurance Engagements applicable to the Examination of Prospective Financial Information. This standard requires us to obtain sufficient appropriate evidence as to whether or not:

- Management’s best-estimate assumptions on which the forecast is based are not unreasonable and are consistent with the purpose of the information;
- The forecast information is properly prepared on the basis of the assumptions;
- The forecast information is properly presented and all material assumptions are adequately disclosed; and
- The forecast is prepared and presented on a basis consistent with the accounting policies of the company for the period concerned.

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Conclusion

Based on our examination of the evidence obtained, nothing has come to our attention that causes us to believe that:

- i. the assumptions, barring unforeseen circumstances, do not provide a reasonable basis for the preparation of the forecast;
- ii. the forecast information has not been properly compiled on the basis stated;
- iii. the forecast information has not been properly presented and all material assumptions are not adequately disclosed; and
- iv. the forecast, is not presented on a basis consistent with the accounting policies of the Company.

Actual results are likely to be different from the forecast, since anticipated events frequently do not occur as expected and the variation may be material. Accordingly no assurance is expressed regarding the achievability of the forecast.

Deloitte & Touche

Registered Auditors

Per M Rayfield

Partner

Deloitte Place
The Woodlands
20 Woodlands Drive
Woodmead
Sandton
2196

(Private Bag X6 Gallo Manor 2052)

EQSTRA HOLDINGS LIMITED

(Incorporated in South Africa)
(Registration number 1998/011672/06)
Share code: EQS ISIN: ZAE000117123
("Eqstra")

NOTICE OF GENERAL MEETING

The "Definitions and Interpretations" section, commencing on page 5 of the Circular which Circular also contains this Notice of General Meeting, apply throughout this Notice of General Meeting unless the context may so otherwise require.

Notice is hereby given that a General Meeting of Shareholders of Eqstra will be held at Eqstra 's registered office, 61 Maple Street, Pomona, Kempton Park, 1619 at 10:00 on Monday, 11 July 2016 for the purposes of considering, and, if deemed fit, passing with or without modification, the Resolutions set out below, in the manner required by the Companies Act and the Listings Requirements.

Shareholders are reminded that:

- **Shareholders may attend, speak and vote at the General Meeting in person (or, if a Shareholder is a company or other body corporate, be represented by a duly authorised natural person). Alternatively, Shareholders may appoint a proxy to represent them at the General Meeting by completing the attached Form of Proxy in accordance with its instructions and returning it to the Transfer Secretaries, namely, ComputerShare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg, 2001, South Africa (PO Box 61051, Marshalltown, 2107, South Africa) at any time prior to the commencement of the General Meeting;**
- **an appointed proxy need not also be a Shareholder of Eqstra;**
- **in terms of section 63(1) of the Companies Act, any person attending and/or participating in a meeting of Shareholders must present reasonably satisfactory identification and the person presiding at the meeting must be reasonably satisfied that the right of any person to participate in and vote (whether as Shareholder or as proxy for a Shareholder) has been reasonably verified.**

In terms of section 59 of the Companies Act, the last date to trade in Shares in order to be eligible to attend, participate in and vote at the General Meeting is Friday, 24 June 2016 and the Record Date for the General Meeting is Friday, 1 July 2016.

In terms of section 61(10) of the Companies Act, every Shareholders' meeting of a public company must be reasonably accessible within South Africa for electronic participation by Shareholders.

Electronic participation in the General Meeting

Shareholders wishing to participate electronically at the General Meeting are required to deliver a Notice to the Transfer Secretaries (e-mail address: proxy@computerShare.co.za or facsimile (011) 688 5238 or by post) at any time prior to the commencement of the General Meeting, that they wish to participate via electronic communication at the General Meeting. Each Shareholder will bear its own costs of accessing the General Meeting by electronic communication. Eqstra reserves the right to elect not to provide for electronic participation if it determines that it is not practical to do so.

In order for the Notice to be valid it must:

- (a) if the Shareholder is an individual, contain a certified copy of such Shareholder's identity document and/or passport;
- (b) if the Shareholder is not an individual, a certified copy of a resolution by the relevant entity and a certified copy of the identity documents and/or passports of the persons who passed the relevant resolution. The relevant resolution must set out who from the relevant entity is authorised to represent the relevant entity at the General Meeting via electronic communication; and
- (c) provide a valid e-mail address and/or facsimile number (the "contact address/number").

Shareholders or their proxies participating electronically will not be able to vote electronically and must follow the standard voting arrangements indicated above. Eqstra reserves the right not to provide for electronic participation at the General Meeting in the event that it determines that it is not practical to do so, or an insufficient number of Shareholders (or their representatives or proxies) request to so participate.

For an ordinary resolution to be approved by Shareholders, it must be supported by more than 50% (fifty percent) of the voting rights exercised on the resolution by Shareholders present or represented by Proxy at the Meeting and entitled to vote.

Quorum requirements for the general meeting to commence and the resolutions contemplated herein to be considered: sufficient persons being present to exercise, in aggregate, at least 25% (twenty-five percent) of all voting rights that are entitled to be exercised on the resolutions and at least 3 (three) Shareholders are present at the Meeting.

ORDINARY RESOLUTION NUMBER 1: AUTHORISATION TO DISPOSE OF THE EXCESS ASSETS

“Resolved, in terms of the JSE Listings Requirements, that the Company, acting through its Board of Directors, be and is hereby authorised and empowered to approve of the disposal of the Excess Assets owned by MCC Contracts Proprietary Limited (Registration number 1983/008084/07) (“MCC Contracts”), Eqstra Moçambique Limitada (Registration number 100156210) (“EML”) and/or Mutual Construction Company (Transvaal) Proprietary Limited, trading as MCC Plant Hire (Registration number 1988/002721/07) (“MCC Plant Hire”), provided that:

1. the aggregate consideration for all the Excess Assets to be disposed of by MCC Contracts, EML and/or MCC Plant Hire shall not be less than ZAR802.9 million, being an amount equal to 70% (seventy percent) of the Impaired Value of such Excess Assets. It must be noted that the R802.8 million is an indicative price and that the consideration received could be less or more depending on the prevailing market conditions; and
2. the Excess Assets shall be disposed of within a period of 24 (twenty-four) months, calculated from the date upon which this Ordinary Resolution 1 has been adopted.
3. all assets are sold through an auction process. All sales will be made through auction houses therefore no sales will be made to related parties and their associates.”

Reason and effect

The reason for Ordinary Resolution Number 1 is that the disposal of the Excess Assets is classified as a category 1 transaction for the purposes of the JSE Listings Requirements and the Company is therefore required to obtain the approval of Shareholders to implement the disposal of the Excess Assets in accordance with the provisions of the JSE Listings Requirements.

The effect of Ordinary Resolution Number 1, once approved by the requisite majority of Shareholders, will be that the Company will have obtained the approval of Shareholders for the Board of Directors of Eqstra to approve of the disposal of the Excess Assets by the Contract Mining and Plant Rental division, provided that the aggregate consideration to be received for such Excess Assets is an amount of not less than ZAR802.9 million (being 70% (seventy percent) of the impaired value of the Excess Assets).

ORDINARY RESOLUTION NUMBER 2: GENERAL AUTHORITY

“Resolved that, any Director of the Company or the Company Secretary, all with the power of substitution, be and is hereby expressly authorised and empowered for and on behalf of the Company to sign all documents and to do all such things and take all such actions as may be necessary and/or required to give effect to the abovementioned resolutions, including without limitation being authorised to make, amend and sign all and any such necessary documents, letters, applications and announcements as may be required for purposes of and in connection with the resolutions and giving effect to them, including any Companies and Intellectual Property Commission forms that may be required and any such things and actions as may already have been performed or taken are hereby ratified.”

Reason and effect

Ordinary Resolution Number 2 grants authority to any Director of the Company or the Company Secretary to carry out, execute all documents and do all such things as he/she may in his/her discretion consider necessary or appropriate in connection with and to implement and give effect to the ordinary and special resolutions above.

For this Ordinary Resolution Number 2 to be approved by Shareholders, it must be supported by more than 50% of the voting rights exercised on the resolution.

VOTING, ATTENDANCE AND PROXIES

Ordinary Shareholders may appoint a proxy to attend, speak and vote on their behalf. A proxy need not be a Shareholder of the Company.

Kindly note that meeting participants (including a proxy or proxies) are required in terms of section 63(1) of the Companies Act to provide reasonably satisfactory identification before being entitled to attend or participate in this Meeting. Forms of identification include a green bar-coded identification document issued by the South African Department of Home Affairs, a driver's licence or a valid passport.

In accordance with the Company's MOI, voting shall be by ballot only. Special resolutions to be adopted at this Meeting require approval from 75% (seventy-five percent) of the Shares represented in person or by proxy at this Meeting. Ordinary resolutions to be adopted only require approval from a majority, which is more than 50% (fifty percent) of the Shares represented in person or by proxy at this Meeting.

Shareholders holding Dematerialised Shares not in their own name must furnish their CSDP or Broker with their instructions for voting at the Meeting. If your CSDP or Broker, as the case may be, does not obtain instructions from you, he/she will be obliged to act in accordance with your mandate furnished to him/her. If the mandate is silent in this regard, he/she will be required to complete the form of proxy enclosed.

Unless you advise your CSDP or Broker, in terms of the agreement between you and your CSDP or Broker by the cut off time stipulated therein that you wish to attend the Meeting or send a proxy to represent you at this Meeting, your CSDP or Broker will assume that you do not wish to attend the Meeting or send a proxy.

If you wish to attend the Meeting or send a proxy, you must request your CSDP or Broker to issue the necessary letter of representation to you. Shareholders holding Dematerialised Shares and who are unable to attend the Meeting and wish to be represented, must complete the form of proxy enclosed in accordance with the instructions therein and lodge it with or mail it to the Transfer Secretaries.

The form of proxy (which is enclosed) shall be forwarded to reach the Transfer Secretaries, ComputerShare Investor Services (Pty) Limited, at any time prior to the commencement of the General Meeting. Any forms of proxy not received by this time must be handed to the Chairperson of the Meeting immediately prior to the General Meeting. The completion of a form of proxy does not preclude any Shareholder registered by the record date from attending the Meeting.

Equity securities held by a Share trust or scheme and unlisted securities will not have their votes taken into account at the General Meeting for the purposes of resolutions proposed in terms of the JSE Listings Requirements.

By Order of the Board

Eqstra Holdings Limited

Company Secretary

Liezl Moller

10 June 2016

Registered Office

61 Maple Street, Pomona,
Kempton Park, 1619

Transfer Secretaries

ComputerShare Investor Services Proprietary Limited
70 Marshall Street, Johannesburg, 2001

EQSTRA HOLDINGS LIMITED
(Incorporated in South Africa)
(Registration number 1998/011672/06)
Share code: EQS ISIN: ZAE000117123
("Eqstra")

FORM OF PROXY FOR USE AT GENERAL MEETING

The "Definitions and Interpretations" section commencing on page 5 of the Circular to which Circular this Form of Proxy is attached and forms part apply throughout this Form of Proxy unless the context may so otherwise require

This Form of Proxy is for use only by Certificated Shareholders and Own Name Dematerialised Shareholders at the General Meeting convened to be held at Eqstra's registered office, 61 Maple Street, Pomona, Kempton Park, 1619, South Africa at 10:00, on Monday, 11 July 2016.

If you are a Eqstra Shareholder referred to above, and you are entitled to attend and vote at the General Meeting, you can appoint a proxy or proxies to attend, vote and speak in your stead at the General Meeting. A proxy need not be a Shareholder.

If you are not an Own Name Dematerialised Shareholder you must not complete this Form of Proxy but must instruct your CSDP or Broker to issue you with the necessary authority to attend the General Meeting, or if you do not wish to attend, provide your CSDP with your voting instructions in terms of the Custody Agreement entered into with it.

I/We (Please PRINT names in full):

of (address):

Telephone number:()

Cellphone number:

E-mail address:

being the holder(s) of Certificated Shares or Own Name

Dematerialised Shares, do hereby appoint (see notes 1 and 2 on reverse of this Form of Proxy):

1. _____ or failing him/her,

2. _____ or failing him/her,

3. the Chairman of the General Meeting,

as my/our proxy to attend, speak and vote on my/our behalf at the General Meeting (or any adjournment thereof).

I/We desire to vote as follows (see note 2 on reverse of this Form of Proxy):

	Number of votes on a poll (one vote per Share)		
	For	Against	Abstain
ORDINARY RESOLUTION NUMBER 1 – Approval of the Excess Assets Disposal			
ORDINARY RESOLUTION NUMBER 2 – Authorising Resolution			

Insert an "X" in the relevant spaces above according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of Shares than you own in Eqstra, insert the number of Shares which you desire to vote. This proxy shall be valid only for the General Meeting of Shareholders of Eqstra to be held on Monday, 11 July 2016 at 10:00 and any adjournment thereof.

Signed at _____ on _____ 2016

Signature

Telephone number

Capacity of signatory (where applicable)

Note: Authority of signatory to be attached (see notes 8 and 9 on reverse of this Form of Proxy).

Assisted by me (where applicable)

Full name

Capacity

Signature

SUMMARY OF RIGHTS CONTAINED IN SECTION 58 OF THE COMPANIES ACT

In terms of section 58 of the Companies Act:

- a Shareholder of Eqstra may, and in accordance with the provisions of section 58 of the Companies Act, appoint any individual (including an individual who is not a Eqstra Shareholder) as a proxy to participate in, and speak and vote at, the General Meeting on behalf of such Eqstra Shareholder;
- any appointed proxy of a Shareholder may delegate authority to act on behalf of that Shareholder to another person, subject to any restriction set out in the instrument appointing such proxy (see note 15 below);
- irrespective of the form of instrument used to appoint a proxy, the appointment of a proxy is suspended at any time and to the extent that the relevant Shareholder chooses to act directly and in person at the General Meeting in the exercise of any of such Shareholder's rights as a Shareholder (see note 5 below);
- any appointment by a Shareholder of a proxy is revocable, unless the form of instrument used to appoint such proxy states otherwise;
- if an appointment of a proxy is revocable, a Shareholder may revoke the proxy appointment by: (i) cancelling it in writing or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy and to Company; and
- a proxy appointed by a Shareholder is entitled to exercise, or abstain from exercising, any voting right of such Shareholder without direction, except to the extent that Eqstra's MOI, or the instrument appointing the proxy, provides otherwise (see note 3 below).

Notes to this Form of Proxy

1. Each Shareholder is entitled to appoint one (or more) proxies (none of whom need be a Shareholder of Eqstra to attend, speak and vote in place of that Shareholder at the General Meeting.
2. A Shareholder may insert the name of a proxy or the names of two alternative proxies of the Shareholder's choice in the space/s provided with or without deleting "the Chairman of the General Meeting" but the Shareholder must initial any such deletion. The person whose name stands first on this Form of Proxy and who is present at the General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
3. A Shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the Shareholder in the relevant boxes provided. Failure to comply with the above will be deemed to authorise and direct the Chairman of the General Meeting, if the Chairman is the authorised proxy, to vote in favour of the resolutions, or any other proxy to vote or abstain from voting at the General Meeting as such proxy deems fit, in respect of all of the Shareholder's votes exercisable at the General Meeting.
4. Completed Forms of Proxy and the authority (if any) under which they are signed must be lodged with or posted to the Transfer Secretaries, ComputerShare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg, 2001, South Africa (PO Box 61051, Marshalltown, 2107, South Africa) at any time prior to the commencement of the General Meeting.
5. The completion and lodging of this Form of Proxy will not preclude the relevant Shareholder from attending the General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Shareholder wish to do so.
6. The Chairman of the General Meeting may accept or reject any Form of Proxy not completed and/or received in accordance with these notes or with the MOI of Eqstra.
7. Any alteration or correction made to this Form of Proxy must be initialled by the signatory/ies.
8. Documentary evidence establishing the authority of a person signing this Form of Proxy in a representative capacity (e.g. for a company, close corporation, trust, pension fund deceased estate, etc.) must be attached to this Form of Proxy, unless previously recorded by Eqstra or the Transfer Secretaries.
9. Where this Form of Proxy is signed under power of attorney, such power of attorney must accompany this Form of Proxy, unless it has been registered by Eqstra or the Transfer Secretaries or waived by the Chairman of the General Meeting.
10. Where Shares are held jointly, all joint holders are required to sign this Form of Proxy.
11. A minor Shareholder must be assisted by his/her parent/guardian, unless the relevant documents establishing his/her legal capacity are produced or have been registered by Eqstra or the Transfer Secretaries.
12. Dematerialised Shareholders who do not own Shares in "own-name" Dematerialised form and who wish to attend the General Meeting, or to vote by way of proxy, must contact their CSDP or Broker who will furnish them with the necessary letter of representation to attend the General Meeting or to be represented thereat by proxy. This must be done in terms of the Custody Agreement between the Shareholder and such Shareholder's CSDP or Broker.
13. This Form of Proxy shall be valid at any resumption of an adjourned General Meeting to which it relates, although this Form of Proxy shall not be used at the resumption of an adjourned General Meeting if it could not have been legally used at the General Meeting from which it was adjourned. This Form of Proxy shall, in addition to the authority conferred by the Companies Act except insofar as it provides otherwise, be deemed to confer the power generally to act at the General Meeting in question, subject to any specific direction contained in this Form of Proxy as to the manner of voting.
14. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the death or mental disorder of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the Share in respect of which the proxy is given, provided that no notification in writing of such death, insanity, revocation or transfer as aforesaid shall have been received timeously by the Transfer Secretaries.
15. Any proxy appointed pursuant to this Form of Proxy may not delegate his/her authority to act on behalf of the relevant Shareholder.
16. In terms of section 58 of the Companies Act, unless revoked, an appointment of a proxy pursuant to this Form of Proxy remains valid only until the end of the General Meeting or any adjournment of the General Meeting.

