

## **THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**The definitions and interpretations provisions commencing on page 16 of this Circular apply, *mutatis mutandis*, to this cover page (unless the context requires a contrary intention).**

### **Action required:**

1. If you have disposed of all your Cadiz Shares, then this Circular, together with the enclosed Bidco Prospectus, form of proxy, Form of Election, Surrender and Transfer, General Offer Form and application for electronic participation at the Cadiz General Meeting, should be handed to the purchaser of such Cadiz Shares or to the broker, CSDP, banker or other agent through whom the disposal was effected.
2. Persons who hold Dematerialised Cadiz Shares through a CSDP or broker who wish to attend the Cadiz General Meeting must request their CSDP or broker to provide them with the necessary letter of representation to attend the Cadiz General Meeting or must instruct their CSDP or broker to vote on their behalf in terms of their respective agreements with such CSDP or broker.
3. You are referred to pages 5 to 12 of this Circular, which set out the detailed action required by you in respect of the Proposed Offer set out in this Circular.
4. If you are in any doubt as to the action you should take, please consult your CSDP, broker, banker, legal adviser, accountant or other professional adviser immediately.
5. Neither Cadiz nor Stellar accepts responsibility and will not be held liable for any act of, or omission by, any CSDP or broker, including, without limitation, any failure on the part of the CSDP or broker or any registered holder of Cadiz Shares to notify the holder of any beneficial interest in those Cadiz Shares of the Proposed Offer set out in this Circular.



**Cadiz Holdings Limited**  
(Incorporated in the Republic of South Africa)  
(Registration number 1997/007258/06)  
Share code: CDZ ISIN: ZAE000017661



**Stellar Capital Partners Limited**  
(Incorporated in the Republic of South Africa)  
(Registration number 1998/015580/06)  
Share code: SCP ISIN: ZAE000198586

## **COMBINED CIRCULAR TO CADIZ SHAREHOLDERS**

### **relating, among other things, to:**

- a scheme of arrangement in terms of section 114(1)(c), read with section 115, of the Companies Act proposed by the Cadiz Board between Cadiz and the Offer Shareholders in terms of which, if implemented, Stellar, acting through Bidco, a special purpose vehicle incorporated as a wholly-owned subsidiary of Stellar, will acquire all of the Scheme Shares from the Scheme Participants for the Scheme Consideration, which will comprise, at the election of Scheme Participants, of new Stellar Shares or new Bidco Shares, on the basis that:
  - Scheme Participants which elect to receive Stellar Shares as the Scheme Consideration, or who makes no election, will receive 5 Stellar Shares for every 8 Scheme Shares held; and
  - Scheme Participants which elect to receive Bidco Shares will receive 1 Bidco Share for each Scheme Share held, such that they will retain their existing investment in Cadiz indirectly through Bidco;
- if the Scheme does not become operative and Stellar so elects, a general offer by Stellar to the Offer Shareholders (other than Stellar) in terms of section 117(1)(c)(v) of the Companies Act to acquire all of the Offer Shares (on the basis detailed in paragraph 4 of this Circular) such that only Offer Shareholders who accept the General Offer will receive Stellar Shares as consideration for their Offer Shares, and those Offer Shareholders who do not accept the General Offer will remain shareholders in Cadiz;
- the termination of the listing of all the Cadiz Shares from the Main Board of the JSE pursuant to the implementation of the Scheme or, if the Scheme fails, the General Offer (if made) and the approval of the Delisting Resolution (if proposed);

**and including, among other things:**

- a report prepared by the Independent Expert in terms of sections 114(2) and 114(3) of the Companies Act and paragraph 1.14(d) of the Listings Requirements;
- historical financial information in respect of Cadiz;
- a statement of Offer Shareholders' appraisal rights in terms of section 164(2) of the Companies Act;
- extracts of section 115 of the Companies Act regarding the approval requirements for fundamental transactions;
- a prospectus in respect of Bidco which has been prepared in terms of section 100 of the Companies Act and Companies Regulations 51 to 79;

**and enclosing, among other things:**

- a notice convening the Cadiz General Meeting (*yellow*);
- a form of proxy in respect of the Cadiz General Meeting for use by Certificated Cadiz Shareholders and Dematerialised Cadiz Shareholders with "own-name" registration only (*green*);
- a Form of Election, Surrender and Transfer for use by Certificated Cadiz Shareholders only (*pink*);
- a General Offer Form for use by Certificated Cadiz Shareholders only, in connection with the General Offer (*blue*); and
- an application for electronic participation at the Cadiz General Meeting.

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**Corporate Finance Adviser and  
Sponsor to Stellar**



**Corporate Adviser to Cadiz**



**Legal Adviser to Cadiz**



**Sponsor to Cadiz**



**Independent Expert to the  
Independent Board**



**Independent Reporting  
Accountants and Auditors  
to Bidco**



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**Date of issue: Monday, 31 August 2015**

*This Circular is available in English only. Electronic copies of this Circular may be obtained from the registered offices of Cadiz and Stellar, the sponsors to Cadiz and Stellar, the transfer secretaries of Cadiz or the corporate finance adviser to Stellar at the respective addresses set out in the "Corporate Information and Advisers" section of this Circular, from the date of issue of this Circular until the date of the Cadiz General Meeting in the event of the Scheme being approved by the Scheme Members, or in the event that the General Offer is proposed, the General Offer Settlement Date. This Circular will also be available in electronic form from the date of issue of this Circular on Cadiz and Stellar's websites at <http://www.cadiz.co.za/cadiz-holdings/investor-relations/shareholder-communication/> and <http://www.stellarcapitalpartners.co.za/circulars/>, respectively.*

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## CADIZ' CORPORATE INFORMATION AND ADVISERS

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### Company Secretary

C Schmahl

### Business and Registered Address

4th Floor, The Terraces  
25 Protea Road  
Claremont, 7708  
(PO Box 44547, Claremont 7735)

### Place and date of incorporation

Incorporated in South Africa on 15 May 1997

### Sponsor

Investec Bank Limited  
(Registration number 1969/004763/06)  
100 Grayston Drive  
Sandton, 2196  
(PO Box 785700, Sandton, 2146)

### Corporate Adviser

Cadiz Corporate Solutions Proprietary Limited  
(Registration number 2012/035754/07)  
4th Floor, The Terraces  
25 Protea Road  
Claremont, 7708  
(PO Box 44547, Claremont, 7735)

### Independent Expert

PSG Capital Proprietary Limited  
(Registration number 2006/015817/07)  
First Floor, Building 8  
Inanda Greens Business Park  
54 Wierda Road West  
Wierda Valley  
Sandton, 2196  
(PO Box 987, Parklands, 2121)

and at

1st Floor, Ou Kollege Building  
35 Kerk Street  
Stellenbosch, 7600  
(PO Box 7403, Stellenbosch, 7599)

### Directors

SP Ngwenya (*Chairman*)<sup>#</sup>  
FC Shaw (*Chief Executive Officer  
and Financial Director*)  
R Gonsalves  
GW Fury<sup>\*#^</sup>  
BH Kent<sup>\*#^</sup>  
AN Matyumza<sup>-^</sup>  
LL Xate<sup>#^</sup>

<sup>#</sup>*Non-executive*

<sup>\*</sup>*Independent*

<sup>-</sup>*Lead independent non-executive*

<sup>^</sup>*Comprising the Independent Board*

### Auditors

PricewaterhouseCoopers Inc.  
(Registration number 1998/012055/21)  
No. 1 Waterhouse Place  
Century City, 7441  
(PO Box 2799, Cape Town, 8000)

### Legal Adviser

Cliffe Dekker Hofmeyr Incorporated  
(Registration number 2008/018923/21)  
11 Buitengracht Street  
Cape Town, 8001  
(PO Box 695, Cape Town, 8000)

### Transfer Secretaries

Computershare Investor Services Proprietary Limited  
(Registration number 2004/003647/07)  
Ground Floor, 70 Marshall Street  
Johannesburg, 2001  
(PO Box 61051, Marshalltown, 2107)

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## STELLAR'S CORPORATE INFORMATION AND ADVISERS

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### Company Secretary

The Secretarial Company Proprietary Limited  
(Registration number 2013/100434/07)  
c/o Caroline du Preez  
Empire Park, 55 Empire Service Road  
Parktown  
(PO Box 213, Mulbarton, 2059)

### Business and Registered Address

Level P3, Oxford Corner  
Corner Jellicoe and Oxford Road  
Rosebank  
Johannesburg, 2196  
(Suite 54, Dixon Street, Cape Town, 8001)

### Place and date of incorporation

Incorporated in South Africa on 7 August 1998

### Corporate Finance Adviser and Sponsor

Stellar Advisers Proprietary Limited  
(Registration number 2007/015289/07)  
Office 202, Cape Quarter, The Square  
27 Somerset Road  
Green Point  
Cape Town, 8005  
(Suite 54, Dixon Street, Cape Town, 8001)

and at

Level P3, Oxford Corner  
Corner Jellicoe and Oxford Road  
Rosebank  
Johannesburg, 2196  
(Suite 54, Dixon Street, Cape Town, 8001)

### Directors

DD Tabata (*Chairman*)<sup>\*,#</sup>  
PJ van Zyl (*Chief Executive Officer*)  
CB de Villiers (*Chief Financial Officer*)  
CE Pettit<sup>#</sup>  
L Mangope<sup>#</sup>  
J de Bruyn<sup>#</sup>  
CC Wiese<sup>#</sup>  
CH Wiese<sup>#</sup>

<sup>\*</sup>Independent

<sup>#</sup>Non-executive

### Auditors

Grant Thornton Cape Chartered Accountants  
(Registration number 2010/016204/21)  
119 Hertzog Boulevard Foreshore  
Cape Town, 8001  
(PO Box 7483/7498, Roggebaai, 8012)

### Transfer Secretaries

Computershare Investor Services Proprietary Limited  
(Registration number 2004/003647/07)  
Ground Floor, 70 Marshall Street  
Johannesburg, 2001  
(PO Box 61051, Marshalltown, 2107)

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## TABLE OF CONTENTS

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	<i>Page</i>
<b>CADIZ' CORPORATE INFORMATION AND ADVISERS</b>	1
<b>STELLAR'S CORPORATE INFORMATION AND ADVISERS</b>	2
<b>ACTION REQUIRED BY SHAREHOLDERS</b>	5
<b>IMPORTANT DATES AND TIMES IN RELATION TO THE PROPOSED OFFER</b>	13
<b>DEFINITIONS AND INTERPRETATIONS</b>	16
<b>COMBINED CIRCULAR TO CADIZ SHAREHOLDERS</b>	
1. Introduction	23
2. Rationale for the Proposed Offer	24
<b>PART A: THE SCHEME</b>	
3. Terms of the Scheme	25
4. The Scheme Consideration	26
5. Procedure for acceptance of the Scheme	26
6. Settlement of the Scheme Consideration	26
7. Dissenting Shareholders' Appraisal Rights	26
8. Conditions precedent to the Scheme	28
9. General	29
<b>PART B: THE GENERAL OFFER</b>	
10. Terms of the General Offer	30
11. The General Offer Consideration	30
12. Offer period	30
13. Procedure for acceptance of the General Offer	30
14. Settlement of the General Offer Consideration	32
15. Conditions precedent to the General Offer	32
16. General	33
<b>PART C: GENERAL</b>	
17. Cadiz General Meeting	34
18. Arrangements in respect of Cadiz Share Appreciation Rights Holders	34
19. Confirmation of sufficient securities	35
20. Cadiz' share capital	35
21. Major beneficial Cadiz Shareholders	35
22. Historical financial information relating to Cadiz	35
23. Information on directors of Cadiz	36
24. Interests of Cadiz, Stellar and their respective directors	37
25. Other arrangements	39
26. Irrevocable undertakings	39
27. Suspension and termination of listing	40
28. Agreements in relation to the Scheme	40
29. Costs	41
30. Opinions and recommendations	41
31. Material changes, litigation and continuation of Cadiz' business	42
32. Responsibility statements	42
33. Consents	43
34. Documents available for inspection	43

	<i>Page</i>	
<b>Annexure 1</b>	Report of the Independent Expert	44
<b>Annexure 2</b>	Audited consolidated financial statements of Cadiz for the financial years ended 31 March 2015, 31 March 2014 and 31 March 2013	51
<b>Annexure 3</b>	Section 115 – Required approval for transactions contemplated in part A of Chapter 5 of the Companies Act	62
<b>Annexure 4</b>	Section 164 – Dissenting Shareholders' appraisal rights	64
<b>Annexure 5</b>	Section 124 – Compulsory acquisitions and squeeze out	67
<b>Annexure 6</b>	Price and trading history of Cadiz on the JSE	69
<b>Annexure 7</b>	Exchange Control Regulations	71
<b>Annexure 8</b>	Audited financial statements of Bidco for the period ended 31 July 2015	73
<b>Annexure 9</b>	Independent Auditors' report on the audited statement of financial position of Bidco	76
<b>Annexure 10</b>	Friedshelf Prospectus	78
<b>Notice of Cadiz General Meeting (yellow)</b>		108
<b>Form of Proxy (green)</b>		Attached
<b>Form of Election, Surrender and Transfer (pink)</b>		Attached
<b>General Offer Form – Certificated Cadiz Shareholders (blue)</b>		Attached
<b>Application for Electronic Participation at the Cadiz General Meeting</b>		Attached

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## ACTION REQUIRED BY SHAREHOLDERS

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The definitions and interpretations provisions commencing on page 16 of this Circular shall apply, *mutatis mutandis*, to this statement regarding action required (unless the context requires a contrary intention).

Please take careful note of the following provisions regarding the actions required. If you are in any doubt as to the action you should take, please consult your CSDP, broker, banker, legal adviser, accountant or other professional adviser immediately.

**The Cadiz General Meeting will be held at 10:00 on Tuesday, 29 September 2015 to consider and, if deemed fit, pass, among other things, the resolutions required:**

**(i) to implement the Scheme; or**

**(ii) if the Scheme fails and Stellar elects to make the General Offer, to terminate the listing of all the Cadiz Shares from the Main Board of the JSE.**

In order for the Scheme to become operative, the Scheme Members present in person or by proxy at the Cadiz General Meeting exercising in aggregate at least 75% of the voting rights exercised at the Cadiz General Meeting are required to vote in favour of the Scheme.

Scheme Participants will be required to make the election in respect of the Scheme Consideration in whole and not in part in respect of all their Scheme Shares. Scheme Participants who do not make an election will be deemed to have elected to receive the Stellar Scheme Consideration Shares.

If the Special Resolution is not approved by the requisite majority of the Scheme Members who attend and vote (in person or by proxy) at the Cadiz General Meeting and the Scheme is, as a result, not declared unconditional, then the Offer Shareholders will, subject to the ensuing provisions of this paragraph, retain their Cadiz Shares and will not be entitled to receive the Scheme Consideration. Stellar shall be entitled to elect, however, to make the General Offer to the Offer Shareholders (other than Stellar) within one Business Day after the Scheme has failed, by announcing its election on SENS.

### A. ACTION REQUIRED IN RELATION TO THE SCHEME

#### 1. IF YOU HAVE DEMATERIALIZED YOUR CADIZ SHARES AND DO NOT HAVE "OWN-NAME" REGISTRATION

##### 1.1 Voting at the Cadiz General Meeting

You may be contacted by your duly appointed CSDP or broker in the manner and subject to the cut-off time stipulated in the custody agreement governing your relationship with your CSDP or broker in order to obtain your instructions as regards voting your Cadiz Shares at the Cadiz General Meeting.

If you do not wish to, or are unable to, attend or appoint a proxy to represent you at the Cadiz General Meeting, and you have not been contacted, it would be advisable for you to contact your CSDP or broker immediately and furnish your CSDP or broker with your instructions.

If your CSDP or broker does not obtain instructions from you, your CSDP or broker will be obliged to act in accordance with the instructions contained in the custody agreement concluded between you and your CSDP or broker.

You must **not** complete the attached form of proxy (*green*).

##### 1.2 Attendance and representation at the Cadiz General Meeting

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 or vote at the Cadiz General Meeting; and/or
- appoint a proxy (including the chairman of the Cadiz General Meeting) to represent you at the Cadiz General Meeting.

Your CSDP or broker will then issue the necessary letter of representation to you to attend, speak and vote at the Cadiz General Meeting and/or send a proxy to represent you at the Cadiz General Meeting.

You will not be permitted to attend, speak or vote at the Cadiz General Meeting, nor send a proxy to represent you at the Cadiz General Meeting, without the necessary letter of representation being issued to you, and your CSDP or broker may then vote on your behalf or abstain from voting at the Cadiz General Meeting in accordance with the custody agreement between you and your CSDP or broker.

### 1.3 Election and Settlement of the Scheme Consideration

Your CSDPs or broker should contact you to ascertain if you wish to elect to receive the Stellar Scheme Consideration Shares or Bidco Scheme Consideration Shares. If you have not been contacted it would be advisable for you to contact your CSDP or broker and furnish them with your instructions.

You do not have to surrender any documents of title. This will be done by your CSDP or broker. You must also not complete the Form of Election, Surrender and Transfer (*pink*).

If you elect to receive the:

1.3.1 Stellar Scheme Consideration Shares (or make no election in which event you shall be deemed to have elected to receive the Stellar Scheme Consideration Shares) you will have your account held at your CSDP or broker debited with your Scheme Shares and credited with the Stellar Scheme Consideration Shares in respect thereof, on the Scheme Operative Date, in accordance with the custody agreement between you and your CSDP or broker; or

1.3.2 Bidco Scheme Consideration Shares, you will have your account held at your CSDP or broker debited with your Scheme Shares in accordance with the custody agreement between you and your CSDP or broker, and the appropriate physical Document of Title in respect of your Bidco Scheme Consideration Shares will be posted to you, at your risk, within five Business Days of the Scheme Operative Date,

provided that should you be a Dissenting Shareholder who subsequently becomes a Scheme Participant pursuant to paragraph 7.6.2 of this Circular, you will be deemed to have elected the Stellar Scheme Consideration Shares and your broker or CSDP account will be credited with your Stellar Scheme Consideration Shares, on the date set out in paragraph 7.6.2 of this Circular.

## 2. IF YOU ARE A CERTIFICATED CADIZ SHAREHOLDER

### 2.1 Voting, attendance and representation at the Cadiz General Meeting

You may attend, speak and vote at the Cadiz General Meeting in person subject to sections 57 and 58 of the Companies Act. Alternatively, if you are unable or do not wish to attend the Cadiz General Meeting, you may appoint a proxy to represent you at the Cadiz General Meeting by completing the relevant attached form of proxy (*green*) in accordance with the instructions therein and return it to the Transfer Secretaries: Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), to be received by no later than 48 hours before the Cadiz General Meeting that is to be held at 10:00 on Tuesday, 29 September 2015. Should the form of proxy not be lodged with the Transfer Secretaries by this time, they may be handed to the chairman of the Cadiz General Meeting (including any postponement or adjourned Cadiz General Meeting) before the Cadiz General Meeting is due to commence or recommence, as applicable.

### 2.2 Election

You may elect to receive the Stellar Scheme Consideration Shares or the Bidco Scheme Consideration Shares by indicating your election in Part C or Part D of the Form of Election, Surrender and Transfer (*pink*) and returning it to the Transfer Secretaries, at your own risk, by registered post by not later than the Scheme Operative Date. **In the absence of an election by the Scheme Operative Date, you will be deemed to have elected the Stellar Scheme Consideration Shares.**



## 2.3 Surrender of Documents of Title

- 2.3.1 If the Scheme becomes operative, you will be required to surrender your Documents of Title in respect of all your Cadiz Shares in order to claim the Scheme Consideration.
- 2.3.2 If you wish to surrender your Documents of Title in anticipation of the Scheme becoming operative, you should complete the attached Form of Election, Surrender and Transfer (*pink*) in accordance with its instructions, and return it, together with your Documents of Title, to the Transfer Secretaries: Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61763, Marshalltown, 2107), to be received by no later than 12:00 on the Scheme Record Date. Documents of Title surrendered in anticipation of the Scheme becoming operative will be held in trust by the Transfer Secretaries, at your risk, pending the Scheme becoming operative.
- 2.3.3 Your attention is drawn to the fact that if you surrender your Documents of Title in advance, you will be unable to dematerialise and/or trade in those shares on the JSE from the date of surrender. However, your right to attend and vote at the Cadiz General Meeting will remain unaffected.
- 2.3.4 If Documents of Title relating to any Cadiz Shares to be surrendered are lost or destroyed, Stellar may dispense with the surrender of such Documents of Title upon production of evidence satisfactory to Stellar that the Documents of Title to the Cadiz Shares in question have been lost or destroyed and upon provision of a suitable indemnity on terms satisfactory to them. Accordingly, if the Documents of Title in respect of any of your Cadiz Shares have been destroyed, you should nevertheless return the attached Form of Election, Surrender and Transfer (*pink*), duly signed and completed, together with a duly signed and completed indemnity form which is obtainable from the Transfer Secretaries.
- 2.3.5 Should the Scheme not become operative, any Documents of Title surrendered and held by the Transfer Secretaries will, unless they have also been surrendered for purposes of the General Offer, be returned to you by the Transfer Secretaries, at your own risk, by registered post within five Business Days from the date of receipt of the Documents of Title or the date on which it becomes known that the Scheme will not become operative, whichever is the later.

## 2.4 Settlement of the Scheme Consideration

- 2.4.1 Should the Scheme become operative, subject to the Exchange Control Regulations:
- 2.4.1.1 Certificated Scheme Participants who wish to receive the Stellar Scheme Consideration Shares in Dematerialised form, who already have an account with a broker or CSDP and have provided the details of their CSDP or broker account in the appropriate box in Part C or Part D (as applicable) of the Form of Election, Surrender and Transfer (*pink*), will have their accounts at their brokers or CSDPs credited with the Stellar Scheme Consideration Shares;
- 2.4.1.2 Certificated Scheme Participants who wish to receive the Stellar Scheme Consideration Shares in Dematerialised form, but who do not have an account with a broker or CSDP or who failed to provide the details of their CSDP or broker account in the appropriate box in Part C or Part D (as applicable) of the Form of Election, Surrender and Transfer (*pink*), will be issued with statements of allocation and will be required to appoint a broker or CSDP so that the Stellar Scheme Consideration Shares can be made available to them in Dematerialised form following implementation of the Scheme; and
- 2.4.1.3 Certificated Scheme Participants who do not wish to hold their Stellar Scheme Consideration Shares in Dematerialised form and prefer to hold their Stellar Scheme Consideration Shares in certificated form, will be afforded the option to “withdraw” their Dematerialised Stellar Scheme Consideration Shares and replace these with the appropriate physical Document of Title (please see paragraph 2.4.7 on page 9 of this Circular in relation to those Certificated Scheme Participants whose registered addresses in the Register are outside of the Common Monetary Area).
- 2.4.2 The Bidco Scheme Consideration Shares, if elected, will be issued only in Certificated form. The share certificates in respect of the Bidco Scheme Consideration Shares will be issued by Stellar.

- 2.4.3 If the Scheme becomes operative and you have surrendered your Documents of Title (see the note in paragraph 2.2 above) to the Transfer Secretaries at 70 Marshall Street Johannesburg, 2001 (PO Box 61763, Marshalltown, 2107) **on or before 12:00 on the Scheme Record Date**, then, subject to the Exchange Control Regulations:
- 2.4.3.1 should you be a Scheme Participant referred to in paragraph 2.4.1.1 above, your account at your broker or CSDP will be credited with the Stellar Scheme Consideration Shares on the Scheme Operative Date;
  - 2.4.3.2 should you be a Scheme Participant referred to in paragraph 2.4.1.2 above, your statement of allocation in respect of the Stellar Scheme Consideration Shares will be posted to you, at your risk, within five Business Days of the Scheme Operative Date; or
  - 2.4.3.3 should you be a Scheme Participant referred to in paragraph 2.4.1.3 or 2.4.2 above, the share certificates in respect of your Stellar Scheme Consideration Shares or Bidco Scheme Consideration Shares, as the case may be, will be posted to you, at your risk, within five Business Days of the Scheme Operative Date.
- 2.4.4 If the Scheme becomes operative and you surrender your Documents of Title (see the note in paragraph 2.3 above) to the Transfer Secretaries at 70 Marshall Street Johannesburg, 2001 (PO Box 61763, Marshalltown, 2107) **after 12:00 on the Scheme Record Date**, then you will be deemed to have elected to receive the Stellar Scheme Consideration Shares, and:
- 2.4.4.1 should you be a Scheme Participant referred to in paragraph 2.4.1.1 above, your account at your broker or CSDP will be credited with the Stellar Scheme Consideration Shares within five Business Days of receipt of your completed Form of Election, Surrender and Transfer (*pink*);
  - 2.4.4.2 should you be a Scheme Participant referred to in paragraph 2.4.1.2 above, your statement of allocation in respect of the Stellar Scheme Consideration Shares will be posted to you, at your risk, within five Business Days of receipt of your completed Form of Election, Surrender and Transfer (*pink*); or
  - 2.4.4.3 should you be a Scheme Participant referred to in paragraph 2.4.1.3 or 2.4.2 above, the appropriate physical Document of Title in respect of your Stellar Scheme Consideration Shares will be posted to you, at your risk, within five Business Days of receipt of your completed Form of Election, Surrender and Transfer (*pink*),  
provided that should you:
    - 2.4.4.4 be a Dissenting Shareholder who subsequently becomes a Scheme Participant pursuant to paragraph 7.6.2 of this Circular, you will still need to return a completed Form of Election, Surrender and Transfer (*pink*) to the Transfer Secretaries at 70 Marshall Street, Johannesburg, 2001 (PO Box 61763, Marshalltown, 2107) and:
      - 2.4.4.4.1 should you be a Scheme Participant referred to in paragraph 2.4.1.1 above your broker or CSDP account will be credited with your Stellar Scheme Consideration Shares; or
      - 2.4.4.4.2 should you be a Scheme Participant referred to in paragraph 2.4.1.2 above your statement of allocation in respect of your Stellar Scheme Consideration Shares will be posted to you, at your risk; or
      - 2.4.4.4.3 should you be a Scheme Participant referred to in paragraph 2.4.1.3 or 2.4.2 above the share certificates in respect of your Stellar Scheme Consideration Shares will be posted to you, at your risk,  
(as the case may be) only on the date set out in paragraph 7.6.2 of this Circular.
- 2.4.5 If the Scheme becomes operative and you fail to return a completed Form of Election, Surrender and Transfer (*pink*) to the Transfer Secretaries within three years after the Scheme Operative Date or, if you are a Dissenting Shareholder who subsequently becomes a Scheme Participant pursuant to paragraph 7.6.2 of this Circular, within three years after the date on which you subsequently became a Scheme Participant pursuant to paragraph 7.6.2 of

this Circular, the Scheme Consideration due to you will be disposed of at the ruling market price and the disposal consideration, less the costs incurred in disposing of the Scheme Consideration, will be paid to the benefit of the Guardian's Fund of the Master of the High Court, from which it may be claimed by you, subject to the requirements imposed by the Master of the High Court. In this regard such Scheme Participants irrevocably authorise and appoint Cadiz (or its successor-in-title), *in rem suam*, with full power of substitution, to act as agent in the name, place and stead of such Scheme Participants to dispose of the Scheme Consideration and to pay the proceeds to the benefit of the Guardian's Fund in the aforesaid manner.

2.4.6 Should the Scheme not become operative and:

2.4.6.1 you have not accepted the General Offer in respect of all your Offer Shares, the Transfer Secretaries shall, within five Business Days of either the date upon which it becomes known that the Scheme will not be implemented or on receipt by the Transfer Secretaries of the required Documents of Title, whichever is the later, return the Documents of Title to you, by registered post, at your own risk; or

2.4.6.2 you have accepted the General Offer in respect of all your Offer Shares but Stellar does not elect to make the General Offer or the General Offer is made but does not become unconditional, the Transfer Secretaries shall, within five Business Days of either the date upon which it becomes known that the General Offer will not be implemented or on receipt by the Transfer Secretaries of the required Documents of Title, whichever is the later, return the Documents of Title to you, by registered post, at your own risk.

2.4.7 In the case of Scheme Participants who wish to "withdraw" their Dematerialised Stellar Scheme Consideration Shares, as provided for in paragraph 2.4.1.3 above, and those whose registered addresses in the Register are outside of the Common Monetary Area, the following will apply:

2.4.7.1 for non-residents who are emigrants, the appropriate replacement Documents of Title will be sent to the Scheme Participants' authorised dealer in foreign exchange in South Africa controlling their blocked assets; and

2.4.7.2 for all other non-residents, the appropriate replacement Documents of Title will be restrictively endorsed "non-resident" in terms of the Exchange Control Regulations.

### 3. IF YOU HAVE DEMATERIALISED YOUR SHARES WITH "OWN-NAME" REGISTRATION

#### 3.1 Voting, attendance and representation at the Cadiz General Meeting

You may attend, speak and vote at the Cadiz General Meeting in person subject to sections 57 and 58 of the Companies Act. Alternatively, if you are unable or do not wish to attend the Cadiz General Meeting, you may appoint a proxy to represent you at the Cadiz General Meeting by completing the relevant attached form of proxy (*green*) in accordance with the instructions therein and return it to the Transfer Secretaries: Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), to be received by no later than 48 hours before the Cadiz General Meeting that is to be held at 10:00 on Tuesday, 29 September 2015. Should the form of proxy not be lodged with the Transfer Secretaries by this time, they may be handed to the chairman of the Cadiz General Meeting (including any postponement or adjourned Cadiz General Meeting) before the Cadiz General Meeting is due to commence or recommence, as applicable.

#### 3.2 Election and Settlement of the Scheme Consideration

Cadiz Shareholders are referred to paragraph 1.3 commencing on page 6 of this Circular which sets out the provisions regarding the settlement of the Scheme Consideration.

**Scheme Participants who are not resident in or who have registered addresses outside South Africa must satisfy themselves as to the full observance of the laws of any applicable territory concerning the receipt of the Scheme Consideration, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any**

**issue, transfer or other taxes due in such territory. Cadiz Shareholders who are in any doubt as to their position should consult their professional advisers.**

**Should you have any questions regarding the above, please contact the Transfer Secretaries on (011) 370 5000 on a Business Day between 08:30 and 16:00 from the date of this Circular until the date of the Cadiz General Meeting, and they will be able to assist and advise you on what you need to do.**

#### 4. OFFER SHAREHOLDERS' APPRAISAL RIGHTS

At any time before the Special Resolution is to be voted on at the Cadiz General Meeting, an Offer Shareholder may give Cadiz written notice in terms of section 164 of the Companies Act objecting to the Special Resolution.

Within 10 Business Days after Cadiz has adopted the Special Resolution, Cadiz must send a notice that the Special Resolution has been adopted to each Offer Shareholder who gave Cadiz written notice of objection and has neither withdrawn that notice nor voted in favour of the Special Resolution.

An Offer Shareholder who has given Cadiz written notice in terms of section 164 of the Companies Act objecting to the Special Resolution, has voted against the Special Resolution and has complied with all of the procedural steps set out in section 164 of the Companies Act may, if the Special Resolution has been adopted, then demand in writing:

- within 20 Business Days after receipt of the notice from Cadiz referred to above; or
- if the Offer Shareholder does not receive the notice from Cadiz referred to above, within 20 Business Days after learning that the Special Resolution has been adopted,

that Cadiz pay that Offer Shareholder the fair value (in terms of and subject to the requirements set out in section 164 of the Companies Act) for all the Cadiz Shares held by that Offer Shareholder.

A more detailed explanation of the Offer Shareholders' appraisal rights is contained in paragraph 7 of this Circular.

#### B. ACTION REQUIRED IN RELATION TO THE GENERAL OFFER

If the Scheme fails, Stellar is entitled to elect to make the General Offer to the Offer Shareholders (other than Stellar) by announcing its election on SENS within one Business Day after the day on which the Scheme so failed, on the terms and conditions set out herein.

The options available to you in the event that the General Offer is made to the Offer Shareholders (other than Stellar) are:

- to accept the General Offer in respect of all of your Cadiz Shares; or
- to reject the General Offer.

If you wish to reject the General Offer, you do not need to take any further action once the General Offer has been made.

If you wish to accept the General Offer, you must do so in the manner described below, depending on whether you are a Certificated Cadiz Shareholder or a Dematerialised Cadiz Shareholder.

In the event that the General Offer is made, you will only be able to accept the General Offer in respect of all of your Offer Shares.

#### 1. PROCEDURE FOR ACCEPTANCE OF THE GENERAL OFFER

##### 1.1 IF YOU ARE A CERTIFICATED CADIZ SHAREHOLDER

- 1.1.1 If you are a Certificated Cadiz Shareholder and wish to accept the General Offer, you must complete the General Offer Form (*blue*) attached to this Circular in accordance with its instructions and forward it, together with your Documents of Title to the Transfer Secretaries. The General Offer Form and Documents of Title must be received **by no later than 12:00 on the General Offer Closing Date**. The General Offer Form may be delivered by hand or sent by mail to the Transfer Secretaries: Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61763, Marshalltown, 2107).

- 1.1.2 If you accept the General Offer and surrender your Documents of Title, you will **NOT** be able to dematerialise and/or trade your Cadiz Shares from the date that you surrender your Documents of Title in respect of those Cadiz Shares.
- 1.1.3 Documents of Title held by Certificated Cadiz Shareholders in respect of their Cadiz Shares that accept the General Offer will cease to be of any value, and shall not be good for delivery, from the General Offer Closing Date, other than for surrender in terms of the General Offer.
- 1.1.4 Documents of Title surrendered prior to 12:00 on the General Offer Closing Date in anticipation of the General Offer becoming operative will be held in trust by the Transfer Secretaries, at the risk of the Certificated Cadiz Shareholders, pending the General Offer becoming operative.

## 1.2 IF YOU ARE A DEMATERIALISED CADIZ SHAREHOLDERS

- 1.2.1 If you are a Dematerialised Cadiz Shareholder, you may be contacted by your duly appointed CSDP or broker in the manner stipulated in the custody agreement governing your relationship with your CSDP or broker and subject to the cut-off time in order to ascertain whether or not you wish to accept the General Offer. If you wish to accept the General Offer, you must notify your CSDP or broker of your acceptance of the General Offer in the time and manner stipulated in the custody agreement entered into between you and your CSDP or broker.
- 1.2.2 If you are a Dematerialised Cadiz Shareholder and wish to accept the General Offer, but have not been contacted by your CSDP or broker, it would be advisable for you to contact and furnish your CSDP or broker with instructions in regard to the acceptance of the General Offer. These instructions must be provided in the manner and by the cut-off date and time stipulated in your custody agreement, and must be communicated by you and/or your CSDP or broker to the Transfer Secretaries by no later than 12:00 on the General Offer Closing Date.
- 1.2.3 You must **NOT** complete the attached General Offer Form (*blue*).
- 1.2.4 If you notify your CSDP or broker of your desire to accept the General Offer, you will **NOT** be able to rematerialise and/or trade your Cadiz Shares from the date on which you notify your CSDP or broker of your acceptance of the General Offer.

## 2. SETTLEMENT OF THE GENERAL OFFER CONSIDERATION

### 2.1 IF YOU ARE A CERTIFICATED CADIZ SHAREHOLDER

- 2.1.1 ***Should the General Offer be made and become unconditional, subject to the Exchange Control Regulations:***
  - 2.1.1.1 Certificated General Offer Participants who wish to receive the General Offer Consideration in Dematerialised form, who already have an account with a broker or CSDP and have provided the details of their CSDP or broker account in the appropriate box in Part D of the General Offer Form, will have their accounts at their brokers or CSDPs credited with the General Offer Consideration;
  - 2.1.1.2 Certificated General Offer Participants who wish to receive the General Offer Consideration in Dematerialised form, but who do not have an account with a broker or CSDP or who failed to provide the details of their CSDP or broker account in the appropriate box in Part D of the General Offer Form, will be issued with statements of allocation and will be required to appoint a broker or CSDP so that the General Offer Consideration can be made available to them in Dematerialised form following implementation of the General Offer; and
  - 2.1.1.3 Certificated General Offer Participants who do not wish to hold their General Offer Consideration in Dematerialised form and prefer to hold their General Offer Consideration in certificated form, will be afforded the option to “withdraw” their Dematerialised General Offer Consideration and replace these with the appropriate physical Document of Title (please see paragraph 2.4.7 on page 9 of this Circular).

2.1.2 If you have duly accepted the General Offer in accordance with paragraph 2.1.1 above on or before 12:00 on the General Offer Closing Date, then, subject to the Exchange Control Regulations:

2.1.2.1 should you be a General Offer Participant referred to in paragraph 2.1.1.1 above, your account at your broker or CSDP will be credited with the General Offer Consideration within six Business Days from the date of receipt of the General Offer Form;

2.1.2.2 should you be a General Offer Participant referred to in paragraph 2.1.1.2 above, your statement of allocation in respect of the General Offer Consideration will be posted to you, at your risk, within six Business Days from the date of receipt of the General Offer Form; or

2.1.2.3 should you be a General Offer Participant referred to in paragraph 2.1.1.3 above, the share certificates in respect of your General Offer Consideration will be posted to you, at your risk, within six Business Days from the date of receipt of receipt of the General Offer Form.

## 2.2 IF YOU ARE A DEMATERIALISED CADIZ SHAREHOLDER

The General Offer Consideration due to Dematerialised Shareholders will be credited to their accounts with their CSDPs or brokers every six Business Days from the date of receipt of the General Offer Form until the General Offer Closing Date;

2.3 The settlement of the General Offer Consideration as referred to in paragraphs 2.1.2 and 2.2 above will only be effected once the General Offer has become unconditional, which date will be announced on SENS.

## C. ELECTRONIC PARTICIPATION

1. Cadiz Shareholders are advised in terms of section 63(3) of the Companies Act, that while the Cadiz General Meeting will be held in person, Cadiz Shareholders (and/or their proxies) may participate in (but not vote at) the Cadiz General Meeting by electronic communication, as contemplated in sub-section 63(2) of the Companies Act, and Cadiz Shareholders and/or their proxies will be able, at their own expense, to participate in (but not vote at) the Cadiz General Meeting by means of a teleconference facility.
2. Arrangements to participate electronically in the Cadiz General Meeting should be made by completing and returning the attached application for electronic participation at the Cadiz General Meeting in the manner and within the timeframes envisaged in such application form.

## D. GENERAL

1. The contents of this Circular do not purport to constitute legal advice or to comprehensively deal with the legal, regulatory and tax implications of the Proposed Offer for each Cadiz Shareholder. Cadiz Shareholders are accordingly advised to consult their professional advisers about their personal legal, regulatory and tax positions regarding the Proposed Offer and in particular the receipt of the Scheme Consideration or General Offer Consideration, as applicable.
2. Neither Cadiz nor Stellar accept responsibility and will not be held liable for any act of, or omission by, any CSDP or broker, including, without limitation, any failure on the part of the CSDP or broker or any registered holder of Cadiz Shares to notify the holder of any beneficial interest in those Cadiz Shares of the Proposed Offer set out in this Circular.
3. Cadiz Shareholders are advised that, in terms of section 115(3) of the Companies Act, Cadiz may in certain circumstances not proceed to implement the Scheme, notwithstanding that the Scheme may have been approved at the Cadiz General Meeting, without the approval of Court. A copy of section 115 of the Companies Act pertaining to the required approval of the Scheme is set out in **Annexure 3** to this Circular.

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## IMPORTANT DATES AND TIMES IN RELATION TO THE PROPOSED OFFER

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The definitions and interpretations provisions commencing on page 16 of this Circular shall apply, *mutatis mutandis*, to the dates and times set out hereunder (unless the context requires a contrary intention):

Action	2015
Record date to determine which Cadiz Shareholders are entitled to receive the Circular	Friday, 21 August
Posting of the Circular to Cadiz Shareholders and notice convening Cadiz General Meeting released on SENS	Monday, 31 August
Notice convening Cadiz General Meeting published in the South African press	Tuesday, 1 September
Last day to trade in Cadiz Shares in order to be recorded on the Register on the Voting Record Date ( <b>Voting Last Day to Trade</b> )	Friday, 11 September
<b>Voting Record Date</b> in respect of being eligible to vote at the Cadiz General Meeting	Friday, 18 September
Forms of proxy to be received by 10:00	Friday, 25 September
Last date and time for Offer Shareholders to give notice, in terms of section 164 of the Companies Act, to Cadiz objecting to the Scheme by 10:00	Tuesday, 29 September
<b>Cadiz General Meeting to be held at 10:00</b>	<b>Tuesday, 29 September</b>
Results of Cadiz General Meeting released on SENS	Tuesday, 29 September
<b>Timetable if the Scheme is approved (certain dates will be confirmed in the finalisation announcement once the Scheme becomes unconditional):</b>	
Last date on which Cadiz Shareholders who voted against the Scheme can require Cadiz to seek court approval for the Scheme in terms of section 115(3)(a) of the Companies Act (if applicable)	Tuesday, 6 October
Last date on which Cadiz Shareholders who voted against the Scheme can make application to the court in terms of section 115(3)(b) of the Companies Act	Tuesday, 13 October
Last date for Cadiz to send objecting Offer Shareholders who voted against the Scheme notice of the adoption of the Special Resolution approving the Scheme, in terms of section 164 of the Companies Act	Tuesday, 13 October
Last day for Offer Shareholders who validly exercised their appraisal rights to demand that Cadiz acquires his Offer Shares at fair value, in terms of section 164 of the Companies Act	Tuesday, 10 November
<b>The following dates assume that all the Scheme Conditions have been fulfilled or waived (where capable of waiver), save for the Scheme Condition in respect of receipt of unconditional approval from the TRP in terms of a compliance certificate or exemption to be issued in terms of the Companies Act in relation to the Scheme, and that neither court approvals nor the review of the Scheme is required. These dates will be confirmed in the finalisation announcement if the Scheme becomes unconditional.</b>	
Expected date for receipt of compliance certificate from TRP	Wednesday, 14 October
<b>Finalisation announcement expected to be released on SENS</b>	<b>Wednesday, 14 October</b>
Finalisation announcement expected to be published in the South African press	Thursday, 15 October
Application for the termination of the listing of all the Cadiz Shares from the Main Board of the JSE expected to be lodged	Thursday, 15 October

<b>Action</b>	<b>2015</b>
Expected last day to trade in Cadiz Shares in order to be recorded on the Register on the Scheme Record Date ( <b>Scheme Last Day to Trade</b> )	Friday, 23 October
Expected date of the suspension of listing of Cadiz Shares on the JSE	Monday, 26 October
Expected <b>Scheme Record Date</b> on which Cadiz Shareholders must be recorded in the Register to receive the Scheme Consideration	Friday, 30 October
Expected Scheme Operative Date	Monday, 2 November
Expected date of settlement of Scheme Consideration to Scheme Participants who hold Certificated Cadiz Shares (if the Form of Election, Surrender and Transfer and Documents of Title are received on or prior to 12:00 on the Scheme Record Date)	Monday, 2 November
Expected date of updating the accounts of Scheme Participants who hold Dematerialised Cadiz Shares at their CSDP or broker	Monday, 2 November
Expected termination of listing of Cadiz Shares at commencement of trade on the JSE	Tuesday, 3 November
<b>Timetable if the Scheme is not approved:</b>	
If the Scheme fails, Stellar will be entitled to elect to make the General Offer to the Offer Shareholders (other than Stellar) within one Business Day after the Scheme has failed, by announcing its election on SENS. The following dates in respect of the General Offer will be confirmed in an announcement post failure of the Scheme:	
<b>Cadiz General Meeting to be held at 10:00</b>	<b>Tuesday, 29 September</b>
Results of Cadiz General Meeting and Stellar's election to make the General Offer released on SENS	Tuesday, 29 September
Expected date of opening of General Offer (General Offer Opening Date)	Wednesday, 30 September
Expected date for receipt of compliance certificate from TRP	Wednesday, 14 October
<b>Finalisation announcement expected to be released on SENS</b>	Wednesday, 14 October
<b>Finalisation announcement expected to be published in the South African press</b>	Thursday, 15 October
Expected last day to trade to take up the General Offer	Friday, 6 November
Cadiz Shares trade "ex" the General Offer	Monday, 9 November
Expected General Offer Record Date	Friday, 13 November
Expected General Offer Closing Date at 12:00	Friday, 13 November
Expected General Offer Settlement Date (see note 10)	Monday, 16 November



**Notes:**

1. All dates and times in respect of the Scheme are subject to change by mutual agreement between Cadiz and Stellar and the approval of the JSE and the TRP and may be subject to certain regulatory approval(s) including, but not limited to, that of the Competition Authorities, being granted. Any change will be released on SENS and published in the South African press.
2. Although the salient dates and times are stated to be subject to change, such statement may not be regarded as consent or dispensation for any change to the time periods which may be required in terms of the Takeover Regulations, where applicable, and any such consent or dispensation must be specifically applied for and approved by the TRP. In this regard, the TRP granted Cadiz and Stellar an extension in respect of the date for the posting of this Circular to Cadiz Shareholders within 20 business days as required by Regulation 102(2) of the Takeover Regulations in order to allow for the registration of the Bidco Prospectus with CIPC.
3. Cadiz Shareholders are referred to paragraph 7 of this Circular (which contains a summary of Dissenting Shareholders' appraisal rights in respect of the Scheme) regarding rights afforded to the Cadiz Shareholders, the exercise of which may affect the timing regarding the implementation of the Scheme.
4. Cadiz Shareholders should note that as transactions in shares are settled in the electronic settlement system used by Strate, settlement of trades takes place five Business Days after such trade. Therefore, persons who acquire Cadiz Shares after the Voting Last Day to Trade (i.e. Friday, 11 September 2015), will not be eligible to vote at the Cadiz General Meeting, but will, provided the Scheme is approved and they acquire the Cadiz Shares on or prior to the Scheme Last Day to Trade (expected to be Friday, 23 October 2015), participate in the Scheme (i.e. sell their Cadiz Shares to Stellar in accordance with the Scheme for the Scheme Consideration).
5. A Cadiz Shareholder may submit a proxy at any time before the commencement of the Cadiz General Meeting (or any adjournment of the Cadiz General Meeting) or hand it to the chairman of the Cadiz General Meeting before the appointed proxy exercises any of the relevant Cadiz Shareholders' rights at the Cadiz General Meeting (or any adjournment of the Cadiz General Meeting), provided that should a Cadiz Shareholder lodge a form of proxy with the Transfer Secretaries less than 48 hours before the Cadiz General Meeting, such Cadiz Shareholder will also be required to furnish a copy of such form of proxy to the chairman of the Cadiz General Meeting before the appointed proxy exercises any of such Cadiz Shareholder's rights at the Cadiz General Meeting (or any adjournment of the Cadiz General Meeting).
6. If the Cadiz General Meeting is adjourned or postponed, forms of proxy submitted for the initial Cadiz General Meeting will remain valid in respect of any adjournment or postponement of the Cadiz General Meeting.
7. All times given in this Circular are local times in South Africa.
8. If the Scheme is approved by the requisite majority, share certificates may not be dematerialised or rematerialised after the Scheme Last Day to Trade.
9. No dematerialisation or rematerialisation of Cadiz Shares may take place from the commencement of business on the Business Day following the Scheme Last Day to Trade. The Scheme Last Day to Trade is expected to be on Friday, 23 October 2015.
10. In the event that the Scheme fails and Stellar elects to make the General Offer, the General Offer Consideration will be settled every six Business Days from the date of receipt of the General Offer Form until the General Offer Closing Date. Such settlement will only be effected once the General Offer has become unconditional, which date will be announced on SENS.

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## DEFINITIONS AND INTERPRETATIONS

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In this Circular, unless otherwise stated or the context indicates otherwise, the terms and expressions in the first column will bear the meanings stated opposite them in the second column, and related expressions will bear corresponding meanings; words in the singular will include the plural and *vice versa*; words denoting one gender will include the other genders; and words denoting natural persons will include juristic persons and *vice versa*:

“A Ordinary Shares”	shares authorised in the share capital of Cadiz entitling the holder thereof to rights to acquire Cadiz Shares in accordance with the terms of the Cadiz Black Employee Share Ownership Scheme Trust;
“Authorised Dealer”	an authorised dealer of the SARB, designated as such in the Exchange Control Regulations;
“BBBEE”	Broad-Based Black Economic Empowerment;
“Bidco”	Friedshelf 1678 Limited (registration number 2015/129143/06), a public company incorporated and registered in accordance with the laws of South Africa, a special purpose vehicle and a wholly-owned subsidiary of Stellar;
“Bidco Scheme Consideration Shares”	1 Bidco Share, to be issued at a price of R1.25 per Bidco Share, for each Scheme Share held;
“Bidco Shares”	ordinary unlisted shares of no par value in the share capital of Bidco;
“Business Day”	any day other than a Saturday, a Sunday or an official public holiday in South Africa;
“Cadiz” or “the Company”	Cadiz Holdings Limited (registration number 1997/007258/06), a public company duly incorporated and registered in accordance with the laws of South Africa, the shares of which are listed on the Main Board of the JSE;
“Cadiz Black Employee Share Ownership Scheme Trust”	the Cadiz Black Employee Share Ownership Scheme Trust (Master’s reference number IT 2642/2008), the beneficiaries of which were black employees of Cadiz;
“Cadiz Board”	the board of directors of Cadiz, for the time being and from time to time, which, as at the Last Practicable Date, is comprised of those persons identified as directors in paragraph 23.1 of this Circular;
“Cadiz Corporate Solutions”	Cadiz Corporate Solutions Proprietary Limited (registration number 2012/035754/07), a private company incorporated in accordance with the laws of South Africa and the corporate adviser of Cadiz;
“Cadiz General Meeting”	the general meeting of Cadiz Shareholders to be held at the registered office of the Company at 4th Floor, The Terraces, 25 Protea Road, Claremont, Cape Town at 10:00 on Tuesday, 29 September 2015 (or any postponement or adjournment thereof) in order to consider and, if deemed fit, pass, with or without modification, the resolutions required to approve and implement the Scheme, as set out in the notice of the Cadiz General Meeting attached to and forming part of this Circular;
“Cadiz Share(s)”	ordinary shares in the share capital of Cadiz with a par value of R0.01 each;
“Cadiz Share Appreciation Rights Holder”	certain employees of Cadiz who hold share appreciation rights as a result of: <ul style="list-style-type: none"><li>• their participation in the Cadiz Share Appreciation Rights Scheme; or</li><li>• as holders of A Ordinary Shares in terms of the Cadiz Black Employee Share Ownership Scheme Trust;</li></ul>

“Cadiz Share Appreciation Rights Scheme”	the share appreciation rights scheme which is governed by the Cadiz Share Appreciation Rights Scheme Rules which was approved by Cadiz Shareholders pursuant to a shareholders resolution dated 7 March 2013, the participants of which are the Cadiz Share Appreciation Rights Holders;
“Cadiz Share Appreciation Rights Scheme Rules”	the rules governing the Cadiz Share Appreciation Rights Scheme, adopted pursuant to a resolution by the Cadiz Board dated 7 March 2013;
“Cadiz Share Appreciation Rights Settlement Agreements”	the agreements entered into between Cadiz and each of the Cadiz Share Appreciation Rights Holders, in terms whereof Cadiz shall settle each Cadiz Share Appreciation Rights Holder’s rights in respect of the Cadiz Share Appreciation Rights with Cadiz Shares, which settlement will be conditional upon the implementation of the Scheme or the General Offer (as applicable);
“Cadiz Shareholder” or “Shareholder”	a registered holder of Cadiz Shares;
“Certificated Cadiz Share”	a Cadiz Share, which has not been Dematerialised, and title to which is evidenced by a Document of Title;
“Certificated Cadiz Shareholder”	a Cadiz Shareholder who holds Certificated Cadiz Shares;
“Certificated Scheme Participant”	a Scheme Participant who holds Certificated Cadiz Shares;
“CIPC”	the Companies and Intellectual Property Commission, established in terms of section 185 of the Act, or its successor body;
“Circular”	this bound document, dated Monday, 31 August 2015, including its annexures and attachments and including the notice of General Meeting ( <i>yellow</i> ), the terms of the Proposed Offer, the Form of Proxy ( <i>green</i> ) and the Form of Election, Surrender and Transfer ( <i>pink</i> ) and the General Offer Form ( <i>blue</i> );
“Combined Scheme and Offer Proposal”	the proposed mechanism through which Stellar intends to acquire the Scheme Shares or the Offer Shares (as applicable), consisting of the Scheme, or if the Scheme fails and Stellar so elects, the General Offer;
“Common Monetary Area”	the Republic of South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
“Companies Act”	the Companies Act, No. 71 of 2008, as amended or re-enacted from time to time;
“Companies Regulations”	the Companies Regulations, 2011, published in terms of section 223, and Item 14 of Schedule 5, of the Companies Act, as amended from time to time;
“Competition Authorities”	the Competition Commission and/or the Competition Tribunal and/or the Competition Appeal Court, of South Africa created in terms of the Competition Act, No. 89 of 1998, as amended from time to time;
“Condition(s) Precedent”	collectively, the General Offer Conditions and the Scheme Conditions;
“CSDP”	a “Participant”, as defined in section 1 of the FMA;
“Deemed Scheme Participant”	a Dissenting Shareholder who is subsequently deemed to be a Scheme Participant in the event that any of the circumstances contemplated in sections 164(9)(a) and (b) of the Companies Act occur after the Scheme Record Date, as contemplated in paragraph 7.6.2 of this Circular;
“Delisting”	the termination of the listing of all the Cadiz Shares from the Main Board of the JSE pursuant to: <ul style="list-style-type: none"> <li>• the implementation of the Scheme; or</li> <li>• if the Scheme fails, the General Offer (if made) and the approval of the Delisting Resolution;</li> </ul>

“Delisting Resolution”	the ordinary resolution, in terms of section 1.14(a) of the JSE Listings Requirements, to be proposed by Cadiz at the Cadiz General Meeting to approve the delisting of all the Cadiz Shares from the Main Board of the JSE in terms of section 1.14(a) of the JSE Listings Requirements if the Scheme fails and the General Offer is implemented;
“Dematerialise” or “Dematerialisation”	the process by which Certificated Cadiz Shares are converted into electronic format as Dematerialised Cadiz Shares and recorded in a sub-register in electronic form;
“Dematerialised Cadiz Share”	a Cadiz Share that has been Dematerialised or has been issued in Dematerialised form, and recorded in a sub-register in electronic form;
“Dematerialised Cadiz Shareholder”	a Cadiz Shareholder who holds Dematerialised Cadiz Shares;
“Dissenting Shareholder”	Offer Shareholders who (i) validly exercise appraisal rights in terms of section 164 of the Companies Act and demand in terms of sections 164(5) to (8) of the Companies Act that Cadiz pay them the fair value of their Cadiz Shares; (ii) do not withdraw that demand before the Company makes an offer to them in terms of section 164(11) of the Companies Act; and (iii) do not after an offer is made to them by Cadiz in terms of section 164(11) of the Companies Act allow such offer to lapse;
“Documents of Title”	share certificates, certified transfer deeds, balance receipts, or any other documents of title pertaining to Cadiz Shares reasonably acceptable to the Cadiz Board;
“Exchange Control Regulations”	the Exchange Control Regulations, 1961, as amended from time to time, issued under section 9 of the Currency and Exchanges Act, No. 9 of 1933, as amended or re-enacted from time to time;
“Excluded Dissenting Shareholder”	Dissenting Shareholders who accept an offer made to them by Cadiz in terms of section 164(11) of the Companies Act or, pursuant to an order of Court, tender their Cadiz Shares to Cadiz in terms of section 164(15)(v) of the Companies Act;
“Excluded Shares”	the Treasury Shares and any other Cadiz Shares, the exclusion of which from the Scheme and/or the General Offer is required by law or agreed in writing between Stellar and Cadiz;
“FICA”	the Financial Intelligence Centre Act, No. 38 of 2001, as amended or re-enacted from time to time;
“Firm Intention Announcement”	the joint firm intention announcement by Cadiz and Stellar setting out the terms of a firm intention by Stellar, as contemplated in Chapter 5 of the Companies Act and Chapter 5 of the Takeover Regulations, to propose the Proposed Offer, as released on SENS on Friday, 19 June 2015 and published in the press on Monday, 22 June 2015;
“FMA”	the Financial Markets Act, No. 19 of 2012, as amended or re-enacted from time to time;
“Form of Election, Surrender and Transfer”	the form of election, surrender and transfer of Documents of Title attached to this Circular ( <i>pink</i> ), to be completed by Certificated Cadiz Shareholders (only);
“Friedshelf Prospectus”	a prospectus in respect of Bidco which has been prepared and registered in terms of section 100 of the Companies Act and Companies Regulations 51 to 79 on 28 August 2015, together with the annexures attached thereto, annexed to this Circular as <b>Annexure 10</b> ;
“General Offer”	the general offer to the Offer Shareholders (other than Stellar) made by Stellar, at its election, in accordance with section 117(1)(c)(v) of the Companies Act, to acquire all the Offer Shares for the General Offer Consideration, subject to the General Offer Conditions, the full terms of which are set out in this Circular;

“General Offer Closing Date”	the last date on which the Offer Shareholders will be able to accept the General Offer which is expected to be Friday, 13 November 2015;
“General Offer Conditions”	the conditions to which the General Offer is subject, as set out in paragraph 15 of this Circular;
“General Offer Consideration”	subject to paragraph 11 of this Circular, 5 Stellar Shares, to be issued at a price of R2.00 per Stellar Share, for every 8 Cadiz Shares, and which will be settled every six Business Days from the date of receipt of the General Offer Form until the General Offer Closing Date, provided that such settlement will only be effected once the General Offer has become unconditional, which date will be announced on SENS;
“General Offer Form”	the form of acceptance, surrender and transfer of Cadiz Shares ( <i>blue</i> ) for use by Certificated Cadiz Shareholders only in respect of the General Offer to be made by Stellar, if it so elects, to the Offer Shareholders (other than Stellar) if the Scheme fails;
“General Offer Opening Date”	the opening date in respect of the General Offer, expected to be Wednesday, 30 September 2015, in the event that the Scheme fails and Stellar elects to make the General Offer;
“General Offer Participants”	Offer Shareholders who lawfully and validly accept the General Offer by the General Offer Closing Date and who are thus entitled, subject to the General Offer becoming unconditional, to receive the General Offer Consideration;
“General Offer Period”	the period beginning at 09:00 on the General Offer Opening Date and ending at 12:00 on the General Offer Closing Date during which the Offer Shareholders will be entitled to accept the General Offer;
“General Offer Record Date”	the record date on which Cadiz Shareholders must be recorded in the Register to accept the General Offer;
“General Offer Settlement Date”	date of settlement of the General Offer Consideration in respect of the General Offer to General Offer Participants who tender their Offer Shares to Stellar;
“Independent Board”	those members of the Board who have been identified by the Board as being independent for the purposes of the consideration of the Proposed Offer in accordance with Regulation 108(8) of the Takeover Regulations, namely Messrs GW Fury, BH Kent and LL Xate and Miss AN Matyumza;
“Independent Expert”	PSG Capital;
“Independent Reporting Accountants”	Grant Thornton Cape Chartered Accountants (registration number 2010/016204/21), the independent reporting accountants to Bidco;
“Irrevocable Undertakings”	the irrevocable undertakings from the Cadiz Shareholders to vote in favour of the Scheme and the Delisting Resolution referred in paragraph 26 below;
“JSE”	as the context requires, 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 an exchange under the FMA, or the securities exchange operated by that company;
“JSE Listings Requirements”	the Listings Requirements issued by the JSE from time to time;
“Last Practicable Date”	the last practicable date prior to finalisation of this Circular, being Tuesday, 11 August 2015;
“Makana Financial Services”	Makana Financial Services Proprietary Limited (registration number 2004/000619/07), a private company duly incorporated and registered in accordance with the laws of South Africa, being a wholly-owned subsidiary of Makana Investment Corporation Proprietary Limited which is a BBBEE investment vehicle of which Mr SP Ngwenya is the executive chairman;

“MOI”	the Memorandum of Incorporation of Cadiz;
“Offer Letter”	the written offer letter agreement entered into between Stellar and Cadiz on the Signature Date in respect of the Scheme and the General Offer, setting out the terms upon which Cadiz will propose the Scheme to Cadiz Shareholders and upon which Stellar will make the General Offer, if applicable, a copy of which is available for inspection by Cadiz Shareholders, as indicated in paragraph 34.7 of this Circular;
“Offer Shareholders”	holders of Offer Shares, including, for the avoidance of doubt, Stellar;
“Offer Shares”	233 749 129 Cadiz Shares, being the entire issued share capital of Cadiz (excluding the Excluded Shares);
“Proposed Offer”	the proposed acquisition of the Scheme Shares or Offer Shares, as applicable, by Stellar from Scheme Participants or the Offer Shareholders (other than Stellar), as applicable, by way of the Combined Scheme and Offer Proposal, each of which transaction constitutes an “affected transaction” as defined in section 117(1)(c) of the Companies Act;
“PSG Capital”	PSG Capital Proprietary Limited (registration number 2006/015817/07), a private company duly incorporated and registered in accordance with the laws of South Africa, the Independent Expert appointed by the Independent Board in accordance with section 114(2) of the Companies Act and the Takeover Regulations;
“R” or “Rand(s)”	South African Rand, the official currency of South Africa;
“Register”	the securities register of Cadiz Shareholders maintained by the Transfer Secretaries in accordance with sections 50(1) and 50(3) of the Companies Act, including both Certificated Cadiz Shareholders and Dematerialised Cadiz Shareholders;
“SARB”	the Financial Surveillance Department of the South African Reserve Bank;
“Scheme” or “Scheme of Arrangement”	the scheme of arrangement in terms of section 114(1)(c) (read with section 115) of the Companies Act to be proposed by the Cadiz Board between Cadiz and the Offer Shareholders in terms of which, if implemented, Stellar will acquire the Scheme Shares for the Scheme Consideration, the full terms of which are set out in this Circular (subject to any modification or amendment made thereto which Stellar and Cadiz may agree (and which the TRP and the JSE approve to the extent that the TRP’s or the JSE’s approval is required));
“Scheme Conditions”	the conditions to which the Scheme is subject, as set out in paragraph 8 of this Circular;
“Scheme Consideration”	subject to paragraph 4.2 of this Circular, new Stellar Shares or new Bidco Shares, at the election of Scheme Participants, on the basis that: <ul style="list-style-type: none"> <li>• Scheme Participants which elect to receive Stellar Shares (or make no election in which case Scheme Participants will be deemed to have elected Stellar Shares) will receive 5 Stellar Shares, to be issued at a price of R2.00 per Stellar Share, for every 8 Scheme Shares held; and</li> <li>• Scheme Participants which elect to receive Bidco Shares will receive one Bidco Share, to be issued at a price of R1.25 per Bidco Share, for each Scheme Share held, such that they will retain their existing investment in Cadiz indirectly through Bidco;</li> </ul>
“Scheme Finalisation Date”	the date on which the “finalisation date announcement” (as contemplated in the JSE Listings Requirements) is released on SENS, which date shall fall on the Business Day on which all the Scheme Conditions are fulfilled or waived, as the case may be;

“Scheme Last Day to Trade”	last day to trade in Cadiz Shares in order to be recorded on the Register on the Scheme Record Date in respect of the implementation of the Scheme, being the first Friday on which trading on the JSE occurs following the week in which the Scheme Finalisation Date occurs (unless there are official public holidays on that day) or such other date as the JSE may direct;
“Scheme Members”	Offer Shareholders who are in terms of the Companies Act and the MOI entitled to vote in respect of the Scheme at the Cadiz General Meeting, being those Cadiz Shareholders recorded in the Register at the close of business on the Voting Record Date;
“Scheme Operative Date”	the date on which the Scheme is to be implemented, which is expected to be the first Business Day following the Scheme Record Date, or such other date as the JSE may direct;
“Scheme Participants”	<ul style="list-style-type: none"> <li>• Offer Shareholders registered as such on the Scheme Record Date, other than the holders of the Excluded Shares and the Excluded Dissenting Shareholders, provided that (i) Dissenting Shareholders who become Excluded Dissenting Shareholders after the Scheme Record Date will not be regarded as Scheme Participants; and (ii) because Dissenting Shareholders may become Excluded Dissenting Shareholders, Dissenting Shareholders will only be regarded as Scheme Participants once they cease to be Dissenting Shareholders as contemplated in paragraph 7 of this Circular; and</li> <li>• the Cadiz Share Appreciation Rights Holders;</li> </ul>
“Scheme Record Date”	the date on which an Offer Shareholder must be recorded in the Register in order to be eligible to receive the Scheme Consideration, being the close of business on the first Friday following the Scheme Last Day to Trade (or such other date as the JSE may direct);
“Scheme Shares”	all of the Cadiz Shares held by a Scheme Participant on the Scheme Record Date, which for the avoidance of doubt excludes, <i>inter alia</i> , the Excluded Shares;
“SENS”	the Stock Exchange News Service of the JSE;
“Signature Date”	the date on which the Offer Letter was signed by Stellar and Cadiz, being 18 June 2015;
“Special Resolution”	the special resolution to be proposed at the Cadiz General Meeting for the approval of the Scheme, the full terms of which are set out in Special Resolution Number 1 in the notice of Cadiz General Meeting attached to and forming part of this Circular;
“Stellar”	Stellar Capital Partners Limited (registration number 1998/015580/06), a public company duly incorporated and registered in accordance with the laws of South Africa, the shares of which are listed on the Main Board of the JSE;
“Stellar Advisers”	Stellar Advisers Proprietary Limited (previously AfrAsia Corporate Finance Proprietary Limited) (registration number 2007/015289/07), a private company incorporated in accordance with the laws of South Africa, an authorised financial services provider (FSP 32488), and the corporate finance adviser and sponsor of Stellar;
“Stellar Board”	the board of directors of Stellar, for the time being and from time to time, which, as at the Last Practicable Date, is comprised of those persons identified as directors in the “Stellar’s Corporate Information and Advisers” section on page 23 of this Circular;
“Stellar’s Cadiz Shares”	40 451 754 Cadiz Shares beneficially and directly held by Stellar, representing approximately 17.31% of Cadiz’ total issued ordinary share capital (excluding Treasury Shares) as at the Last Practicable Date;
“Stellar Group”	Stellar and its subsidiaries;

“Stellar Scheme Consideration Shares”	5 Stellar Shares, to be issued at a price of R2.00 per Stellar Share, for every 8 Scheme Shares held, which is the equivalent of R1.25 per Scheme Share;
“Stellar Shares”	ordinary shares of no par value in the share capital of Stellar, all of which are listed on the Main Board of the JSE;
“Strate”	Strate Proprietary Limited (registration number 1998/022242/06), a private company duly incorporated and registered in accordance with the laws of South Africa, a registered central securities depository which is responsible for the electronic settlement system used by the JSE;
“subsidiary”	a subsidiary company, as defined in section 3 of the Companies Act;
“Takeover Regulations”	the Takeover Regulations issued in terms of section 120 of the Companies Act, as amended from time to time;
“TRP”	the Takeover Regulation Panel established pursuant to section 196 of the Companies Act, as amended from time to time;
“Transfer Secretaries”	the Transfer Secretaries of the Company, being Computershare Investor Services Proprietary Limited (registration number 2004/003647/07), a private company duly incorporated and registered in accordance with the laws of South Africa;
“Treasury Shares”	12 073 989 Cadiz Shares held by a subsidiary of Cadiz, which constitute approximately 4.91% of the total issued ordinary share capital of Cadiz as at the Last Practicable Date and which carry no voting rights;
“Voting Last Day to Trade”	the last day to trade on the JSE to be able to vote at the Cadiz General Meeting, being Friday, 11 September 2015;
“Voting Record Date”	record date to be eligible to vote at the Cadiz General Meeting, being Friday, 18 September 2015; and
“VWAP”	the volume weighted average traded price.

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In this Circular, references to “the Scheme failing”, “the failure of the Scheme” or any similar such wording shall be strictly limited to the situation where the Scheme cannot be implemented by reason of the Scheme Conditions not being fulfilled and Stellar not waiving such conditions (where capable of waiver).





**Cadiz Holdings Limited**  
(Incorporated in the Republic of South Africa)  
(Registration number 1997/007258/06)  
Share code: CDZ ISIN: ZAE000017661



**Stellar Capital Partners Limited**  
(Incorporated in the Republic of South Africa)  
(Registration number 1998/015580/06)  
Share code: SCP ISIN: ZAE000198586

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## COMBINED CIRCULAR TO SHAREHOLDERS

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### Directors of Cadiz

SP Ngwenya (*Chairman*)#  
FC Shaw (*Chief Executive Officer and Financial Director*)  
R Gonsalves  
GW Fury\*#^  
BH Kent\*#^  
AN Matyumza~^  
LL Xate\*#^

\*Independent

#Non-executive

~Lead independent non-executive

^Comprising the Independent Board

### Directors of Stellar

DD Tabata (*Chairman*)#  
PJ van Zyl (*Chief Executive Officer*)  
CB de Villiers (*Chief Financial Officer*)  
CE Pettit\*#  
L Mangope\*#  
J de Bruyn\*#  
CC Wiese\*#  
CH Wiese\*#

\*Independent

#Non-executive

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## 1. INTRODUCTION

- 1.1 In the Firm Intention Announcement published jointly by Cadiz and Stellar on SENS on 19 June 2015, Cadiz Shareholders were advised that Stellar, acting through Bidco, had provided the Cadiz Board with notification of Stellar's firm intention to make an offer to acquire 100% of the total issued ordinary shares in Cadiz (excluding the Excluded Shares), being 233 749 129 Cadiz Shares, by way of:
  - 1.1.1 a scheme of arrangement in terms of section 114(1)(c) of the Companies Act, to be proposed by the Cadiz Board between Cadiz and the Cadiz Shareholders; or
  - 1.1.2 a general offer by Stellar if the Scheme fails, at the election of Stellar, to the Offer Shareholders (other than Stellar) to acquire the Offer Shares.
- 1.2 For those Scheme Participants who elect to receive Stellar Shares (or who made no election and are deemed to have elected Stellar Shares), the Scheme Consideration represents a valuation of Cadiz Shares of R1.29 per share (on a relative basis, based on the closing share price of R2.02 per Stellar share and R0.98 per Cadiz Share on 18 June 2015), representing a premium of:
  - 1.2.1 31.46% to the closing price of the Scheme Shares on the securities exchange operated by the JSE as at 18 June 2015, being the date immediately preceding the date of publication of the Firm Intention Announcement; and
  - 1.2.2 24.09% to the VWAP of the Offer Shares on the securities exchange operated by the JSE for the 30 trading days up to and including 18 June 2015, being the date immediately preceding the date of publication of the Firm Intention Announcement.
- 1.3 The implementation of the Scheme will be subject to the Scheme Conditions. In the event that the Scheme becomes operative, the listing of all the Cadiz Shares on the Main Board of the JSE will be terminated, and Scheme Participants will be deemed to have sold their Scheme Shares for the Scheme Consideration, thereby constituting Cadiz a wholly-owned subsidiary of Bidco.
- 1.4 In the event that the Scheme fails, Stellar may, at its election, make the General Offer to Offer Shareholders (other than Stellar), which General Offer will be subject to the General Offer Conditions.

To the extent that the General Offer is implemented, only General Offer Participants will sell their Offer Shares to Stellar for the General Offer Consideration. Those Offer Shareholders who do not accept the General Offer will remain shareholders in Cadiz. If the General Offer is implemented and the General Offer Conditions have been fulfilled, application will be made to the JSE to terminate the listing of all the Cadiz Shares from the Main Board of the JSE.

- 1.5 The procedures for the Scheme, the Scheme Conditions, the effects of the Scheme, the Exchange Control Regulations which apply to Scheme Participants, Scheme Participants' Appraisal Rights, as well as the opinions, recommendations and undertakings given in relation to the Scheme are set out in paragraphs 3 to 11, 25 and 31 of this Circular. In addition, this Circular is accompanied by the Prospectus which sets out the information required in terms of the Companies Act and the Companies Regulations in respect of Bidco and the Bidco Shares as constituted after the implementation of the Scheme.
- 1.6 For a full understanding of the detailed legal terms and Conditions Precedent of the Proposed Offer, this Circular should be read in its entirety.

## 2. RATIONALE FOR THE PROPOSED OFFER

### 2.1 Nature of the business of Cadiz

Cadiz is a financial services group that is primarily focused on institutional and personal investments through its wholly-owned subsidiary, Cadiz Asset Management Proprietary Limited ("**Cadiz Asset Management**"). Founded in Cape Town 20 years ago as a securities house, the group has been listed on the JSE since 1999. Over the past decade, Cadiz has shifted its focus away from securities to asset management. Today, Cadiz Asset Management is a large independent fund manager in South Africa with assets under management of R20.7 billion as at Cadiz's reporting date, 31 March 2015.

### 2.2 Nature of the business of Stellar

Stellar is a newly established investment holding company listed on the JSE. Stellar, previously known as ConvergeNet Holdings Limited, has recently completed a R150 million private placement with prominent institutional investors and the acquisition of its initial investment portfolio, thereby seeking to:

- leverage the Main Board listing of ConvergeNet Holdings Limited;
- optimise the use of its existing assets;
- harness the deal-making experience of the Stellar Board and Stellar Advisers in a cost-effective manner;
- facilitate the introduction of strong new shareholders; and
- establish a platform to facilitate further capital raising and the growth of the initial investment portfolio.

2.3 Following the acquisition by Stellar of a 16.45% interest in Cadiz, as announced on SENS on 8 April 2015, and an assessment of the strategic options available, the Stellar Board believes that Cadiz would benefit from the focus and flexibility of operating in the unlisted environment, with the support of Stellar as a key shareholder. Benefits of the Proposed Offer for Cadiz and its shareholders include:

- for Cadiz Shareholders:
  - a substantial premium to the current traded price of Cadiz shares; and
  - a mechanism to either realise their investment in Cadiz (by acquiring shares in a more liquid investment) or alternatively to participate in the turnaround strategy of Cadiz in an unlisted environment;
- for Cadiz:
  - reduced regulatory reporting requirements post-Delisting in respect of Cadiz' future corporate activity and ability to respond swiftly and decisively to market opportunities;
  - reduced costs associated with maintaining a listing and a consolidation of head office functions and costs; and
  - greater clarity and flexibility in respect of the intended turnaround and growth strategy with a strong anchor shareholder in Stellar.j29

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## PART A: THE SCHEME

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### 3. TERMS OF THE SCHEME

- 3.1 The Scheme is proposed by the Cadiz Board between Cadiz and the Offer Shareholders pursuant to which, if approved by the requisite majority of Scheme Members, Stellar will acquire all of the Scheme Shares from the Scheme Participants. The Scheme will be implemented in accordance with the Companies Act, the Companies Regulations and will be regulated by the TRP.
- 3.2 The consideration payable to the Scheme Participants for the Scheme Shares will be the Scheme Consideration.
- 3.3 The Scheme will be subject to the fulfilment or waiver (where capable of waiver) of the Scheme Conditions.
- 3.4 The Scheme will be subject to section 164 of the Companies Act and shall become binding on Cadiz and the Scheme Participants (irrespective of whether or not each Cadiz Shareholder supports the Scheme) if, *inter alia*:
- 3.4.1 the Special Resolution is adopted at the Cadiz General Meeting; and
- 3.4.2 all the remaining Scheme Conditions have been fulfilled or waived (where capable of waiver).
- 3.5 Subject to the Scheme becoming unconditional, the Scheme Participants (whether they voted in favour of the Scheme or not, or abstained or refrained from voting) shall be deemed with effect from the Scheme Operative Date to have:
- 3.5.1 disposed of and transferred their Cadiz Shares to Bidco, who will be deemed to have acquired registered and beneficial ownership of such Cadiz Shares, free of encumbrance, on the Scheme Operative Date, against settlement of the Scheme Consideration in terms of paragraph 3.6 below;
- 3.5.2 subject to paragraph 3.11 below, authorised Cadiz as principal with power of substitution on their behalf to transfer and register the Scheme Shares into the name of Bidco on or at any time after the Scheme Operative Date, and to do all such things and take all such steps (including the signing of any transfer form) as Cadiz in its discretion considers necessary in order to effect that transfer and registration; and
- 3.5.3 subject to paragraph 3.11 below, authorised Cadiz as principal with power of substitution on their behalf to collect from Stellar the Scheme Consideration for delivery to those Scheme Participants and all risk and benefit in the Scheme Shares will pass from those Scheme Participants to Stellar with effect from the Scheme Operative Date against settlement of the Scheme Consideration in terms of paragraph 3.6 below.
- 3.6 The Scheme Consideration shall be settled, in full, in accordance with the terms of the Scheme without regard to any lien, right of set-off, counterclaim or other analogous right to which Cadiz or Stellar may otherwise be, or claim to be, entitled against a Scheme Participant.
- 3.7 Cadiz, as principal, shall procure that Stellar complies with its obligations under the Scheme, and Cadiz alone shall have the right to enforce these obligations (if necessary) against Stellar.
- 3.8 Scheme Participants may enforce their rights to receive the Scheme Consideration in respect of the Cadiz Shares held by them against Cadiz only. Such rights will only be enforceable against Cadiz if Cadiz or its agents have received the Scheme Consideration from Stellar. The Scheme Participants shall be entitled to require Cadiz to enforce its rights in terms of the Scheme against Stellar. Scheme Participants shall not be entitled to require Cadiz to deliver or procure the delivery of the Scheme Consideration if Cadiz or its agents have not received the Scheme Consideration or to hold Cadiz liable for damages or the payment of any amount, save to the extent that Cadiz itself is in breach of its obligations in terms of the Scheme.

- 3.9 The effect of the Scheme will be that, with effect from the Scheme Operative Date, Bidco will own 100% of the Scheme Shares. Stellar's percentage interest in Bidco following the implementation of the Scheme will be subject to the elections made by Scheme Participants, as detailed in paragraph 4 below.
- 3.10 Furthermore, following the implementation of the Scheme, the listing of all the Cadiz Shares on the Main Board of the JSE will be terminated in terms of section 1.16(b) of the JSE Listings Requirements.
- 3.11 With effect from the Scheme Operative Date, each and every officer/director of the Transfer Secretaries and/or Cadiz or any other person nominated by Cadiz, will irrevocably be deemed to be the attorney and agent *in rem suam* of the Scheme Participants to implement the transfer of their Cadiz Shares in terms of paragraph 3.5 of this Circular and to sign any instrument of transfer in respect thereof or any other documents and to do any and all other acts required or desirable to implement the Scheme and the Delisting and to take all steps necessary to procure electronic delivery of the Cadiz Shares which have been dematerialised.

#### 4. THE SCHEME CONSIDERATION

Should the Scheme be approved, Scheme Participants will receive the Stellar Scheme Consideration Shares or the Bidco Scheme Consideration Shares on the basis that:

- 4.1 Scheme Participants which elect to receive Stellar Shares (or make no election in which case Scheme Participants will be deemed to have elected Stellar Shares) will receive 5 Stellar Shares, to be issued at a price of R2.00 per Stellar Share, for every 8 Scheme Shares held, which is the equivalent of R1.25 per Scheme Share; and
- 4.2 Scheme Participants which elect to receive Bidco shares will receive 1 Bidco Share, to be issued at a price of R1.25 per Bidco Share, for each Scheme Share held, such that they will retain their existing investment in Cadiz indirectly through Bidco.

#### 5. PROCEDURE FOR ACCEPTANCE OF THE SCHEME

Cadiz Shareholders are referred to section A commencing on page 5 of this Circular which sets out the provisions regarding the procedure for acceptance of the Scheme.

#### 6. SETTLEMENT OF THE SCHEME CONSIDERATION

- 6.1 In the event that the Scheme becomes unconditional and the Scheme is implemented, Scheme Participants, subject to the Exchange Control Regulations, will be entitled to receive the Scheme Consideration in respect of the Scheme Shares held by them. Subject to receipt of the Scheme Consideration in terms of paragraph 3.6 above, Cadiz or its agents will administer and effect settlement of the Scheme Consideration to the Scheme Participants.
- 6.2 Cadiz Shareholders are referred to paragraphs 1.3 and 2.4 commencing on pages 6 and 7, respectively, of this Circular which set out the provisions regarding the settlement of the Scheme Consideration.

#### 7. DISSENTING SHAREHOLDERS' APPRAISAL RIGHTS

**This paragraph 7 contains only a summary of the provisions of section 164 of the Companies Act. The full section is set out in Annexure 4 to this Circular.**

- 7.1 Section 164 of the Companies Act provides that:
- 7.1.1 at any time before the Special Resolution is to be voted on, an Offer Shareholder may give Cadiz a written notice objecting to the Special Resolution ("**Notice of Objection**");
- 7.1.2 within 10 Business Days after Cadiz has adopted the Special Resolution, it must send a notice that the Special Resolution has been adopted to each Dissenting Shareholder who gave Cadiz a Notice of Objection and has neither withdrawn the Notice of Objection nor voted in favour of the Special Resolution;
- 7.1.3 a Dissenting Shareholder may demand in writing within 20 Business Days after receipt of the notice referred to in paragraph 7.1.2 above or, if the Offer Shareholder does not receive the notice referred to in paragraph 7.1.2 above, within 20 Business Days after learning that

the Special Resolution was adopted, that Cadiz pay the Dissenting Shareholder the fair value for all the Cadiz Shares held by that Offer Shareholder if:

- the Dissenting Shareholder sent Cadiz a Notice of Objection;
- Cadiz has adopted the Special Resolution; and
- the Dissenting Shareholder voted against the Special Resolution and has complied with all of the procedural requirements of section 164 of the Companies Act;

7.1.4 the demand sent by the Dissenting Shareholder to Cadiz as provided in paragraph 7.1.3 above must set out:

- the Dissenting Shareholder's name and address;
- the number of Cadiz Shares in respect of which the Dissenting Shareholder seeks payment; and
- a demand for payment of the fair value of those Cadiz Shares. The fair value of the Cadiz Shares is determined as at the date on which, and the time immediately before, Cadiz adopted the Special Resolution that gave rise to the Dissenting Shareholder's rights under this section.

7.2 Any Offer Shareholder that is in doubt as to what action to take must consult their legal or professional adviser in this regard. A copy of section 164 of the Companies Act is attached to this Circular as **Annexure 4**.

7.3 Before exercising their rights under section 164 of the Companies Act, Cadiz Shareholders should have regard to the following factors relating to the Scheme:

- the report of the Independent Expert set out in **Annexure 1** to this Circular concludes that:
  - the Stellar Scheme Consideration Shares in settlement of the Scheme Consideration are fair and reasonable to Cadiz Shareholders; and
  - the Bidco Scheme Consideration Shares in settlement of the Scheme Consideration are unfair and unreasonable to Cadiz Shareholders; and
- the Court is empowered to grant a costs order in favour of, or against, an Offer Shareholder, as may be applicable.

7.4 A Dissenting Shareholder who has sent a demand in terms of section 164 of the Companies Act has no further rights in respect of their Cadiz Shares, other than to be paid their fair value, unless:

- the Offer Shareholder withdraws that demand before Cadiz makes an offer to that Dissenting Shareholder under section 164(11) of the Companies Act, or allows any offer made by Cadiz to lapse;
- Cadiz fails to make an offer in accordance with section 164(11) of the Companies Act and the Offer Shareholder withdraws the demand; or
- Cadiz, by a subsequent special resolution, revokes the adopted resolution that gave rise to the Offer Shareholder's rights under section 164, in which case that Dissenting Shareholder's rights shall, in terms of section 164(10) of the Companies Act, be reinstated without interruption.

For the sake of clarity, except where expressly provided otherwise, all provisions applicable to Scheme Participants shall apply equally to any Dissenting Shareholder who becomes a Deemed Scheme Participant.

7.5 It should be noted that one of the Scheme Conditions is that, if there are Dissenting Shareholders, the Dissenting Shareholders exercise appraisal rights in terms of section 164 of the Companies Act in respect of no more than 10% of the issued Cadiz Shares eligible to vote on the Special Resolution, provided that, in the event that Dissenting Shareholders give notice objecting to the Scheme in terms of section 164(3) of the Companies Act and vote against the Special Resolution in respect of no more than 10% of the issued Cadiz Shares eligible to vote on the Special Resolution, this Scheme Condition shall be deemed to have been fulfilled at the time of the Cadiz General Meeting.

7.6 In the event that any of the circumstances contemplated in sections 164(9)(a) to (c) of the Companies Act occur, then a Dissenting Shareholder shall:

- 7.6.1 if such event takes place on or before the Scheme Record Date in respect of the Scheme, be a Scheme Participant and be subject to the provisions of the Scheme; and
- 7.6.2 if such event takes place after the Scheme Record Date in respect of the Scheme, be deemed to have been a Scheme Participant with retrospective effect as at the Scheme Operative Date, provided that settlement of the Scheme Consideration and transfer of that Dissenting Shareholder's Cadiz Shares to Cadiz shall take place on the later of:
  - (i) the date which is five Business Days after that Dissenting Shareholder so withdrew its demand or allowed Cadiz' proposal in terms of the Scheme to lapse, as the case may be;
  - (ii) if that Dissenting Shareholder is a Certificated Cadiz Shareholder, the date which is five Business Days after that Dissenting Shareholder surrendered its Documents of Title and completed a Form of Election, Surrender and Transfer (*pink*) accepting the Scheme to the Transfer Secretaries; and
  - (iii) that Dissenting Shareholder authorises Cadiz and/or the Transfer Secretaries on its behalf to transfer its Cadiz Shares to Stellar against payment of the Scheme Consideration and to take all other action and steps necessary to give effect of the foregoing.

## 8. CONDITIONS PRECEDENT TO THE SCHEME

- 8.1 The implementation of the Scheme is subject to the fulfilment or, if appropriate, waiver (in whole or in part) of the following suspensive conditions by no later than 30 September 2015 or such later date/s as may be agreed to between Stellar and Cadiz:
  - 8.1.1 to the extent applicable, all requisite regulatory approvals required for the Scheme have been obtained from the JSE, the TRP, SARB and the Competition Authorities (either unconditionally or subject to conditions acceptable to Stellar);
  - 8.1.2 the approval of the Special Resolution by the requisite majority of the Scheme Members as contemplated in section 115(2)(a) of the Companies Act (being not less than 75% of the votes exercised by the Scheme Members present or by proxy and entitled to vote) at the Cadiz General Meeting, and:
    - 8.1.2.1 to the extent required, the approval of the implementation of the Special Resolution by a court in terms of section 115(2)(c) and/or section 115(3) of the Companies Act; and
    - 8.1.2.2 if applicable, Cadiz not treating the Special Resolution as a nullity, as contemplated in section 115(5)(b) of the Companies Act;
  - 8.1.3 the receipt of unconditional approval from the TRP in terms of a compliance certificate or exemption to be issued in terms of the Companies Act in relation to the Scheme;
  - 8.1.4 in relation to any objections to the Scheme by Cadiz Shareholders:
    - 8.1.4.1 no Cadiz Shareholders give notice objecting to the Scheme, as contemplated in section 164(3) of the Companies Act, and vote against the Special Resolution proposed at the Cadiz General Meeting; or
    - 8.1.4.2 if Cadiz Shareholders give notice objecting to the Scheme, as contemplated in section 164(3) of the Companies Act, and vote against the Special Resolution, Cadiz Shareholders holding no more than 10% of all Cadiz Shares eligible to be voted on the Special Resolution give such notice and vote against the Special Resolution; or
    - 8.1.4.3 if Cadiz Shareholders holding more than 10% of all Cadiz Shares eligible to vote on the Special Resolution give notice objecting to the Scheme, as contemplated in section 164(3) of the Companies Act, and vote against the Special Resolution, the relevant Cadiz Shareholders do not exercise their appraisal rights afforded to them in terms of section 164 of the Companies Act, by giving valid demands in terms of sections 164(5) to 164(8) of the Companies Act within 30 (thirty) Business Days following the adoption of the Special Resolution, in respect of more than 10% of the Cadiz Shares eligible to be voted on the Special Resolution; and

- 8.2 The Scheme Conditions in:
- 8.2.1 paragraphs 8.1.1 to 8.1.3 above are regulatory in nature and cannot be waived; and
  - 8.2.2 paragraph 8.1.4 above has been inserted for the benefit of Stellar, which will be entitled, in its sole discretion, to waive fulfilment of such Scheme Conditions, in whole or in part, on written notice to Cadiz.
- 8.3 An announcement will be released on SENS as soon as practicable after all the Scheme Conditions have been fulfilled or waived, as the case may be.

## 9. GENERAL

- 9.1 Subject to paragraph 9.2, Cadiz may:
- 9.1.1 before or at the Cadiz General Meeting, but prior to Cadiz Shareholders casting their votes, agree to any amendment, variation or modification of the Scheme. The Cadiz Shareholders will be notified of any such variation or modification; or
  - 9.1.2 after the Cadiz General Meeting, agree to any amendment, variation or modification Cadiz may deem fit to approve or impose, provided that no amendment, variation or modification made after the Cadiz General Meeting may have the effect of diminishing the rights which will accrue to a Scheme Participant in terms of the Scheme.
- 9.2 Subject to compliance with applicable law and regulation or the requirements of the JSE and TRP, no amendment or variation of the Scheme shall be valid unless it is agreed to by Cadiz and Stellar in writing, provided that Stellar shall be entitled at any time to increase the Scheme Consideration, and to effect the necessary amendments consequent on such increase, without requiring the consent of Cadiz. Where an amendment to the terms and conditions of the Scheme is required by a regulatory authority, the prior written consent of each of Cadiz and Stellar shall be required for such amendment (which consent shall not be unreasonably withheld or delayed).
- 9.3 A certificate signed by two directors of the Independent Board and two directors of Stellar stating that all Scheme Conditions have been fulfilled and/or waived (as the case may be) and that the Scheme is capable of implementation shall be binding on Cadiz and the Cadiz Shareholders.
- 9.4 Upon the Scheme being implemented, the Documents of Title held by any Scheme Participants will cease to be of any value, other than for the purposes of surrender in terms of the Scheme, and no certificates or deeds or documents will be issued by Cadiz in place thereof.
- 9.5 Cadiz will be entitled, and will have the authority on behalf of itself and each Cadiz Shareholder, to authorise any person nominated by Cadiz to sign all documents, and do any other thing required to be done in order to implement the terms of the Scheme and the Delisting into effect, including but not limited to, all transfer forms, instructions to CSDPs, forms of transfer, changes in address and cessions of rights to dividends, distributions and other entitlements to Cadiz.
- 9.6 All dates and times referred to herein are subject to change, as contemplated in this Circular. Any such change shall be released on SENS and published in the South African press.
- 9.7 In terms of section 115(4) of the Companies Act, the voting rights of Stellar in respect of Stellar's Cadiz Shares will not be taken into account in calculating the percentage of voting rights to determine whether the applicable quorum of shareholders is present and will not be taken into account in calculating the percentage of voting rights required to approve the Special Resolution.
- 9.8 The Scheme shall be governed by the laws of South Africa only. Each Cadiz Shareholder shall be deemed to have irrevocably submitted to the non-exclusive jurisdiction of the Courts of South Africa in relation to all matters arising out of or in connection with the Scheme.

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## PART B: THE GENERAL OFFER

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### 10. TERMS OF THE GENERAL OFFER

- 10.1 It is an express term of the Proposed Offer that if the Scheme fails, Stellar shall be entitled to elect, within one Business Day after the day on which the Scheme has failed, to make the General Offer to the Offer Shareholders (other than Stellar) to acquire the Offer Shares, by announcing its election in this regard on SENS.
- 10.2 The General Offer Consideration will be payable to the General Offer Participants. In this regard, if the General Offer is made, Offer Shareholders will only be able to accept the General Offer in respect of all of their Offer Shares.
- 10.3 The General Offer will be subject to any and all those General Offer Conditions which remain unfulfilled or which have not been waived (where capable of waiver) when such General Offer is made.

### 11. THE GENERAL OFFER CONSIDERATION

In terms of the General Offer, if made, Stellar shall acquire the Offer Shares of the General Offer Participants for the General Offer Consideration.

### 12. OFFER PERIOD

- 12.1 The General Offer is irrevocable and will open for acceptance from 09:00 on the General Offer Opening Date, and will, in accordance with Regulations 102(4) and 105(5) of the Takeover Regulations, close at 12:00 on the General Offer Closing Date. Accordingly, the General Offer will be open for acceptance by those Offer Shareholders that are recorded in the Register at any time during the Offer Period.
- 12.2 Stellar may, in its absolute and sole discretion, but subject to the provisions and requirements of the Companies Act and the Takeover Regulations, extend the General Offer Closing Date. If Stellar so elects, the amended General Offer Closing Date will be released on SENS and published in the South African press.

### 13. PROCEDURE FOR ACCEPTANCE OF THE GENERAL OFFER

#### 13.1 Certificated Cadiz Shareholders

- 13.1.1 Certificated Cadiz Shareholders who wish to accept the General Offer must complete the attached General Offer Form (*blue*) and send it, together with their Documents of Title in respect of their Offer Shares, to the Transfer Secretaries. The General Offer Form and the Documents of Title must be received by no later than 12:00 on the General Offer Closing Date in order for Certificated Cadiz Shareholders to be eligible to receive the General Offer Consideration. The General Offer Form may be delivered by hand or sent by mail to the following addresses:

**If delivered by hand**

Computershare Investor Services  
Proprietary Limited  
70 Marshall Street  
Johannesburg  
2001

**If sent by mail**

Computershare Investor Services  
Proprietary Limited  
PO Box 61763  
Marshalltown  
2107

- 13.1.2 If the General Offer Form and Documents of Title are not received by 12:00 on the General Offer Closing Date, the General Offer will be deemed to have been declined. Late acceptances may be accepted or rejected at Stellar's discretion. Acceptances of the General Offer that are sent through the post are sent at the risk of the Certificated Cadiz Shareholders concerned. Accordingly, Certificated Cadiz Shareholders should take note of the postal delivery times so as to ensure that acceptances of the General Offer are received timeously. It is therefore recommended that such acceptances be sent by registered post, mail or delivered by hand to the Transfer Secretaries.



- 13.1.3 No receipts will be issued for Documents of Title surrendered, unless specifically requested by the Certificated Cadiz Shareholders concerned. Persons requiring receipts must prepare a receipt and forward it together with their Documents of Title surrendered.
- 13.1.4 If the General Offer lapses because of the non-fulfilment of one or more of the General Offer Conditions, then Documents of Title will be returned to their respective Certificated Cadiz Shareholders by registered post within five Business Days of the General Offer so lapsing.
- 13.1.5 If Documents of Title relating to any Offer Shares have been destroyed or lost, Certificated Cadiz Shareholders should nevertheless return the General Offer Form duly signed and completed, together with evidence satisfactory to Stellar that the Documents of Title to the relevant Cadiz Shares have been destroyed or lost and an indemnity acceptable to Stellar against any damage, expense, loss or payment that it, or any of its duly authorised representatives, may incur or suffer by reason of, or arising from, the payment of the General Offer Consideration to such person. An acceptable form of indemnity may be obtained from Stellar.
- 13.1.6 Stellar reserves the right, in its absolute and sole discretion:
- to treat as invalid General Offer Forms not accompanied by the relevant Documents of Title (or, if applicable, evidence reasonably satisfactory to Stellar that the Documents of Title to the relevant Offer Shares have been destroyed or lost and an indemnity reasonably acceptable to Stellar, as detailed above);
  - to treat as invalid General Offer Forms that have not been completed in accordance with the instructions set out therein;
  - to require proof of the authority of the person signing the General Offer Form, where such proof has not been lodged with, or recorded by, the Transfer Secretaries; or
  - to condone the non-compliance by any Certificated Cadiz Shareholder with any of the terms of the General Offer.
- 13.1.7 If a General Offer Form is treated as invalid due to non-compliance with the instructions contained therein, then the Certificated Cadiz Shareholder that submitted that General Offer Form will be deemed to have declined the General Offer, unless that Certificated Cadiz Shareholder re-submits to the Transfer Secretaries, before 12:00 on the General Offer Closing Date, a properly completed General Offer Form.

## 13.2 Dematerialised Cadiz Shareholders

- 13.2.1 Dematerialised Cadiz Shareholders will be contacted by their duly appointed CSDPs or brokers in the manner stipulated in the custody agreements entered into between those Dematerialised Cadiz Shareholders and their CSDPs or brokers, as the case may be, in order to ascertain whether or not the Dematerialised Cadiz Shareholders wish to accept the General Offer. If a Dematerialised Cadiz Shareholder wishes to accept the General Offer, it must notify its CSDP or broker of its acceptance of the General Offer in the time and manner stipulated in the custody agreement entered into between it and its CSDP or broker, as the case may be.
- 13.2.2 If a Dematerialised Cadiz Shareholder wishes to accept the General Offer, but has not been contacted by its CSDP or broker, it would be advisable for that Dematerialised Cadiz Shareholder to contact and furnish its CSDP or broker with instructions in relation to the acceptance of the General Offer. These instructions must be provided in the manner and by the cut-off date and time advised by the CSDP or broker in terms of the custody agreement and must be communicated to the Transfer Secretaries by no later than 12:00 on the General Offer Closing Date.
- 13.2.3 These Dematerialised Cadiz Shareholders must **NOT** complete the attached General Offer Form.

## 13.3 Inability to trade in Cadiz Shares

The General Offer Participants will not be able to trade their Offer Shares from the date on which they accept the General Offer.

#### 14. SETTLEMENT OF THE GENERAL OFFER CONSIDERATION

14.1 Cadiz Shareholders are referred to paragraph 2 commencing on page 11 of this Circular which sets out the provisions regarding the settlement of the General Offer Consideration.

##### 14.2 Tax Implications for Offer Shareholders

The tax implications of the General Offer for the Offer Shareholders will depend on the individual circumstances of each Offer Shareholder. Cadiz Shareholders should seek advice from appropriate professional advisers if they are in any doubt whatsoever about their tax position.

##### 14.3 Compulsory acquisition in terms of section 124 of the Companies Act

14.3.1 Should the General Offer be accepted by Offer Shareholders holding at least 90% of the Offer Shares, Stellar will, at its election invoke the provisions of section 124(1) of the Companies Act to compulsorily acquire all the Offer Shares in respect of which the General Offer was not accepted.

14.3.2 Should the requisite number of acceptances be obtained to allow the provisions of section 124(1) of the Companies Act to be invoked, a circular will be sent to those Offer Shareholders who have not accepted the General Offer, which circular will incorporate the notice envisaged by section 124(1)(a) and a further form of acceptance, surrender and transfer.

14.3.3 A copy of section 124 of the Companies Act is set out in **Annexure 5** to this Circular.

##### 14.4 General Offer not made in any restricted jurisdiction

The General Offer is not being made, directly or indirectly, in or into, or by the use of the mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of the national securities exchange of a restricted jurisdiction, and the General Offer cannot be accepted by any such use, means, instrumentality or facility or from within a restricted jurisdiction. Accordingly, neither copies of this Circular nor any related documentation are being or may be mailed or otherwise distributed or sent in or into or from a restricted jurisdiction, and if received in any restricted jurisdiction, the Circular shall be treated as being received for information purposes only.

#### 15. CONDITIONS PRECEDENT TO THE GENERAL OFFER

15.1 The General Offer shall be subject to the fulfilment or, if appropriate, waiver (in whole or in part) of the following suspensive conditions by no later than 30 September 2015 or such later date/s as may be agreed to between Stellar and Cadiz:

15.1.1 to the extent applicable, all requisite regulatory approvals required for the making and implementation of the General Offer have been obtained from the JSE, the TRP, SARB and the Competition Authorities (either unconditionally or subject to conditions acceptable to Stellar);

15.1.2 approval by the requisite majority of Cadiz Shareholders at the Cadiz General Meeting of the Delisting Resolution;

15.1.3 approval by the Cadiz Board of the termination of Cadiz' listing on the Main Board of the JSE; and

15.2 The General Offer Conditions in:

15.2.1 paragraph 15.1.1 above is regulatory in nature and cannot be waived; and

15.2.2 paragraphs 15.1.2 and 15.1.3 above have been inserted for the benefit of Stellar, which will be entitled, in its sole discretion, to waive fulfilment of such conditions, in whole or in part, on written notice to Cadiz.

16. **GENERAL**

- 16.1 A certificate signed by two directors of each of Stellar and Cadiz stating that all General Offer Conditions have been fulfilled and/or waived (as the case may be) and that the General Offer is capable of implementation shall be binding on Cadiz and the Offer Shareholders.
- 16.2 All dates and times referred to herein are subject to change, as contemplated in this Circular. Any such change shall be released on SENS and published in the South African press.

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## PART C: GENERAL

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### 17. CADIZ GENERAL MEETING

- 17.1 The Scheme will be put to a vote at the Cadiz General Meeting to be held at 10:00 on Tuesday, 29 September 2015 at 4th Floor, The Terraces, 25 Protea Road, Claremont, Cape Town.
- 17.2 Each Certificated Cadiz Shareholder and Dematerialised Cadiz Shareholder recorded in the Register on the Voting Record Date with “own-name” registration can attend, speak and vote at the Cadiz General Meeting in person or give a proxy to someone else (including the chairman of the Cadiz General Meeting) to represent him at the Cadiz General Meeting by completing the attached form of proxy (*green*).
- 17.3 The relevant form of proxy (*green*) must be completed in accordance with the instructions therein and returned to the Transfer Secretaries, Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), to be received by no later than 48 hours before the Cadiz General Meeting that is to be held at 10:00 on Tuesday, 29 September 2015. Should the form of proxy not be lodged with the Transfer Secretaries by this time, it may be handed to the chairman of the Cadiz General Meeting or adjourned Cadiz General Meeting before the Cadiz General Meeting is due to commence or recommence.
- 17.4 Persons who have Dematerialised their Cadiz Shares but who do not have “own-name” registration and who:
- 17.4.1 wish to attend, speak and vote at the Cadiz General Meeting, must arrange with his CSDP or broker to obtain the necessary letter of representation; or
- 17.4.2 are unable to or do not wish to attend the Cadiz General Meeting but wish to vote at the Cadiz General Meeting, should provide his CSDP or broker with his voting instruction in the manner stipulated in the custody agreement governing the relationship between such person and their CSDP or broker. These instructions must be provided to the CSDP or broker by the cut-off time and date advised by the CSDP or broker for instructions of this nature. It is envisaged that the CSDP or broker will then provide the Transfer Secretaries with the relevant forms of proxy in terms of such person’s instructions.
- 17.5 The persons referred to in paragraph 17.4 above will not be permitted to attend, speak or vote at the Cadiz General Meeting without the necessary letter of representation being issued to them by their CSDP or broker.

### 18. ARRANGEMENTS IN RESPECT OF CADIZ SHARE APPRECIATION RIGHTS HOLDERS

- 18.1 In accordance with the Cadiz Share Appreciation Rights Settlement Agreements Cadiz and each of the Cadiz Share Appreciation Rights Holders agreed a valuation for each Cadiz Share Appreciation Right. The valuation was done at R1.25 per Cadiz Share based on the Scheme Consideration, a risk free rate of 8.8% and a Cadiz Share price volatility of 47%.
- 18.2 Cadiz shall, prior to the Scheme Record Date, settle the value of each Cadiz Share Appreciation Right in Cadiz Shares at R1.25 based on the Scheme Consideration.
- 18.3 Each Cadiz Share Appreciation Rights Holder shall then have the same option to partake in the Scheme as the Scheme Participants.
- 18.4 Cadiz Share Appreciation Rights Holders holding A Ordinary Shares in accordance with the Cadiz Black Employee Share Ownership Scheme Trust shall transfer all of the A Ordinary Shares to Cadiz by the Scheme Record Date.
- 18.5 The report of the Independent Expert prepared in accordance with section 114(3) of the Companies Act and Regulation 90 of the Companies Regulations in relation to the Scheme and incorporating the terms of the Cadiz Share Appreciation Rights Settlement Agreements is provided in **Annexure 1** to this Circular.

## 19. CONFIRMATION OF SUFFICIENT SECURITIES

The total number of the Stellar Shares and Bidco Shares to be issued pursuant to the Scheme depends on the elections made by Scheme Participants. Stellar confirms that both Stellar and Bidco will have sufficient authorised but unissued share capital available from which to issue the Stellar Scheme Consideration Shares and the Bidco Scheme Consideration Shares.

## 20. CADIZ' SHARE CAPITAL

The authorised and issued capital of Cadiz at the Last Practicable Date is set out below:

### Authorised share capital

1 000 000 000 ordinary shares with a par value of R0.01 each  
24 000 000 A ordinary shares with a par value of R0.01 each  
30 000 000 B preference shares with a par value of R0.01 each

### Issued share capital

245 823 118 ordinary shares with a par value of R0.01 each  
2 108 200 A ordinary shares

- 
- (a) All the issued Cadiz Shares are listed on the Main Board of the JSE.
- (b) 12 073 989 Cadiz Shares, being the Treasury Shares, are held by a subsidiary of Cadiz (which constitute approximately 4.91% of the total issued ordinary share capital of Cadiz and which carry no voting rights) and 8 244 420 Cadiz Shares are held in trust and carry voting rights.

## 21. MAJOR BENEFICIAL CADIZ SHAREHOLDERS

21.1 As at the Last Practicable Date, the following Cadiz Shareholders beneficially and directly hold 5% or more of the Cadiz' issued share capital:

Cadiz Shareholder	Total number of Cadiz Shares held	% of issued Cadiz share capital
Friedshelf 1638 (Pty) Ltd	54 123 233	22.02
Stellar	40 451 754	16.46
Makana Financial Services	34 416 502	14.00
<b>Total</b>	<b>131 697 868</b>	<b>52.48</b>

*#Bidco is acting as principal and not as agent in respect of the Proposed Offer and is acting in concert with Stellar for purposes of the implementation of the Proposed Offer.*

21.2 Bidco, as a special purpose vehicle incorporated as a wholly-owned subsidiary of Stellar, does not hold any direct or indirect beneficial interest in Cadiz.

21.3 Save for the acquisition of the interest in Cadiz as announced on SENS on 8 April 2015, neither Stellar nor Bidco has acquired any Cadiz Shares during the six months prior to the date of issue of this Circular.

## 22. HISTORICAL FINANCIAL INFORMATION RELATING TO CADIZ

22.1 The summary audited consolidated financial statements for the financial years ended 31 March 2015, 31 March 2014 and 31 March 2013 are set out in **Annexure 2** to this Circular.

22.2 The price and trading history of the Cadiz Shares on the JSE is set out in **Annexure 6** to this Circular.

22.3 As Bidco will acquire all of the ordinary issued share capital of Cadiz (excluding the Treasury Shares) following the implementation of Scheme, the consolidated financial statements of Bidco will mirror those of Cadiz (an audited summary of which for the financial years ended 31 March 2015, 31 March 2014 and 31 March 2013 are set out in **Annexure 2** to this Circular). In addition, Cadiz Shareholders will not hold any Cadiz Shares following the implementation of the Scheme. Accordingly, Regulation 106(6)(d) and Regulation 106(7)(c) of the Takeover Regulations, respectively, are not applicable.

## 23. INFORMATION ON DIRECTORS OF CADIZ

23.1 The names, age, business address and function of the directors of Cadiz are set out below:

Director	Age	Business address	Function at Cadiz
SP Ngwenya <sup>#</sup>	61	2nd Floor, 31 West Street, Lower Houghton Johannesburg, 2198	Chairman
FC Shaw	55	4th Floor, The Terraces 25 Protea Road, Claremont, 7700	Chief Executive Officer and Financial Director
R Gonsalves	52	4th Floor, The Terraces 25 Protea Road, Claremont, 7700	Executive Director
GW Fury <sup>*^</sup>	44	2nd Floor, Old Warehouse Building, Black River Park, Fir Street, Observatory, 7925	Non-executive Director
BH Kent <sup>*^</sup>	70	23 Barnard Street, Simon's Town, 7975	Non-executive Director
AN Matyumza <sup>*#~^</sup>	52	5 Pitlochry Road, Westville, 3630	Non-executive Director
LL Xate <sup>*^</sup>	52	Van Riebeck Road, Blackheath, Cape Town, 7580	Non-executive Director

*\*Independent.*

*#Non-executive.*

*~Lead independent non-executive.*

*^Comprising the Independent Board.*

### 23.2 Directors' remuneration and service contracts

23.2.1 The table below sets out the remuneration of the directors of Cadiz for the 12 months ended 31 March 2015.

	Salary (R'000)	Bonus (R'000)	Retirement/ Medical aid (R'000)	Share- based payment (R'000)	Other benefits (R'000)	Total (R'000)
<b>Executive directors</b>						
FC Shaw	1 840	–	420	104	78	2 442
<b>Total</b>	<b>1 840</b>	<b>–</b>	<b>420</b>	<b>104</b>	<b>78</b>	<b>2 442</b>
<b>Non-executive directors</b>						
AD Bonamour <sup>^</sup>	11	–	–	–	–	11
RFG Cadiz <sup>~</sup>	218	–	–	–	–	218
GW Fury	124	–	–	–	–	124
BH Kent	265	–	–	–	–	265
W Marshall Smith <sup>^</sup>	11	–	–	–	–	11
AN Matyumza	172	–	–	–	–	172
T Memela-Khambula	137	–	–	–	–	137
SP Ngwenya	283	–	–	–	–	283
S Saunders <sup>#</sup>	211	–	–	–	–	211
BD Wootton <sup>^</sup>	11	–	–	–	–	11
<b>Total</b>	<b>1 443</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1 443</b>

*\*Resigned with effect from 12 May 2015.*

*^Resigned with effect from 8 April 2015.*

*#Resigned with effect from 30 November 2014.*

23.2.2 It is anticipated that the constitution of the Cadiz Board as well as the remuneration of the members of the Cadiz Board will remain unchanged following the implementation of the Scheme.

### 23.3 Details of the service contracts of the directors

23.3.1 Executive directors are appointed in terms of written letters of appointment, which appointments will terminate upon retirement at the age of 60 years or between three and six months' notice by either party. The terms of employment are not subject to a restraint of trade undertaking. The contractual relationship between the Company and its executive directors is controlled through the Nomination and Remuneration Committee.

23.3.2 None of the terms in any of the service contracts referred in paragraph 23.3.1 above were amended in the last six months prior to the date of issue of this Circular.

## 23.4 Directors' interest in other transactions

The directors of Cadiz have not had any material beneficial interest, whether direct or indirect, in transactions that were effected by Cadiz during the current or immediately preceding financial year or during an earlier financial year which remain in any respect outstanding or unperformed.

### Cadiz Share Appreciation Rights Scheme

The Cadiz Share Appreciation Rights Scheme is a long-term incentive plan in which senior employees, including executive directors, are eligible to participate. The award of Cadiz Share Appreciation Rights to executive directors is determined by the Nomination and Remuneration Committee and the award of Cadiz Share Appreciation Rights to senior employees is motivated by the executive directors to the Nomination and Remuneration Committee. Cadiz Share Appreciation Rights awarded are recommended by the Nomination and Remuneration Committee and approved by the Board.

The following directors participate in the Cadiz Share Incentive Scheme, as set out below:

Director	Number of Cadiz Share Appreciation Rights	Date received
FC Shaw	2 000 000	2 June 2014

## 24. INTERESTS OF CADIZ, STELLAR AND THEIR RESPECTIVE DIRECTORS

### 24.1 Interests of the Cadiz directors in Cadiz

24.1.1 As at the Last Practicable Date, the directors of Cadiz held the following beneficial interests in the issued share capital of Cadiz:

	Direct	Indirect	Total number of Cadiz Shares held	% of issued Cadiz share capital
<b>Executive directors</b>				
FC Shaw	93 429	482 817	576 246	0.23
R Gonsalves*	–	54 125 333	54 125 333	22.02
<b>Non-executive directors</b>				
GW Fury	–	–	–	–
BH Kent	–	455 810	455 810	0.19
AN Matyumza	–	–	–	–
SP Ngwenya#	7 743 713	–	7 743 713	3.15
LL Xate	–	–	–	–
<b>Total</b>	<b>7 837 142</b>	<b>55 063 960</b>	<b>62 901 102</b>	<b>25.59</b>

#Reflects the effective shareholding held through Makana Investment Corporation.

\*Reflects the effective shareholding held through Friedshelf 1638 (Pty) Ltd.

24.1.2 There were no dealings by the directors of Cadiz in the shares of Cadiz during the last six months prior to the Last Practicable Date, save for the following:

Trade date	Director	Type	Quantity traded	Trade price (R)
16 March 2015	RFG Cadiz	Disposal	37 087 285	1.18
16 March 2015	R Gonsalves	Purchase	50 915 347	1.18
9 June 2014	R Gonsalves	Disposal	39 831	1.04

24.1.3 The directors of Cadiz intend to vote in favour of the special and ordinary resolutions set out in the notice of the Cadiz General Meeting attached to and forming part of this Circular in respect of their entire shareholding in the Company, to the extent they are permitted to do so in terms of the Takeover Regulations and the JSE Listings Requirements.

## 24.2 Interests of Cadiz and its directors in Stellar

24.2.1 As at the Last Practicable Date, neither Cadiz nor any of its directors hold any direct or indirect interest in the issued share capital of Bidco or Stellar.

24.2.2 There were no dealings by the directors of Cadiz in the shares of Stellar during the last six months prior to the Last Practicable Date.

## 24.3 Interests of Stellar directors in Stellar

24.3.1 As at the Last Practicable Date, the directors of Stellar held the following interests in the issued share capital of Stellar:

Director	Direct	Indirect	Total number of Stellar shares held	% of issued Stellar share capital
<b>Executive directors</b>				
PJ van Zyl	–	–	–	–
CB de Villiers	90 000	–	90 000	0.03
<b>Non-executive Directors</b>				
DD Tabata <sup>~</sup>	–	1 082 658	1 082 658	0.38
L Mangope	–	–	–	–
J de Bruyn	–	–	–	–
CE Pettit	–	–	–	–
CC Wiese <sup>#</sup>	–	14 000 000	14 000 000	4.95
CH Wiese <sup>*</sup>	–	14 000 000	14 000 000	4.95
<b>Total</b>	<b>90 000</b>	<b>29 082 658</b>	<b>29 172 658</b>	<b>10.31</b>

<sup>~</sup>Reflects the effective shareholding held through Green Tree Investments 306 Proprietary Limited.

<sup>#</sup>Reflects the effective shareholding held through Metcap 14 Proprietary Limited.

<sup>\*</sup>Reflects the effective shareholding held through Cream Magenta 140 Proprietary Limited.

24.3.2 Information relating to the Stellar directors' dealings in securities for the period from the last preceding financial year to the Last Practicable Date was published on SENS in accordance with sections 3.63 to 3.74 of the JSE Listings Requirements. For ease of reference, these dealings are detailed as follows:

Director	Nature of trade	Trade date	Trade price	Total number of Stellar shares traded
Associate of CC Wiese	Purchase	8 May 2015	R1.65	14 000 000
Associate of CH Wiese	Purchase	8 May 2015	R1.65	14 000 000

## 24.4 Interests of Stellar and its directors in Cadiz

24.4.1 As at the Last Practicable Date, Stellar beneficially and directly owns 40 451 754 Cadiz Shares, representing 17.31% of the issued share capital of Cadiz (excluding Treasury Shares). Bidco is acting as principal and not as agent in respect of the Proposed Offer and is acting in concert with Stellar for purposes of the implementation of the Proposed Offer.

24.4.2 In terms of section 115(4) of the Companies Act, Stellar's Cadiz Shares will be excluded from calculating the percentage of voting rights: (i) required to be present in determining whether the applicable quorum requirements are satisfied or (ii) required to be voted in support of the resolution to approve the Scheme at the Cadiz General Meeting. Stellar will be entitled, and intends, to exercise its voting rights in respect of Stellar's Cadiz Shares on the Delisting Resolution.



24.4.3 As at the Last Practicable Date, none of the directors of Stellar holds any direct or indirect interest in the issued share capital of Cadiz, save for Mr CB de Villiers who directly and beneficially holds 27 000 Cadiz Shares.

24.4.4 There were no dealings by the directors of Stellar in Cadiz Shares during the last six months prior to the Last Practicable Date, save for the acquisition by Mr CB de Villiers of 27 000 Cadiz Shares on 13 April 2015 at a trade price of R1.11 per Cadiz Share.

## 25. OTHER ARRANGEMENTS

25.1 Save for the Offer Letter, the Irrevocable Undertakings and the Cadiz Share Appreciation Rights Settlement Agreements, no arrangements, agreements or understandings which have any connection with or dependence on the Proposed Offer exist between Cadiz, the Cadiz Shareholders, Stellar or any person acting in concert with it, or any director of Cadiz or any person who was a director of Cadiz within the period commencing 12 months prior to the date on which the Firm Intention Announcement was released on SENS, or any person who is or was a Cadiz Shareholder within the abovementioned period.

25.2 The material terms of the Irrevocable Undertakings are, *inter alia*, that the providers of the Irrevocable Undertakings, irrevocably undertook in favour of Stellar to vote in favour of all resolutions proposed at the Cadiz General Meeting and to accept the General Offer, if made.

25.3 The material terms of the Cadiz Share Appreciation Rights Settlement Agreements are set out in paragraph 18 of this Circular.

25.4 The Offer Letter, the Confidentiality Agreement, the Irrevocable Undertakings and the Cadiz Share Appreciation Rights Settlement Agreements are available for inspection as set out in paragraph 28 of this Circular below.

## 26. IRREVOCABLE UNDERTAKINGS

26.1 Stellar has received irrevocable undertakings from the following Cadiz Shareholders to vote in favour of the Scheme and to elect to receive Bidco Shares as Scheme Consideration, or, if the Scheme fails, the Delisting Resolution and if made, to accept the General Offer, in respect of their entire shareholding in Cadiz, to the extent they are permitted to do so in terms of the Takeover Regulations and the JSE Listings Requirements:

Cadiz Shareholder	Total number of Cadiz Shares held	% of total issued share capital of Cadiz prior to the Proposed Offer*	Scheme	Delisting Resolution
			% of issued share capital of Cadiz prior to the Proposed Offer eligible to vote*	% of issued share capital of Cadiz prior to the Proposed Offer eligible to vote*
Friedshelf 1638 (Pty) Ltd	54 123 233	23.15	28.00	23.15
Stellar	40 451 754	17.31	— <sup>^</sup>	17.31
Makana Financial Services	34 416 502	14.72	17.80	14.72
Oxio Limited	12 473 748	5.34	6.45	5.34
Foxglove Capital Resources Limited	12 000 000	5.13	6.21	5.13
Cadiz Holdings Limited Employee Share Trust	5 912 964	2.53	3.06	2.53
Nedbank Investment Advisers (Pty) Ltd <sup>#</sup>	4 065 251	1.74	2.10	1.74

			<b>Scheme</b>	<b>Delisting Resolution</b>
<b>Cadiz Shareholder</b>	<b>Total number of Cadiz Shares held</b>	<b>% of total issued share capital of Cadiz prior to the Proposed Offer*</b>	<b>% of issued share capital of Cadiz prior to the Proposed Offer eligible to vote*</b>	<b>% of issued share capital of Cadiz prior to the Proposed Offer eligible to vote*</b>
Fahnsworth Consultants Limited	4 000 000	1.71	2.07	1.71
E Jones	2 706 379	1.16	1.40	1.16
Cadiz Black Economic Empowerment Trust	583 178	0.25	0.30	0.25
<b>Total</b>	<b>170 733 009</b>	<b>73.04</b>	<b>67.40</b>	<b>73.04</b>

\* Excluding Excluded Shares.

^ Stellar is not eligible to vote on the Scheme.

# Irrevocable undertaking does not include an election to receive Bidco Shares as Scheme Consideration.

26.2 In terms of section 115(4) of the Companies Act, Stellar's Cadiz Shares will be excluded from calculating the percentage of voting rights: (i) required to be present in determining whether the applicable quorum requirements are satisfied or (ii) required to be voted in support of the resolution to approve the Scheme at the Cadiz General Meeting. Accordingly, Stellar's Cadiz Shares have been excluded from the calculation of the total "% of issued share capital of Cadiz prior to the Proposed Offer eligible to vote" column in paragraph 26.1 above.

26.3 As at the Last Practicable Date, none of the Cadiz Shareholders referred to in paragraph 26.1 above hold any direct or indirect interest in the issued share capital of Stellar.

26.4 Information relating to the dealings of Cadiz Shareholders listed in paragraph 26.1 above for the period from the last preceding financial year to the Last Practicable Date are detailed as follows:

<b>Cadiz Shareholder</b>	<b>Nature of trade</b>	<b>Trade date</b>	<b>Trade price</b>	<b>Total number of Stellar shares traded</b>
Friedshelf 1638 (Pty) Ltd	Purchase	16 March 2015	R1.18	50 915 347

## 27. SUSPENSION AND TERMINATION OF LISTING

27.1 Following implementation of the Scheme, Cadiz will be a subsidiary of Bidco. The listing of all the Cadiz Shares will accordingly be terminated from the Main Board of the JSE pursuant to the implementation of the Scheme or, if the Scheme fails, the General Offer (if made) and the approval of the Delisting Resolution.

27.2 In terms of section 1.15 of the JSE Listings Requirements, the votes of any controlling shareholder, its associates and any party acting in concert will not be taken into account in determining the results of the voting on the Delisting Resolution. Cadiz does not have any controlling shareholders.

27.3 Subject to the Scheme becoming unconditional and the Scheme being implemented, or in the event of the General Offer being implemented, as may be applicable, the JSE has granted approval for the termination of the listing of all the Cadiz Shares from the Main Board of the JSE.

## 28. AGREEMENTS IN RELATION TO THE SCHEME

No agreement exists between Cadiz and any Cadiz Shareholders which could be considered material to a decision regarding the Scheme to be taken by Cadiz Shareholders. As at the Last Practicable Date, no other agreements have been entered into between Cadiz and any of the directors of Cadiz or Cadiz Shareholders in relation to the Scheme, save for the Irrevocable Undertakings, the Offer Letter and the Cadiz Share Appreciation Rights Settlement Agreements.

## 29. COSTS

Stellar and Cadiz will equally share the costs of drafting, preparing, printing and posting of the Circular and announcements. Save for the foregoing, each party shall bear its own transactional and other costs relating to the Scheme or, if the Scheme is not proposed or fails, the General Offer (at Stellar's election). For the avoidance of doubt, each party shall bear the costs of their own professional advisers. The estimated expenses in respect of the Proposed Offer (exclusive of VAT), including fees payable to professional advisers, are as follows:

		<b>R</b>
Corporate finance adviser and sponsor to Stellar	Stellar Advisers	500 000
Legal adviser	Cliffe Dekker Hofmeyr Inc	200 000
Independent Expert	PSG Capital	350 000
TRP documentation fee		150 000
JSE documentation fee		13 900
JSE listing fee		75 410*
Printing, publication and distribution	Ince (Pty) Ltd	137 000
Transfer secretaries	Computershare Investor Services (Pty) Ltd	48 500
Contingency		100 000
<b>Total</b>		<b>1 574 810</b>

*\*Assuming a maximum number of 41 925 857 Stellar shares to be issued.*

## 30. OPINIONS AND RECOMMENDATIONS

30.1 In accordance with section 114(3) of the Companies Act and Regulation 90(1) of the Takeover Regulations, the Independent Board appointed PSG Capital as the Independent Expert (which meet the requirements set out in section 114(2) of the Companies Act) for the purposes of providing external advice in regard to the Scheme and the General Offer and to make appropriate recommendations to the Cadiz Board for the benefit of Cadiz Shareholders to advise it on the proposed Scheme and the General Offer.

30.2 Similarly, in accordance with paragraph 1.14(d) of the JSE Listings Requirements, the Cadiz Board appointed PSG Capital as the Independent Expert for the purposes of providing external advice in regard to the fairness of the General Offer Consideration insofar as same relates to the termination of the listing of all the Cadiz Shares from the Main Board of the JSE, in the event that the Scheme fails but the General Offer is made.

30.3 The Independent Expert has advised the Independent Board that it has considered the terms and conditions of the Scheme and the General Offer and is of the opinion that:

30.3.1 with regards to the Scheme:

- the Stellar Scheme Consideration Shares in settlement of the Scheme Consideration are fair and reasonable to Cadiz Shareholders; and
- the Bidco Scheme Consideration Shares in settlement of the Scheme Consideration are unfair and unreasonable to Cadiz Shareholders; and

30.3.2 with regards to the General Offer, the General Offer Consideration is fair and reasonable to Cadiz Shareholders from a Companies Act perspective and in relation to the Delisting from a JSE Listings Requirements perspective.

30.4 The text of the letter from the Independent Expert is included in **Annexure 1** to this Circular and the report has not been withdrawn prior to the publication of this Circular.

- 30.5 The Independent Board, after due consideration of the report of the Independent Expert, concurs with the findings of the Independent Expert and recommends that Cadiz Shareholders:
- 30.5.1 vote in favour of (i) the Scheme and (ii) the Delisting Resolution (to the extent applicable);
  - 30.5.2 based on the Independent Expert's opinion referred to paragraph 30.3.1 above, accept the Stellar Scheme Consideration Shares in settlement of the Scheme Consideration and not the Bidco Scheme Consideration Shares; and
  - 30.5.3 accept the General Offer (if applicable).
- 30.6 The Independent Board have not received any other offers in the six months preceding the date of this Circular.

### **31. MATERIAL CHANGES, LITIGATION AND CONTINUATION OF CADIZ' BUSINESS**

- 31.1 There are no material legal or arbitration proceedings against Cadiz (including any such proceedings that are pending or threatened), of which the directors are aware which may have or have had during the 12 months preceding the date of this Circular, a material effect on Cadiz' financial position.
- 31.2 In the event that Stellar acquires a controlling interest in the entire ordinary issued share capital of Cadiz, it is anticipated that the constitution of the Cadiz Board as well as the remuneration of the members of the Cadiz Board will remain unchanged following the implementation of the Scheme. The business of Cadiz will be managed in a similar manner as it was managed prior to the implementation of the Proposed Offer.

### **32. RESPONSIBILITY STATEMENTS**

#### **32.1 The Independent Board**

The Independent Board, insofar as any information in this Circular relates to Cadiz:

- 32.1.1 have considered all statements of fact and opinion in this Circular;
- 32.1.2 collectively and individually, accept full responsibility for the accuracy of the information given;
- 32.1.3 certify that, to the best of their knowledge and belief, the information is true and that there are no other facts, the omission of which would make any statement false or misleading;
- 32.1.4 confirm that they have made all reasonable enquiries to ascertain such facts in this regard; and
- 32.1.5 confirm that this Circular contains all information required by the JSE Listings Requirements and the Takeover Regulations.

#### **32.2 The Stellar Board**

The directors of Stellar, whose names appear on page 23 of this Circular, insofar as any information in this Circular relates to Stellar:

- 32.2.1 have considered all statements of fact and opinion in this Circular;
- 32.2.2 collectively and individually, accept full responsibility for the accuracy of the information given;
- 32.2.3 certify that, to the best of their knowledge and belief, the information is true and that there are no other facts, the omission of which would make any statement false or misleading;
- 32.2.4 confirm that they have made all reasonable enquiries to ascertain such facts in this regard; and
- 32.2.5 confirm that this Circular contains all information required by the JSE Listings Requirements and the Takeover Regulations.

### 33. **CONSENTS**

Stellar Advisers, Cadiz Corporate Solutions, Investec Bank Limited, Cliffe Dekker Hofmeyr Incorporated, PSG Capital and Grant Thornton Cape Chartered Accountants consented in writing to the inclusion of their names and reports, as applicable, in this Circular, in the form and context in which they appear and have not withdrawn their consents prior to the publication of this Circular.

### 34. **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection during normal business hours at the registered office of Cadiz and Stellar, from the date of this Circular until the date of the Cadiz General Meeting, or in the event that the General Offer is implemented, the General Offer Closing Date:

- 34.1 the MOI of Cadiz;
- 34.2 the report of the Independent Expert, as reproduced at **Annexure 1** to this Circular;
- 34.3 the audited consolidated financial statements of Cadiz for the financial years ended 31 March 2015, 31 March 2014 and 31 March 2013, as reproduced at **Annexure 2** to this Circular;
- 34.4 the audited financial statements of Bidco for the period ended 31 July 2015;
- 34.5 the Cadiz Share Appreciation Rights Scheme Rules;
- 34.6 the Cadiz Black Employee Share Ownership Scheme Trust Deed;
- 34.7 the Offer Letter;
- 34.8 the Cadiz Share Appreciation Rights Settlement Agreements;
- 34.9 the Irrevocable Undertakings;
- 34.10 the written consents referred to in paragraph 33 of this Circular;
- 34.11 Cadiz' directors' service contracts;
- 34.12 the letter of approval from the TRP in respect of this Circular;
- 34.13 the respective power of attorney documents of the directors of Cadiz and Stellar in respect of the signature of this Circular; and
- 34.14 a signed copy of this Circular.

#### **For and on behalf of Cadiz Holdings Limited**

Who is duly authorised hereto in terms of a resolution passed by the Cadiz Board.

#### **SP Ngwenya**

*Chairman*

31 August 2015

#### **For and on behalf of Stellar Capital Partners Limited**

Who is duly authorised hereto in terms of a resolution passed by the Stellar Board.

#### **D Tabata**

*Chairman*

31 August 2015

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## REPORT OF THE INDEPENDENT EXPERT

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“3 August 2015

The Directors  
 Cadiz Holdings Limited  
 4th Floor, The Terraces  
 25 Protea Road  
 Claremont  
 7708

Dear Sirs,

### INDEPENDENT FAIR AND REASONABLE REPORT IN RESPECT OF THE OFFER BY STELLAR CAPITAL PARTNERS LIMITED TO CADIZ HOLDINGS LIMITED SHAREHOLDERS

#### 1. INTRODUCTION

In the firm intention announcement published jointly by Cadiz Holdings Limited (“**Cadiz**” or “**the Company**”) and Stellar Capital Partners Limited (“**Stellar**”) on SENS on 19 June 2015, Cadiz shareholders were advised that Stellar, acting through an unlisted wholly-owned subsidiary, Friedshelf 1678 Limited (“**BidCo**”), made an offer to acquire 100% of the issued shares in Cadiz (excluding treasury shares) not already owned by Stellar (“**Cadiz Shareholders**”), by way of:

- (i) a scheme of arrangement in terms of section 114(1)(c) read together with section 115 of the Companies Act, No. 71 of 2008 (“**the Companies Act**”) (“**the Scheme**”); or
- (ii) a general offer by Stellar in terms of section 117(1)(c)(v) of the Companies Act, if the Scheme fails, at the election of Stellar to Cadiz shareholders other than Stellar to acquire shares in Cadiz not already owned by Stellar (“**the General Offer**”),

Should the Scheme be approved, Cadiz Shareholders will receive either new Stellar shares or new BidCo shares on the basis that:

- (i) Cadiz Shareholders who elect to receive Stellar shares will receive 5 Stellar shares, to be issued at a price of R2.00 per Stellar share, for every 8 Cadiz shares held, which is the equivalent of R1.25 per Cadiz share (“**Stellar Offer**”); or
- (ii) Cadiz Shareholders who elect to receive BidCo shares will receive 1 BidCo share for each Cadiz share held, such that they will retain their existing investment in Cadiz indirectly through BidCo (“**BidCo Offer**”),

(the Stellar Offer, BidCo Offer and the General Offer collectively referred to as “**the Offers**”).

Should the Scheme fail and Stellar, in its discretion elect to make the General Offer, Cadiz Shareholders who elect to accept the General Offer shall receive the Stellar Offer consideration.

The listing of the total issued ordinary share capital of the Company will be terminated from the Main Board of the JSE Limited (“**JSE**”) pursuant to (i) the implementation of the Scheme or (ii) if the Scheme fails, the approval of an ordinary resolution, in terms of section 1.14(a) of the Listings Requirements of the JSE (“**JSE Listings Requirements**”), to be proposed by Cadiz at a general meeting of Cadiz shareholders (“**Delisting**”).

Cadiz Shareholders are referred to the circular dated 31 August 2015 for full particulars on the Offers, as required in terms of the Companies Regulations, 2011 (“**Companies Regulations**”) which includes a copy of this opinion.

In terms of regulations 90 and 110 of the Companies Regulations, as read with section 117(c)(v)(iii) and 117(c)(v) of the Companies Act, the independent subcommittee of the Cadiz board of directors (“**the Board**”) is required to obtain a fair and reasonable opinion on the Offers from an independent expert and include this opinion in the circular to Cadiz Shareholders.

Similarly, in accordance with paragraph 1.14(d) of the JSE Listings Requirements, the Board is required to obtain external advice in regard to the fairness of the General Offer insofar as same relates to the Delisting, in the event the Scheme fails and Stellar elects to make the General Offer.

## 2. **SCOPE**

PSG Capital Proprietary Limited ("**PSG Capital**") has been appointed by the Board as the independent expert to advise, in accordance with the Companies Act, the Companies Regulations and the JSE Listings Requirements on whether the terms and conditions of the Offers are fair and reasonable as far as Cadiz Shareholders, excluding Stellar, are concerned.

## 3. **RESPONSIBILITY**

Compliance with the Companies Act and the Companies Regulations is the responsibility of the Board. PSG Capital's responsibility is to report on the terms and conditions of the Offers as they relate to Cadiz Shareholders.

We confirm that our fair and reasonable opinion has been provided to the Board for the sole purpose of assisting the Board in forming and expressing an opinion on the Offers for the benefit of Cadiz Shareholders excluding Stellar, which opinion the Board will distribute to Cadiz Shareholders. We understand that the results of our work will be used by the Board to satisfy the requirements of the Companies Act and the Companies Regulations.

## 4. **DEFINITION OF THE TERMS "FAIR" AND "REASONABLE"**

A transaction will generally be considered fair to a company's shareholders if the benefits received by shareholders, as a result of a corporate action, are equal to or greater than the value surrendered by shareholders.

The assessment of fairness is primarily based on quantitative considerations. The Offers may be considered fair if the offer consideration, received by Cadiz Shareholders under the Offers, are greater than or equal to the fair value attributable to a Cadiz share.

In terms of the Companies Regulations, a transaction will be considered reasonable if the offer consideration received by shareholders in terms of a corporate action is higher than the market price of the Company's securities at the time that the corporate action was announced. In addition, other qualitative considerations were taken into account when considering the reasonableness of the corporate action.

We have applied the aforementioned principles in preparing our opinion on the Offers. This fair and reasonable opinion does not purport to cater for an individual shareholder's position but rather the general body of shareholders subject to the Offers. A shareholder's decision regarding the fairness and reasonableness of the terms of the Offers may be influenced by their particular circumstances.

## 5. **SOURCES OF INFORMATION**

In the course of our valuation analysis, we relied upon financial and other information, including prospective financial information, obtained from Cadiz directors and management ("**Cadiz Management**"), Stellar directors and management ("**Stellar Management**"), their advisors and from various public, financial and industry sources. Our conclusion is dependent on such information being complete and accurate in all material respects.

The principal sources of information used in preparing our opinion include:

- a draft of the circular to be sent to Cadiz Shareholders to be dated on or about 31 August 2015;
- the audited annual financial statements of Cadiz for the years ended 31 March 2012 to 31 March 2015;
- Cadiz Management's budgeted results for the 12-month period up to 31 March 2016;
- Cadiz Management's forecast of financial information for the Cadiz for the financial years ended 31 March 2017 to 31 March 2021;
- a copy of the circular sent to Stellar shareholders (previously ConvergeNet Holdings Limited) dated 15 December 2014;
- Stellar management accounts for the six-month period ended 31 May 2015;

- the audited annual financial statements of Tellumat Proprietary Limited (“**Tellumat**”), an investment in an associate of Stellar, for the years ended 30 September 2012 to 30 September 2014;
- Tellumat management accounts for the eight-month period ended 31 May 2015 and budgeted results for the 12-month period up to 30 September 2015;
- Tellumat management’s forecast of financial information for Tellumat for the financial years ended 30 September 2016 to 30 September 2017;
- the firm intention announcement released on SENS on 19 June 2015 by Digicore Holdings Limited (“**Digicore**”) relating to the offer by Novatel Wireless Inc to acquire all the shares in Digicore by way of a scheme of arrangement or a substitute offer;
- other financial and non-financial information and assumptions made by Cadiz Management and discussions held with Cadiz Management regarding the Company’s operations;
- other financial and non-financial information and assumptions made by Stellar Management and discussions held with Stellar Management regarding the Company’s operations;
- discussions with Cadiz Management and Stellar Management regarding the financial information relating to prevailing market, economic, legal and other conditions which may affect the underlying value attributable to Cadiz, Stellar and the Offers;
- comparative publicly available financial information on suitable peer-listed companies;
- publicly available information relating to Cadiz and Stellar that we deemed to be relevant; and
- publicly available information relating to the industry in which Cadiz, Stellar and their respective investments operate that we deemed relevant, including company announcements, analysts’ reports and media articles.

## 6. **ASSUMPTIONS**

We have arrived at our opinion based on the following assumptions:

- that reliance can be placed on the historical audited financial information and financial forecasts of the Cadiz group (“**Cadiz Group**”) and the Stellar group (“**Stellar Group**”) used in the analysis;
- the current economic, regulatory and market conditions, and business model of the Company will not change materially;
- that all issued A ordinary shares of Cadiz have been repurchased by the Company and that all outstanding share options in terms of the Cadiz Share Appreciation Rights Plan in the money portions have been redeemed by the Company prior to the Offers, as agreed upon by all respective parties (collectively referred to as “**the Redemption**”). Accordingly, only Cadiz ordinary shares are in issue;
- that the Cadiz Group and the Stellar Group are not involved in any material legal proceedings;
- the Cadiz Group and the Stellar Group have no outstanding disputes with any regulatory body, including the South African Revenue Service;
- there are no undisclosed contingencies that could affect the value of Cadiz and Stellar;
- the structure of the Offers will not give rise to any undisclosed tax liabilities to Cadiz or its shareholders; and
- reliance can be placed on the representations made by Cadiz Management, Stellar Management and their advisors during the course of forming this opinion.

## 7. **APPROPRIATENESS AND REASONABLENESS OF UNDERLYING INFORMATION AND ASSUMPTIONS**

We satisfied ourselves as to the appropriateness and reasonableness of the information and assumptions employed in arriving at our opinion by:

- conducting analytical analysis on historical and forecast information, such as trend and key ratio analyses; and
- determining the extent to which representations from Cadiz Management, Stellar Management and other industry experts were confirmed by documentary evidence as well as our understanding of the Cadiz Group, the Stellar Group and the economic environment in which they operate.



## 8. PROCEDURES

In arriving at our opinion, we relied upon financial and other information, obtained from Cadiz Management and Stellar Management together with industry-related and other information in the public domain. Our conclusion is dependent on such information being accurate in all material respects.

In arriving at our opinion we have, *inter alia*, undertaken the following procedures in evaluating the fair and reasonableness of the Offers:

- reviewed and analysed the audited historical financial results of Cadiz for the financial years ended 31 March 2012 to 31 March 2015;
- reviewed and analysed Cadiz Management's financial budget for Cadiz for the financial year ended 31 March 2016;
- reviewed the reasonableness of the information made available regarding the Cadiz Group, by and from discussions held with Cadiz Management, *inter alia*:
  - the events leading up to the Offers;
  - such other matters as we considered necessary;
  - the forecast financial information of the Cadiz Group;
  - the assumptions used in preparing the forecast financial information; and
  - the current market conditions relating to the Cadiz Group;
    - reviewed and analysed the Stellar management accounts for the six-month period ended 31 May 2015;
    - reviewed and analysed the audited historical financial results of Tellumat for the financial years ended 30 September 2012 to 30 September 2014;
    - reviewed and analysed Tellumat management accounts for the eight-month period ended 31 May 2015;
    - reviewed and analysed Tellumat management's financial budget for the financial year ended 30 September 2015;
    - reviewed and analysed residual financial information obtained on the Cadiz Group and the Stellar Group;
    - reviewed the reasonableness of the information made available regarding the Stellar Group, by and from discussions held with Stellar Management, *inter alia*:
- the events leading up to the Offers;
- the rationale for the Offers;
- such other matters as we considered necessary;
- the forecast financial information of the Stellar Group;
- the assumptions used in preparing the forecast financial information; and
- the current market conditions relating to the Stellar Group;
  - considered the issue of Cadiz ordinary shares as a result of the Redemption prior to the Offers;
  - reviewed the terms and conditions of the Offers;
  - where relevant, corroborated representations made by Cadiz Management and Stellar Management to source documents;
  - reviewed certain publicly available information relating to Cadiz and Stellar that we have deemed relevant;
  - considered appropriate valuation discounts/premiums to be applied to a valuation of Cadiz and performed a valuation of the Company;
  - considered appropriate valuation discounts/premiums to be applied to a valuation of Stellar;
  - considered information on suitable peer-listed companies to develop appropriate valuation multiples and trading comparisons for listed investments held by Stellar;
  - obtained letters of representation from management asserting that we have been provided with all relevant information and that no material information was omitted and that all such information provided to us is accurate in all respects; and
  - considered other relevant facts and information relevant to concluding this opinion.

## 9. VALUATION APPROACH

In considering the Offers, we performed an independent valuation of Cadiz and Stellar to determine whether the offer consideration represents fair value to Cadiz Shareholders.

For the purposes of our valuation in order to arrive at a range of appropriate fair value estimates our valuation methodology included:

- applied the income approach, consisting of a discounted cash flow (“**DCF**”) valuation as our primary approach to value Cadiz; and
- applied a sum-of-the-parts valuation approach as primary approach to value Stellar, which included a DCF valuation for its investments in Tellumat and Cadiz, while the market approach was utilised for the various other investments held by Stellar.

Key external and internal valuation drivers were considered in our DCF valuations. Key external value drivers considered were future GDP growth rates, future CPI rates and exchange rates. Key internal value drivers considered were revenue growth, which included growth in assets under management and operating profit margins. A sensitivity analysis was conducted where practical, utilising existing and forecast key value drivers, which included, *inter alia*, a variance of 4% in projected growth in asset under management and operating profit margins for Cadiz which analysis resulted in a variation range on the value of the Company of 17.2% and 23.4% respectively.

## 10. REASONABILITY

In arriving at our opinion with respect to the reasonability of the Offers, we considered, *inter alia*, the following:

- historic trading prices and trading liquidity of Cadiz ordinary shares and Stellar ordinary shares;
- the potential future trading liquidity in unlisted BidCo shares; and
- the effect of a potential controlling shareholder in Cadiz going forward.

## 11. OPINION

### ***Stellar Offer and General Offer***

We have considered the terms and conditions of the Stellar Offer and the General Offer as set out above and based on the aforementioned, we are of the opinion, subject to the limiting conditions as set out below, that:

- the indicative market value per Cadiz share is between R1.38 and R1.53, with a likely core value, calculated as the midpoint of the range amounting to R1.46 (“**Cadiz Value Range**”); and
- the indicative market value per Stellar share is between R2.16 and R2.33, with a likely core value, calculated as the midpoint of the range amounting to R2.25. The valuation of Stellar implies a value of range of between R1.35 and R1.45 to be received per Cadiz share as consideration.

Based on the above value ranges, the implied number of Stellar shares to be issued for every 8 Cadiz shares is between 4.7 and 5.7 shares.

The Stellar Offer therefore falls within the value range calculated for Cadiz.

In considering the valuation swap range listed above, Cadiz Shareholders should take particular notice of the following factors:

- the actual market value achieved in a specific transaction may be higher or lower than our estimate of the market value depending upon the circumstances of the transaction (for example strategic considerations of the purchaser), the nature of the business (for example the purchaser’s perception of potential synergies); and
- the above market swap range represents the respective standalone valuation of Cadiz under current management, strategies and business plans.

Subject to the foregoing assumptions, based on our analysis and after taking into account all financial and non-financial considerations, including considerations regarding reasonability as set out in paragraph 10 above, we are of the opinion that the Stellar Offer and the General Offer are fair and reasonable to Cadiz Shareholders from a Companies Act perspective and in relation to the Delisting from a JSE Listings Requirements perspective.

### **BidCo Offer**

We have considered the terms and conditions of the BidCo Offer as set out above and based on the aforementioned, we are of the opinion, subject to the limiting conditions as set out below, that the implied value received per Cadiz share surrendered in terms of the BidCo Offer is between R0.85 and R1.07 (“**BidCo Value Range**”). The implied value per BidCo share was calculated based on the Cadiz Value Range, adjusted for specific discounts including, *inter alia*, a marketability discount, as Cadiz shareholders will receive a highly illiquid share in an unlisted entity. The BidCo Value Range was compared to the Cadiz Value Range.

In considering the valuation range listed above, Cadiz Shareholders should take particular notice of the following factors:

- (i) the actual market value achieved in a specific transaction may be higher or lower than our estimate of the market value depending upon the circumstances of the transaction (for example strategic considerations of the purchaser), the nature of the business (for example the purchaser’s perception of potential synergies); and
- (i) the above market swap range represents the respective standalone valuation of Cadiz under current management, strategies and business plans.

Subject to the foregoing assumptions, based on our analysis and after taking into account all financial and non-financial considerations, including considerations regarding reasonability as set out in paragraph 10 above, we are of the opinion that the BidCo Offer is unfair and unreasonable to Cadiz Shareholders.

## **12. LIMITING CONDITIONS**

This opinion is provided to the Board in connection with and for the purpose of the Offers for the sole purpose of assisting the Board in forming and expressing an opinion for the benefit of Cadiz Shareholders. This opinion is prepared solely for the Board and therefore should not be regarded as suitable for use by any other party or give rise to third party rights.

The forecasts relate to future events and are based on assumptions, which may not remain valid for the whole of the relevant period. Consequently this information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods. We express no opinion as to how closely actual results will correspond to those forecast by Cadiz Management and Stellar Management.

We relied upon the accuracy of the information used by us in deriving our opinion, albeit that, where practicable, we have corroborated the reasonableness of such information and assumptions through, amongst other things, reference to historic precedent and our knowledge and understanding. Whilst our work has involved an analysis of the annual financial statements, forecasts and other information provided to us, our engagement does not constitute nor does it include an audit conducted in accordance with applicable auditing standards. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided to us in respect of the Offers.

The opinion expressed is necessarily based upon information available to us, the financial, regulatory, securities market and other conditions and circumstances existing and disclosed to us as at the date hereof. We have furthermore assumed that all conditions precedent, including any material regulatory and other approvals required in connection with the Offers have been or will be properly fulfilled. Subsequent developments may affect our opinion, however, we are under no obligation to update, revise or re-affirm such.

## **13. INDEPENDENCE AND ADDITIONAL REGULATORY DISCLOSURES**

We confirm that PSG Capital holds no shareholding in Cadiz or Stellar, directly or indirectly. We have no interest, direct or indirect, beneficial or non-beneficial, and to the best of our knowledge we are not related to a person who has or has had such interest in Cadiz within the immediately preceding two years or in the outcome of the Offers.

The directors, partners, officers and employees of PSG Capital allocated to this assignment have the necessary qualifications, expertise and competencies to (i) understand the Offers; (ii) evaluate the

consequences of the Offers; and (iii) assess the effect of the Offers on the value of the shares and on the rights and interests of Cadiz Shareholders and are able to express opinions, exercise judgement and make decisions impartially in carrying out this assignment.

Furthermore, we confirm that our professional fee for the opinion is R350 000 (excluding VAT), payable in cash, and is not contingent on the outcome of the Offers.

In the event that any Cadiz Shareholder accepts the Stellar Offer or the General Offer, the Cadiz Shareholder will receive as offer consideration shares in Stellar for its interest held in Cadiz, which, as per the PSG Capital opinion as set out in paragraph 11 above, is fair and reasonable to a Cadiz Shareholder. The Stellar Offer and General Offer will not have any material adverse effect on a Cadiz Shareholder.

In the event that any Cadiz Shareholder accepts the Bidco Offer, the Cadiz Shareholder will receive as offer consideration shares in Bidco for its interest held in Cadiz, which, as per the PSG Capital opinion as set out in paragraph 11 above, is unfair and unreasonable to a Cadiz Shareholder. Save for the reasons listed in this opinion, there are no additional material adverse effects of the Bidco Offer on a Cadiz Shareholder.

#### 14. **CONSENT**

We hereby consent to the inclusion of this opinion and references thereto, in whole or in part, in the form and context in which they appear to be included in any required regulatory announcement or documentation regarding the Offers.

Yours faithfully

**Riaan van Heerden**  
**PSG Capital**

**John-Paul Dicks**  
**PSG Capital”**

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## AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF CADIZ FOR THE FINANCIAL YEARS ENDED 31 MARCH 2015, 31 MARCH 2014 AND 31 MARCH 2013

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### BASIS OF PREPARATION

The directors of Cadiz are responsible for the preparation, integrity and fair presentation of the financial statements of Cadiz and of the Cadiz group, and of this **Annexure 2**.

The summary consolidated financial statements for the years ended 31 March 2015, 31 March 2014 and 31 March 2013 presented in this **Annexure 2** (the "**Financial Statements**") were prepared in accordance with International Financial Reporting Standards ("**IFRS**") and comply with IAS 34 – *Interim Financial Reporting*, the Listings Requirements and the Companies Act, and include amounts based on judgements and estimates made by management.

The directors consider that in preparing the Financial Statements they have used the most appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all statements of IFRS that they consider to be applicable have been followed.

The Financial Statements were audited by PricewaterhouseCoopers Inc. ("**PWC**"), who expressed an unmodified opinions thereon. PWC also expressed unmodified opinions on the annual financial statements from which these summarised Financial Statements were derived.

The summarised consolidated Financial Statements were prepared under the supervision of the financial director of Cadiz, Mr FC Shaw CA(SA).

The full sets of the annual financial statements of the Cadiz group for the years ended 31 March 2015, 31 March 2014 and 31 March 2013 are available on Cadiz' website at <http://www.cadiz.co.za/cadiz-holdings/investor-relations/financial-information/>.

## SUMMARY CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Audited 31 March 2015 R'000	Audited 31 March 2014 R'000	Restated Audited 31 March 2013 R'000
<b>ASSETS</b>			
Intangible assets	66 891	239 285	238 423
Plant and equipment	4 500	5 086	5 161
Interests in associates – equity accounted	31 153	60 474	64 317
Deferred taxation	44 740	22 843	24 575
Investments backing linked funds	5 989 506	5 616 688	4 915 417
Investment property	323 473	336 689	153 372
Loans and receivables	242 048	94 720	98 465
Financial assets – at fair value	3 765 249	3 856 625	3 510 265
Interest in associates – at fair value	336 364	471 813	371 487
Non-current assets held for sale	16 400	–	–
Cash and cash equivalents	1 305 972	856 841	781 828
Financial assets – at amortised cost	82 863	97 745	87 752
Financial assets – at fair value	266 333	416 232	366 930
Interests in associates – at fair value	87 586	14 795	45 074
Receivables and prepayments	55 729	61 180	66 649
Taxation	1 141	2 679	1 888
Cash and cash equivalents	38 551	126 906	179 675
<b>Total assets</b>	<b>6 668 993</b>	<b>6 663 913</b>	<b>5 995 861</b>
<b>EQUITY</b>			
<b>Capital and reserves</b>			
Ordinary share capital and premium	16 991	16 991	25 644
Treasury shares	(52 919)	(52 880)	(52 893)
Share-based payment reserve	36 452	37 610	36 173
Retained earnings	395 981	653 656	663 985
<b>Total equity</b>	<b>396 505</b>	<b>655 377</b>	<b>672 909</b>
<b>LIABILITIES</b>			
Deferred taxation	6 713	6 590	7 694
Linked investment contract liabilities	5 838 318	5 410 476	4 846 601
Third-party financial liabilities arising on consolidation of mutual funds	373 132	555 287	383 727
Provisions	15 146	5 288	4 759
Trade and other payables	39 124	30 874	73 166
Taxation	55	21	7 005
<b>Total liabilities</b>	<b>6 272 488</b>	<b>6 008 536</b>	<b>5 322 952</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6 668 992</b>	<b>6 663 913</b>	<b>5 995 861</b>
Net asset value (cents per share)	176	291	289
Net tangible asset value (cents per share)	129	177	179

**SUMMARY CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	<b>Audited</b> <b>31 March 2015</b> <b>R'000</b>	<b>Audited</b> <b>31 March 2014</b> <b>R'000</b>	<b>Restated</b> <b>Audited</b> <b>31 March 2013</b> <b>R'000</b>
<b>Continuing operations</b>			
<b>Gross operating revenue</b>	121 277	138 593	147 504
<b>Interest income</b>	17 122	27 138	21 954
<b>Net investment income</b>	7 016	47 223	55 124
Net income from investments	7 240	47 171	55 010
Foreign exchange (loss)/gains	(224)	52	114
<b>Income attributable to linked assets</b>	4 807	4 486	4 560
Net fair value gains on linked financial instruments	502 060	532 108	510 794
Linked liability adjustment	(497 253)	(527 622)	(506 234)
<b>Fair value adjustment on third party mutual fund interests</b>	(7 997)	(37 955)	(37 694)
<b>Operating expenses</b>	(164 569)	(165 386)	(171 037)
<b>Restructuring costs</b>	(40 350)	–	–
<b>Impairment of financial assets at amortised cost</b>	(17 353)	–	–
<b>Impairment of goodwill</b>	(160 000)	–	–
<b>Operating (loss)/profit</b>	(240 047)	14 099	20 411
<b>Finance costs</b>	(13)	(124)	(154)
<b>Share of loss of associate</b>	(921)	(3 843)	(11 345)
<b>Impairment of investment in associate</b>	(28 400)	–	–
<b>(Loss)/Profit before taxation</b>	(269 381)	10 132	8 912
<b>Taxation</b>	18 105	(2 332)	(3 803)
<b>Total comprehensive (loss)/income from continuing operations</b>	(251 276)	7 800	5 109
<b>Discontinued operation</b>			
Loss from discontinued operations	–	(1 904)	–
<b>Total comprehensive (loss)/income</b>	<b>(251 276)</b>	<b>5 896</b>	<b>5 109</b>
<b>(Loss)/Earnings per share (cents)</b>			
Basic – from continuing operations	(111.4)	3.3	2.2
Basic – from discontinued operations	–	(0.8)	–
	<b>(111.4)</b>	<b>2.5</b>	<b>2.2</b>
Diluted – from continuing operations	(111.4)	3.3	2.2
Diluted – from discontinued operations	–	(0.8)	–
	(111.4)	2.5	2.2
<b>Reconciliation of headline earnings:</b>			
<b>(Loss)/Profit attributable to equity holders of the Company</b>	(251 276)	5 896	5 109
Remeasurements included in equity-accounted earnings	–	102	–
Taxation impact	–	(28)	–
Loss/(Profit) on disposal of plant and equipment	–	284	(70)
Taxation impact	–	(80)	20
Impairment of plant and equipment	1 497	–	–
Taxation impact	(419)	–	–
Impairment of goodwill	160 000	–	–
Impairment of investment in associates	28 700	–	–
Taxation impact	(300)	–	–
Impairment of computer software	13 942	–	–
Taxation impact	(3 904)	–	–
<b>Headline (loss)/earnings</b>	<b>(51 760)</b>	<b>6 174</b>	<b>5 059</b>

	<b>Audited</b> <b>31 March 2015</b> <b>R'000</b>	<b>Audited</b> <b>31 March 2014</b> <b>R'000</b>	<b>Restated</b> <b>Audited</b> <b>31 March 2013</b> <b>R'000</b>
<b>Headline (loss)/earnings per share (cents)</b>			
Basic	(23.0)	2.7	2.2
Diluted	(23.0)	2.7	2.2
<b>Share information:</b>			
<b>Issued number of shares ('000)</b>	245 823	245 823	253 276
<b>Consolidated number of shares ('000)</b>	225 505	225 505	232 957
<b>Weighted average number of shares ('000)</b>	225 476	231 409	232 878
<b>Diluted weighted average number of shares ('000)</b>	225 477	231 479	233 238

#### SUMMARY CONSOLIDATED STATEMENTS OF CASH FLOW

	<b>Audited</b> <b>31 March 2015</b> <b>R'000</b>	<b>Audited</b> <b>31 March 2014</b> <b>R'000</b>	<b>Audited</b> <b>31 March 2013</b> <b>R'000</b>
<b>Cash flow from operating activities</b>			
Cash flow from operations	433 682	(10 208)	711 861
Taxation (paid)/received	(2 103)	(8 983)	2 094
Interest received	16 002	25 067	21 036
Interest paid	(13)	(124)	(154)
Dividends received	3 420	11 670	2 247
Cash generated from operations	450 988	17 422	737 084
Ordinary dividends paid	(9 922)	(16 307)	(116 376)
<b>Net cash flow from operating activities</b>	<b>441 066</b>	<b>1 115</b>	<b>620 708</b>
<b>Cash flow from investing activities</b>			
Proceeds on disposal of financial assets	1 712	42 474	41 732
Acquisition of mutual funds	–	–	39 272
Purchase of financial assets	(75 499)	(8 301)	(28 902)
Additions to intangible assets	(3 447)	(2 458)	(3 596)
Additions to plant and equipment	(3 044)	(2 051)	(3 800)
Proceeds on disposal of plant and equipment	27	23	1 057
<b>Net cash flow from investing activities</b>	<b>(80 251)</b>	<b>29 687</b>	<b>45 763</b>
<b>Cash flow from financing activities</b>			
(Repurchase)/Issue of A ordinary shares	(39)	95	249
Repurchase of treasury shares	–	(8 653)	(85)
<b>Net cash flow from financing activities</b>	<b>(39)</b>	<b>(8 558)</b>	<b>164</b>
<b>Net change in cash and cash equivalents</b>	<b>360 776</b>	<b>22 244</b>	<b>666 635</b>
Cash and cash equivalents at beginning of year	983 747	961 503	294 868
<b>Cash and cash equivalents at end of year</b>	<b>1 344 523</b>	<b>983 747</b>	<b>961 503</b>
Attributable to the Group	38 551	126 906	179 675
Attributable to policyholders	1 305 872	856 841	781 828

The cash flow includes a cash outflow from the discontinued operations of R1.9 million in cash flow from operating activities for 31 March 2014.



**SUMMARY CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	<b>Audited 31 March 2015 R'000</b>	<b>Audited 31 March 2014 R'000</b>	<b>Audited 31 March 2013 R'000</b>
<b>Share capital, share premium and treasury shares</b>			
Opening balance	(35 889)	(27 249)	(27 592)
(Cancellation)/Issue of shares	–	(8 653)	355
Issues/(Repurchases) of A ordinary shares	(39)	13	(12)
	(35 928)	(35 889)	(27 249)
<b>Reserves</b>			
Opening balance	691 266	700 158	811 755
Premium on issue/(cancellation) of equity-settled share appreciation rights	–	82	(73)
Employee scheme – value of services provided	(1 158)	1 437	(257)
Profit on dilution of shareholding in subsidiary	3 523	–	–
Total comprehensive (loss)/income	(251 276)	5 896	5 109
Dividends paid	(9 922)	(16 307)	(116 376)
	432 433	691 266	700 158
<b>Total shareholders' equity</b>	<b>396 505</b>	<b>655 377</b>	<b>672 909</b>

## SUMMARY CONSOLIDATED SEGMENT REPORT

R'000	Asset management	Advisory	Investments	Total
<b>Audited 12 months to 31 March 2015</b>				
Segment revenue	113 199	23 293	6 839	143 331
Segment costs	140 819	16 521	–	157 340
<b>Segment (loss)/profit</b>	<b>(27 620)</b>	<b>6 772</b>	<b>6 839</b>	<b>(14 009)</b>
Corporate costs				(5 934)
Share-based payment expense – advisory				(2 414)
Impairment of financial assets at amortised cost				(17 353)
Impairment of goodwill				(160 000)
Impairment of investment in associate				(28 400)
Restructuring costs				(40 350)
Share of loss of associate				(921)
Loss before taxation				(269 381)
<b>Gross operating revenue (external)</b>	<b>98 930</b>	<b>22 347</b>		<b>121 277</b>
<b>Audited 12 months to 31 March 2014</b>				
Segment revenue	137 222	18 209	20 107	175 538
Segment costs	143 812	13 808	–	157 620
<b>Segment (loss)/profit</b>	<b>(6 590)</b>	<b>4 401</b>	<b>20 107</b>	<b>17 918</b>
Corporate costs				(6 284)
Share before taxation on discontinued operation				2 341
Share of loss of associate				(3 843)
Profit before taxation				10 132
<b>Gross operating revenue (external)</b>	<b>112 887</b>	<b>17 411</b>	<b>8 295</b>	<b>138 593</b>
<b>Year-on-year percentage movement</b>				
Segment revenue	(18)	28	(66)	(18)
Segment costs	2	(20)	N/A	–
Segment profit/(loss)	(319)	54	(66%)	(178)
<b>Restated audited 12 months to 31 March 2013</b>				
Segment revenue	140 219	10 319	27 735	178 273
Segment costs	134 823	10 802	3 784	149 409
<b>Segment profit/(loss)</b>	<b>5 396</b>	<b>(483)</b>	<b>23 951</b>	<b>28 864</b>
Corporate costs				(8 607)
Share of loss of associate				(11 345)
Profit before taxation				8 912
<b>Gross operating revenue (external)</b>	<b>120 602</b>	<b>8 695</b>	<b>18 207</b>	<b>147 504</b>
<b>Year-on-year percentage movement</b>				
Segment revenue	(2)	76	(28)	(2)
Segment costs	7	28	(100)	5
Segment profit	n/a	n/a	(16)	(38)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. BASIS OF PRESENTATION

The summarised consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports and the requirements of the Companies Act applicable to summary financial statements. The Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 – *Interim Financial Reporting*. The accounting policies applied in the preparation of the consolidated financial statements from which the summarised consolidated financial statements were derived are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements.

The summarised consolidated preliminary financial statements have been prepared under the supervision of the finance director, Mr FC Shaw CA(SA).

### 2. IMPAIRMENT OF FINANCIAL ASSETS AT AMORTISED COST

Makana funded the acquisition of 34.4 million Cadiz shares through the issue of preference shares redeemable in February 2017. Makana is a fully functioning investment company and the Cadiz shares and other assets support this liability. Following the decrease in the Cadiz share price management has considered the recoverability of the preference shares and provided R17.4 million against the R65.6 million Makana preference shares. Cadiz has also not recognised R2.2 million dividends accrued on the preference shares since September 2014.

### 3. IMPAIRMENT OF GOODWILL

After taking into account the decline in assets under management in the cash-generating unit, the business has been restructured. This has resulted in an impairment of the carrying value of the goodwill by R160.0 million to R66.9 million based on a value-in-use valuation. The estimates used to test goodwill were as follows:

Assets under management at 31 March 2015 of R20.7 billion (2014: R28.5 billion), annual average asset growth in assets of 16.0% applied over a 10-year cash projection period (2014: 16.7%), average fees of 0.42% (2014: 0.45%), an average cost-to-income ratio of 84% (2014: 75%), a weighted average cost of capital of 20.0% (2014: 22.0%) and a long-term growth rate of 6% (2014: 6%).

### 4. IMPAIRMENT OF INVESTMENT IN ASSOCIATE – EQUITY ACCOUNTED

The recoverable amount of the investment in associate has been determined based on fair value less cost to sell calculations.

During the period BNP Paribas Securities South Africa Holdings, the associate in which Cadiz holds 40%, has started making profits. However, based on the current revenue mix and the previous delays experienced, management has revised revenue and cost growth estimates and impaired the carrying value of the associates by R28.4 million to R31.2 million. The estimates used to test for impairment in investments in associates were as follows:

Annual average growth in revenue and costs of 10.5% and 5.2% respectively (2014: 22.2% and 9.3%), a weighted average cost of capital of 20% (2014: 20.0%) and a long-term growth rate of 6% (2014: 6%). This has been tested against the estimated call option price receivable should BNP Paribas exercise their call option in October 2016.

The estimates to determine the value on the basis where BNP exercises their call option, were annual average growth in revenue and costs of 10.4% and 0% respectively over the 18-month period up until the exercise of the option by BNP Paribas SA and a weighted cost of capital of 18%. The value determined under this basis was lower and was used as the recoverable amount of the investment in associate. In valuing the option Cadiz has not taken into account the possible benefit that may arise due to the change in the original BNP Paribas business plan and the possible exclusion of incentives paid to retain staff.

## 5. RESTRUCTURING COSTS

<b>R'000</b>	<b>31 March 2015</b>
Retrenchment costs	8 270
Computer software equipment	13 942
Furniture and equipment impairment	1 499
Onerous lease	2 661
Onerous contracts	5 691
Prepayments release	8 287
	<b>40 350</b>

Management restructured the business during the year to reduce the fixed cost base. The above once-off restructuring costs are in respect of the staff retrenched, impairing the administration platform which has been outsourced to Maitland, staff being transferred to Maitland, closure of the regional offices, reduction in the office rental space and onerous contracts.

## 6. FINANCIAL RISK MANAGEMENT

The group is exposed to a variety of financial risks which include credit risk, market risk (including currency, price and interest rate risk) and liquidity risk. The group's risk management programme focuses on the unpredictability of financial markets and seeks to limit potential adverse effects on the group, while operating within a framework that ensures alignment with the group's overall strategy and risk appetite.

The summarised preliminary financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the group's annual financial statements as at 31 March 2015. There have been no change in the risk management department or in any risk management policies since the year-end.

### **Fair values**

The carrying amounts and the fair values of the group's financial assets and liabilities are the same. Where assets are held at amortised cost, the fair values approximate the carrying values as these have floating rates.

### ***Fair value measurements recognised in the statements of financial position***

The following provides an analysis of the financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable:

- level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identifiable assets or liabilities;
- level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly; and
- level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

### ***Valuation techniques and assumptions applied for the purposes of measuring fair value***

The fair values of financial assets and financial liabilities are determined as follows:

For level 1:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.

For level 2:

- The fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.
- Observable inputs generally used to measure the fair value of securities classified as level 2 include benchmark yields, reported secondary trades, broker-dealer quotes, issuer spreads, benchmark securities, bids, offers and reference data.

- The fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts. Interest rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.
- The fair value of financial guarantee contracts is determined using option pricing models where the main assumptions are the probability of default by the specified counterparty extrapolated from the market-based credit information and the amount of loss, given the default.

For level 3:

- Determinations to classify fair value measures within level 3 of the valuation hierarchy are generally based on the significance of the unobservable factors when compared to the overall fair value measurement. The group applies various due diligence procedures, as considered appropriate, to validate the underlying information used in the valuations.

R'000	Level 1	Level 2	Level 3	Total
<b>31 March 2015</b>				
<b>Investments backing linked funds</b>				
<b>Financial assets – designated at fair value through profit or loss</b>				
– Collective investment schemes	–	4 461	–	4 461
– Debentures				
– listed	–	261 476	–	261 476
– unlisted	–	1 306 915	29 603	1 336 518
– Domestic equities				
– listed	646 976	–	–	646 976
– unlisted	–	–	4	4
– Fixed interest securities				
– listed	277 641	104 077	–	381 718
– International equities				
– listed	–	1 134 096	–	1 134 096
<b>Interests in associates – measured at fair value</b>				
Collective investment schemes	–	309 879	26 485	336 364
<b>Investment property</b>	–	–	323 473	323 473
<b>Non-current assets held for sale</b>	–	–	16 400	16 400
<b>Financial assets – designated at fair value through profit or loss</b>				
Private equity investments	–	–	8 998	8 998
Collective investment schemes	–	123 307	–	123 307
Fixed income securities				
– listed	30 004	12 210	–	42 214
– unlisted	–	–	6 220	6 220
Investment-linked policies	–	3 021	–	3 021
Other investments	–	266	–	266
<b>Financial assets – at fair value through profit or loss</b>				
Listed investments	82 307	–	–	82 307
<b>Interests in associates – measured at fair value</b>				
Collective investment schemes	–	87 153	433	87 586
<b>Interest in associates – equity accounted</b>	–	–	31 153	31 153
	<b>1 036 928</b>	<b>3 346 861</b>	<b>442 769</b>	<b>4 826 558</b>

<b>Level 3 reconciliations R'000</b>	<b>Interest in associates – equity accounted</b>	<b>Investment in property and non-current assets for sale</b>	<b>Financial assets – at fair value</b>	<b>Total</b>
Balance at beginning of year	–	336 689	11 988	348 677
Additions	–	1 377	35	1 412
Revalued to fair value less cost to sell	43 908	–	–	43 908
(Loss)/Profit recognised in profit or loss	(12 755)	1 807	(6 104)	(17 052)
Capital repayment	–	–	(3 672)	(3 672)
Transfer from level 2 to 3	–	–	69 496	69 496
<b>Balance at end of period</b>	<b>31 153</b>	<b>339 873</b>	<b>71 743</b>	<b>442 769</b>

<b>R'000</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>31 March 2014</b>				
<b>Investments backing linked funds</b>				
<b>Financial assets – designated at fair value through profit or loss</b>				
– Collective investment schemes	–	12 914	–	12 914
– Debentures	170 186	–	–	170 186
– unlisted	–	1 795 269	–	1 795 269
– Domestic equities	613 558	–	–	613 558
– unlisted	–	17 541	–	17 541
– Fixed interest securities	330 908	–	–	330 908
– International equities	47 149	–	–	47 149
– unlisted	–	869 100	–	869 100
<b>Interest in associates – measured at fair value</b>				
Collective investment schemes	–	471 813	–	471 813
<b>Investment property</b>				
<b>Financial assets – designated at fair value through profit or loss</b>				
Private equity investments	–	–	7 963	7 963
Collective investment schemes	–	175 855	–	175 855
Fixed income securities – unlisted	–	54 373	–	54 373
Investment-linked policies	–	4 078	–	4 078
Other investments	–	608	–	608
<b>Financial assets – at fair value through profit or loss</b>				
Conversion option – related conversion option at fair value	–	–	4 025	4 025
Listed investments	169 330	–	–	169 330
<b>Interests in associates – at fair value</b>				
Collective investment schemes	–	14 795	–	14 795
	<b>1 331 131</b>	<b>3 416 345</b>	<b>348 677</b>	<b>5 096 153</b>

<b>Level 3 reconciliations</b>	<b>Investment property</b>	<b>Financial assets – at fair value</b>	<b>Total</b>
Balance at beginning of year – restated	153 372	15 953	169 325
Additions	184 944	–	184 944
Losses recognised in profit or loss	(1 627)	(965)	(2 592)
Capital repayments	–	(3 000)	(3 000)
<b>Balance at end of year</b>	<b>336 689</b>	<b>11 988</b>	<b>348 677</b>

All investment properties are valued by an independent valuator on a three-year rolling cycle and are sensitive to the property market.

The financial assets at fair value included in level 3 consist of the investment in Makana of Rnil (March 2014: R4.0 million), the investment in Rotimode of R0.9 million (March 2014: R0.9 million), the investment in KayaGas of R8.1 million (March 2014: R7.1 million) and investments in African Bank Limited of R62.7 million (March 2014: Rnil).

In determining the fair value of the Makana option included in the financial assets at fair value the Vandermark valuation model was used. Significant inputs into the model were the exercise price, current market price of Makana based on a valuation of the underlying investments, standard deviation of expected returns of 16.8% (March 2014: 16.8%), risk-free rate of 7.1% (March 2014: 7.1%) and a dividend yield of 0% (March 2014: 0%).

The investments in African Bank Limited have been valued using guidance provided by the curator of African Bank Limited, senior debt being valued at 90% of the face value and subordinated debt valued at nil. African Bank Limited Preference shares are valued at 1 cent per share. If the senior debt would have been valued at 80% of the face value, the carrying amount of the financial asset would have been reduced by R7.0 million.

The recoverable amount of the investment in associate has been determined based on fair value less cost to sell calculations. The estimates to determine the fair value were annual average growth in revenue and costs of 10.4% and 0% respectively over the 18-month period up until the exercise of the option by BNP Paribas and a weighted cost of capital of 18%. If the growth in revenue and long-term growth rates were 10% lower and the weighted average cost of capital was 10% higher than management's estimates with all other variables remaining constant, the carrying value of the investment in associates would have reduced by R5.1 million (2014: R12.2 million).

The investment in Rotimode represents the consideration settled. The investment in KayaGas is secured and therefore no sensitivities were deemed necessary.

The fair value liabilities in the group are the linked investment contract liabilities and the third-party financial liabilities arising on consolidation of the mutual funds which mirror the fair value hierarchy of the linked assets.

### **Post-balance sheet events**

The directors are not aware of any post-balance sheet events that materially affect the financial results or the financial position of the group as presented in the summarised consolidated preliminary results.

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**SECTION 115 – REQUIRED APPROVAL FOR TRANSACTIONS CONTEMPLATED IN PART A OF CHAPTER 5 OF THE COMPANIES ACT**

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- “(1) Despite section 65, and any provision of a company’s Memorandum of Incorporation, or any resolution adopted by its board or holders of its securities, to the contrary, a company may not dispose of, or give effect to an agreement or series of agreements to dispose of, all or the greater part of its assets or undertaking, implement an amalgamation or a merger, or implement a scheme of arrangement, unless:
- (a) the disposal, amalgamation or merger, or scheme of arrangement:
    - (i) has been approved in terms of this section; or
    - (ii) is pursuant to or contemplated in an approved business rescue plan for that company, in terms of Chapter 6; and
  - (b) to the extent that Parts B and C of this Chapter and the Takeover Regulations, apply to a company that proposes to
    - (i) dispose of all or the greater part of its assets or undertaking;
    - (ii) amalgamate or merge with another company; or
    - (iii) implement a scheme of arrangement,the Panel has issued a compliance certificate in respect of the transaction, in terms of section 119 (4) (b), or exempted the transaction in terms of section 119(6).
- (2) A proposed transaction contemplated in subsection (1) must be approved:
- (a) by a special resolution adopted by persons entitled to exercise voting rights on such a matter, at a meeting called for that purpose and at which sufficient persons are present to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised on that matter, or any higher percentage as may be required by the Company’s Memorandum of Incorporation, as contemplated in section 64(2); and
  - (b) by a special resolution, also adopted in the manner required by paragraph (a), by the shareholders of the Company’s holding company if any, if:
    - (i) the holding company is a company or an external company;
    - (ii) the proposed transaction concerns a disposal of all or the greater part of the assets or undertaking of the subsidiary; and
    - (iii) having regard to the consolidated financial statements of the holding company, the disposal by the subsidiary constitutes a disposal of all or the greater part of the assets or undertaking of the holding company; and
  - (c) by the court, to the extent required in the circumstances and manner contemplated in subsections (3) to (6).
- (3) Despite a resolution having been adopted as contemplated in subsections (2)(a) and (b), a company may not proceed to implement that resolution without the approval of a court if:
- (a) the resolution was opposed by at least 15% of the voting rights that were exercised on that resolution and, within five business days after the vote, any person who voted against the resolution requires the Company to seek court approval; or
  - (b) the court, on an application within 10 business days after the vote by any person who voted against the resolution, grants that person leave, in terms of subsection (6), to apply to a court for a review of the transaction in accordance with subsection (7).
- (4) For the purposes of subsections (2) and (3), any voting rights controlled by an acquiring party, a person related to an acquiring party, or a person acting in concert with either of them, must not be included in calculating the percentage of voting rights:



- (a) required to be present, or actually present, in determining whether the applicable quorum requirements are satisfied; or
  - (b) required to be voted in support of a resolution, or actually voted in support of the resolution.
- (4A) In subsection (4), 'act in concert' has the meaning set out in section 117(1)(b).
- (5) If a resolution requires approval by a court as contemplated in terms of subsection (3)(a), the Company must either:
- (a) within 10 business days after the vote, apply to the court for approval, and bear the costs of that application; or
  - (b) treat the resolution as a nullity.
- (6) On an application contemplated in subsection (3)(b), the court may grant leave only if it is satisfied that the applicant:
- (a) is acting in good faith;
  - (b) appears prepared and able to sustain the proceedings; and
  - (c) has alleged facts which, if proved, would support an order in terms of subsection (7).
- (7) On reviewing a resolution that is the subject of an application in terms of subsection (5)(a), or after granting leave in terms of subsection (6), the court may set aside the resolution only if:
- (a) the resolution is manifestly unfair to any class of holders of the Company's securities; or
  - (b) the vote was materially tainted by conflict of interest, inadequate disclosure, failure to comply with the Act, the Memorandum of Incorporation or any applicable rules of the company, or other significant and material procedural irregularity.
- (8) The holder of any voting rights in a company is entitled to seek relief in terms of section 164 if that person:
- (a) notified the Company in advance of the intention to oppose a special resolution contemplated in this section; and
  - (b) was present at the meeting and voted against that special resolution.
- (9) If a transaction contemplated in this Part has been approved, any person to whom assets are, or an undertaking is, to be transferred, may apply to a court for an order to effect:
- (a) the transfer of the whole or any part of the undertaking, assets and liabilities of a company contemplated in that transaction;
  - (b) the allotment and appropriation of any shares or similar interests to be allotted or appropriated as a consequence of the transaction;
  - (c) the transfer of shares from one person to another;
  - (d) the dissolution, without winding-up, of a company, as contemplated in the transaction;
  - (e) incidental, consequential and supplemental matters that are necessary for the effectiveness and completion of the transaction; or
  - (f) any other relief that may be necessary or appropriate to give effect to, and properly implement, the amalgamation or merger."

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**SECTION 164 – DISSENTING SHAREHOLDERS’ APPRAISAL RIGHTS**

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- “(1) This section does not apply in any circumstances relating to a transaction, agreement or offer pursuant to a business rescue plan that was approved by shareholders of a company, in terms of section 152.
- (2) If a company has given notice to shareholders of a meeting to consider adopting a resolution to:
- (a) amend its Memorandum of Incorporation by altering the preferences, rights, limitations or other terms of any class of its shares in any manner materially adverse to the rights or interests of holders of that class of shares, as contemplated in section 37(8); or
  - (b) enter into a transaction contemplated in sections 112, 113, or 114,
- that notice must include a statement informing shareholders of their rights under this section.
- (3) At any time before a resolution referred to in subsection (2) is to be voted on, a dissenting shareholder may give the Company a written notice objecting to the resolution.
- (4) Within 10 business days after a company has adopted a resolution contemplated in this section, the Company must send a notice that the resolution has been adopted to each shareholder who:
- (a) gave the Company a written notice of objection in terms of subsection (3); and
  - (b) has neither:
    - (i) withdrawn that notice; or
    - (ii) voted in support of the resolution.
- (5) A shareholder may demand that the Company pay the shareholder the fair value for all of the shares of the Company held by that person if:
- (a) the shareholder:
    - (i) sent the Company a notice of objection, subject to subsection (6); and
    - (ii) in the case of an amendment to the Company’s Memorandum of Incorporation, holds shares of a class that is materially and adversely affected by the amendment;
  - (b) the Company has adopted the resolution contemplated in subsection (2); and
  - (c) the shareholder:
    - (i) voted against that resolution; and
    - (ii) has complied with all of the procedural requirements of this section.
- (6) The requirement of subsection (5)(a)(i) does not apply if the Company failed to give notice of the meeting, or failed to include in that notice a statement of the shareholders rights under this section.
- (7) A shareholder who satisfies the requirements of subsection (5) may make a demand contemplated in that subsection by delivering a written notice to the Company within:
- (a) 20 business days after receiving a notice under subsection (4); or
  - (b) if the shareholder does not receive a notice under subsection (4), within 20 business days after learning that the resolution has been adopted.
- (8) A demand delivered in terms of subsections (5) to (7) must also be delivered to the Panel, and must state:
- (a) the shareholder’s name and address;
  - (b) the number and class of shares in respect of which the shareholder seeks payment; and
  - (c) a demand for payment of the fair value of those shares.
- (9) A shareholder who has sent a demand in terms of subsections (5) to (8) has no further rights in respect of those shares, other than to be paid their fair value, unless:

- (a) the shareholder withdraws that demand before the Company makes an offer under subsection (11), or allows an offer made by the Company to lapse, as contemplated in subsection (12)(b);
  - (b) the Company fails to make an offer in accordance with subsection (11) and the shareholder withdraws the demand; or
  - (c) the Company, by a subsequent special resolution, revokes the adopted resolution that gave rise to the shareholder's rights under this section.
- (10) If any of the events contemplated in subsection (9) occur, all of the shareholder's rights in respect of the shares are reinstated without interruption.
- (11) Within five business days after the later of:
- (a) the day on which the action approved by the resolution is effective;
  - (b) the last day for the receipt of demands in terms of subsection (7)(a); or
  - (c) the day the Company received a demand as contemplated in subsection (7)(b), if applicable, the Company must send to each shareholder who has sent such a demand a written offer to pay an amount considered by the Company's directors to be the fair value of the relevant shares, subject to subsection (16), accompanied by a statement showing how that value was determined.
- (12) Every offer made under subsection (11):
- (a) in respect of shares of the same class or series must be on the same terms; and
  - (b) lapses if it has not been accepted within 30 business days after it was made.
- (13) If a shareholder accepts an offer made under subsection (12):
- (a) the shareholder must either in the case of:
    - (i) shares evidenced by certificates, tender the relevant share certificates to the company or the Company's transfer agent; or
    - (ii) uncertificated shares, take the steps required in terms of section 53 to direct the transfer of those shares to the Company or the Company's transfer agent; and
  - (b) the Company must pay that shareholder the agreed amount within 10 business days after the shareholder accepted the offer and:
    - (i) tendered the share certificates; or
    - (ii) directed the transfer to the Company of uncertificated shares.
- (14) A shareholder who has made a demand in terms of subsections (5) to (8) may apply to a court to determine a fair value in respect of the shares that were the subject of that demand, and an order requiring the Company to pay the shareholder the fair value so determined, if the Company has:
- (a) failed to make an offer under subsection (11); or
  - (b) made an offer that the shareholder considers to be inadequate, and that offer has not lapsed.
- (15) On an application to the court under subsection (14):
- (a) all dissenting shareholders who have not accepted an offer from the Company as at the date of the application must be joined as parties and are bound by the decision of the court;
  - (b) the Company must notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to participate in the court proceedings; and
  - (c) the court:
    - (i) may determine whether any other person is a dissenting shareholder who should be joined as a party;
    - (ii) must determine a fair value in respect of the shares of all dissenting shareholders, subject to subsection (16);
    - (iii) in its discretion may:
      - (aa) appoint one or more appraisers to assist it in determining the fair value in respect of the shares; or

- (bb) allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective, until the date of payment;
  - (iv) may make an appropriate order of costs, having regard to any offer made by the Company, and the final determination of the fair value by the court; and
  - (v) must make an order requiring:
    - (aa) the dissenting shareholders to either withdraw their respective demands or to comply with subsection (13)(a); and
    - (bb) the Company to pay the fair value in respect of their shares to each dissenting shareholder who complies with subsection (13)(a), subject to any conditions the court considers necessary to ensure that the Company fulfills its obligations under this section.
- (15A) At any time before the court has made an order contemplated in subsection (15)(c)(v), a dissenting shareholder may accept the offer made by the Company in terms of subsection (11), in which case:
- (a) that shareholder must comply with the requirements of subsection 13(a); and
  - (b) the Company must comply with the requirements of subsection 13(b).
- (16) The fair value in respect of any shares must be determined as at the date on which, and time immediately before, the Company adopted the resolution that gave rise to a shareholder's rights under this section.
- (17) If there are reasonable grounds to believe that compliance by a company with subsection (13)(b), or with a court order in terms of subsection (15)(c)(v)(bb), would result in the Company being unable to pay its debts as they fall due and payable for the ensuing 12 months:
- (a) the Company may apply to a court for an order varying the Company's obligations in terms of the relevant subsection; and
  - (b) the court may make an order that:
    - (i) is just and equitable, having regard to the financial circumstances of the Company; and
    - (ii) ensures that the person to whom the Company owes money in terms of this section is paid at the earliest possible date compatible with the Company satisfying its other financial obligations as they fall due and payable.
- (18) If the resolution that gave rise to a shareholder's rights under this section authorised the Company to amalgamate or merge with one or more other companies, such that the Company whose shares are the subject of a demand in terms of this section has ceased to exist, the obligations of that company under this section are obligations of the successor to that company resulting from the amalgamation or merger.
- (19) For greater certainty, the making of a demand, tendering of shares and payment by a company to a shareholder in terms of this section do not constitute a distribution by the Company, or an acquisition of its shares by the Company within the meaning of section 48, and therefore are not subject to:
- (a) the provisions of that section; or
  - (b) the application by the Company of the solvency and liquidity test set out in section 4.
- (20) Except to the extent:
- (a) expressly provided in this section; or
  - (b) that the Panel rules otherwise in a particular case,
- a payment by a company to a shareholder in terms of this section does not obligate any person to make a comparable offer under section 125 to any other person."

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**SECTION 124 – COMPULSORY ACQUISITIONS AND SQUEEZE OUT**

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- “(1) If, within four months after the date of an offer for the acquisition of any class of securities of a regulated company, that offer has been accepted by the holders of at least 90% of that class of securities, other than any such securities held before the offer by the offeror, a related or inter-related person, or persons acting in concert, or a nominee or subsidiary of any such person or persons:
- (a) within two further months, the offeror may notify the holders of the remaining securities of the class, in the prescribed manner and form:
    - (i) that the offer has been accepted to that extent; and
    - (ii) that the offeror desires to acquire all remaining securities of that class; and
  - (b) subject to subsection (2), after giving notice in terms of paragraph (a), the offeror is entitled, and bound, to acquire the securities concerned on the same terms that applied to securities whose holders accepted the original offer.
- (2) Within 30 business days after receiving a notice in terms of subsection (1)(a), a person may apply to a court for an order:
- (a) that the offeror is not entitled to acquire the applicant’s securities of that class; or
  - (b) imposing conditions of acquisition different from those of the original offer.
- (3) If an offer to acquire the securities of a particular class has not been accepted to the extent contemplated in subsection (1):
- (a) the offeror may apply to a court for an order authorising the offeror to give a notice contemplated in subsection (1)(a); and
  - (b) the court may make the order applied for, if:
    - (i) after making reasonable enquiries, the offeror has been unable to trace one or more of the persons holding securities to which the offer relates;
    - (ii) by virtue of acceptances of the original offer, the securities that are the subject of the application, together with the securities held by the person or persons referred to in subparagraph (i), amount to not less than the minimum specified in subsection (1);
    - (iii) the consideration offered is fair and reasonable; and
    - (iv) the court is satisfied that it is just and equitable to make the order, having regard, in particular, to the number of holders of securities who have been traced but who have not accepted the offer.
- (4) If an offer for the acquisition of any class of securities of a regulated company has resulted in the acquisition by the offeror or a nominee or subsidiary of the offeror, or a related or inter-related person of any of them, individually or in aggregate, of sufficient securities of that class such that, together with any other securities of that class already held by that person, or those persons in aggregate, they then hold at least 90% of the securities of that class:
- (a) the offeror must notify the holders of the remaining securities of the class that the offer has been accepted to that extent;
  - (b) within three months after receiving a notice in terms of paragraph (a), a person may demand that the offeror acquire all of the person’s securities of the class concerned; and
  - (c) after receiving a demand in terms of paragraph (b), the offeror is entitled, and bound, to acquire the securities concerned on the same terms that applied to securities whose holders accepted the original offer.
- (5) If an offeror has given notice in terms of subsection (1), and no order has been made in terms of subsection (3), or if the offeror has received a demand in terms of subsection (4)(b):

- (a) six weeks after the date on which the notice was given or, if an application to a court is then pending, after the application has been disposed of, or after the date on which the demand was received, as the case may be, the offeror must:
    - (i) transmit a copy of the notice to the regulated company whose securities are the subject of the offer, together with an instrument of transfer, executed on behalf of the holder of the those securities by any person appointed by the offeror; and
    - (ii) pay or transfer to that company the consideration representing the price payable by the offeror for the securities concerned,
  - (b) subject to the payment of prescribed fees or duties, the company must thereupon register the offeror as the holder of those securities.
- (6) An instrument of transfer contemplated in subsection (5) is not required for any securities for which a share warrant is for the time being outstanding.
- (7) A regulated company must deposit any consideration received under this section into a separate interest-bearing bank account with a banking institution registered under the Banks Act and, subject to subsection (8), those deposits must be:
- (a) held in trust by the company for the person entitled to the securities in respect of which the consideration was received; and
  - (b) paid on demand to the person contemplated in paragraph (a), with interest to the date of payment.
- (8) If a person contemplated in subsection (7) (a) fails for more than three years to demand payment of an amount held in terms of that paragraph, the amount, together with any accumulated interest, must be paid to the benefit of the Guardian's Fund of the Master of the High Court, to be held and dealt with in accordance with the rules of that Fund.
- (9) In this section any reference to a "holder of securities who has not accepted the offer" includes any holder who has failed or refused to transfer their securities to the offeror in accordance with the offer."

## PRICE AND TRADING HISTORY OF CADIZ ON THE JSE

Set out below is a table showing the highest, lowest and closing prices and aggregate volumes traded in Offer Shares for:

- each day over the 30 days preceding the Last Practicable Date;
- each month over the 12 months prior to the date of issue of this Circular; and
- each quarter over the two years prior to the said 12-month period.

<b>Date</b>	<b>High (cents)</b>	<b>Low (cents)</b>	<b>Close (cents)</b>	<b>Volume traded</b>	<b>Value traded (R)</b>
<b>Daily</b>					
10 June 2015	100	95	95	189 726	181 849
11 June 2015	100	95	96	72 237	69 215
12 June 2015	97	96	97	27 525	26 549
15 June 2015	100	95	95	68 976	66 588
17 June 2015	100	100	100	20 000	20 000
18 June 2015	98	96	98	9 782	9 431
19 June 2015	123	96	116	5 512 913	6 335 646
22 June 2015	116	113	116	1 750 578	2 029 824
23 June 2015	125	117	120	1 278 008	12 523 543
24 June 2015	120	117	120	160 539	191 783
25 June 2015	118	118	118	790	932
26 June 2015	120	116	118	1 895 459	2 221 194
29 June 2015	120	115	118	273 001	320 592
30 June 2015	118	116	117	158 240	185 372
1 July 2015	118	117	118	284 951	335 142
2 July 2015	118	117	118	619 221	730 408
3 July 2015	117	114	117	280 145	323 568
6 July 2015	114	113	113	7 665	8 732
7 July 2015	119	117	118	817 944	964 563
8 July 2015	118	112	118	1 727 221	2 037 413
9 July 2015	134	118	129	3 792 698	4 816 953
10 July 2015	140	128	138	1 238 015	1 655 416
13 July	138	135	135	1 751 125	239 950
14 July	136	130	130	615 905	811 263
15 July	138	134	138	129 704	175 925
16 July	138	134	135	319 855	434 165
17 July	137	135	136	318 814	436 936
20 July	141	138	141	1 385 025	1 928 425
21 July	160	146	160	180 686	283 136
22 July	160	156	160	331 524	523 828
23 July	160	152	155	192 924	298 538
24 July	155	149	149	170 271	256 447
27 July	154	144	154	128 532	187 055
28 July	156	150	150	88 986	133 488
29 July	155	149	150	188 486	283 278
30 July	151	145	150	151 558	225 236
31 July	150	145	146	115 068	168 394
3 August	148	136	148	298 128	432 112
4 August	154	148	152	471 429	706 641
5 August	156	150	155	116 542	180 152
6 August	165	160	162	395 156	642 828
7 August	185	170	177	3 309 833	6 044 573

<b>Date</b>	<b>High (cents)</b>	<b>Low (cents)</b>	<b>Close (cents)</b>	<b>Volume traded</b>	<b>Value traded (R)</b>
<b>Monthly</b>					
June 2014	118	95	110	3 138 749	3 359 126
July 2014	110	103	105	767 594	807 212
August 2014	109	95	98	784 020	785 523
September 2014	98	80	80	1 419 247	1 233 162
October 2014	85	75	83	9 208 193	7 363 567
November 2014	105	80	97	17 298 021	14 279 638
December 2014	105	90	97	7 243 506	6 969 106
January 2015	99	89	95	10 055 290	9 117 135
February 2015	105	90	102	11 970 791	11 155 354
March 2015	125	98	105	32 516 033	35 398 079
April 2015	115	94	95	71 335 906	79 583 087
May 2015	119	95	96	9 638 889	10 067 438
<b>Quarterly</b>					
March 2013	180	135	146	10 339 457	15 034 044
June 2013	155	118	135	2 766 308	3 832 522
September 2013	140	104	123	7 152 090	7 987 853
December 2013	140	98	119	9 730 087	11 964 654
March 2014	265	100	109	8 315 969	9 538 540
June 2014	118	95	110	4 557 819	4 885 695
September 2014	110	80	80	2 970 861	2 825 897
December 2014	105	75	97	33 749 720	28 612 310
March 2015	125	89	105	54 542 114	55 670 568



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## EXCHANGE CONTROL REGULATIONS

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1. The settlement of the Scheme Consideration or the General Offer Consideration, as may be applicable, for both Certificated Cadiz Shareholders and Dematerialised Cadiz Shareholders will be made subject to the Exchange Control Regulations.

2. **THE FOLLOWING IS A SUMMARY OF THE EXCHANGE CONTROL REGULATIONS**

Cadiz Shareholders that are to receive either the Scheme Consideration or the General Offer Consideration, as may be applicable, who are not resident in South Africa, or who have registered addresses outside, must satisfy themselves as to the full observance of the laws of the relevant jurisdiction concerning the receipt of the Scheme Consideration or General Offer Consideration, including obtaining any required governmental or other consents, observing any other required formalities and paying any issue, transfer or other taxes due in that jurisdiction. If any Offer Shareholder is in any doubt, he/she should consult his/her professional advisers without delay.

3. **RESIDENTS OF THE COMMON MONETARY AREA**

In the case of:

- 3.1 certificated Cadiz Shareholders whose registered address in the Register are within the Common Monetary Area and whose Documents of Title are not restrictively endorsed in terms of the Exchange Control Regulations, the Scheme Consideration or the General Offer Consideration will be posted to, or credited to the CSDP or broker accounts of such Certificated Cadiz Shareholders, in accordance with paragraphs 6 and 14 of this Circular; or
- 3.2 dematerialised Cadiz Shareholders whose registered addresses in the Register are within the Common Monetary Area and whose accounts with their CSDP or broker have not been restrictively designated in terms of the Exchange Control Regulations, the Stellar Scheme Consideration Shares or the General Offer Consideration (as applicable) will be credited directly to the accounts nominated for the relevant Dematerialised Cadiz Shareholders by their duly appointed CSDP or broker in terms of the provisions of the custody agreement with their CSDP or broker.

4. **EMIGRANTS FROM THE COMMON MONETARY AREA**

- 4.1 The Scheme Consideration or, if applicable, the General Offer Consideration, is not freely transferable from South Africa and must be dealt with in terms of the Exchange Control Regulations.
- 4.2 In the case of Cadiz Shareholders who are emigrants from the Common Monetary Area and whose Cadiz Shares form part of their blocked assets, whose registered address is outside the Common Monetary Area and whose Documents of Title have been restrictively endorsed under the Exchange Control Regulations, the Scheme Consideration or the General Offer Consideration will be forwarded to the Authorised Dealer in foreign exchange in South Africa controlling such Certificated Cadiz Shareholders' blocked assets in terms of the Exchange Control Regulations against delivery of the relevant Documents of Title. The attached Form of Election, Surrender and Transfer (*pink*) makes provision for details of the Authorised Dealer concerned to be given.
- 4.3 In terms of a recent relaxation to the Exchange Control rulings, emigrants may externalise the scheme consideration by making application to the Financial Surveillance Department of the South African Reserve Bank via the requisite authorised dealer channel. Previously, a 10% levy would have been payable on externalisation. This is, however, no longer the position and the scheme consideration may, on application, be externalised free of the levy.
- 4.4 The authorised dealer releasing the relevant documents of title in terms of the Scheme or the Substitute Offer, as the case may be, must countersign the Form of Election, Surrender and Transfer (*pink*) thereby indicating that the Scheme Consideration or, if applicable, the General Offer Consideration, will be placed directly in its control.

5. **ALL OTHER NON-RESIDENTS OF THE COMMON MONETARY AREA**

- 5.1 The Scheme Consideration or, if applicable, the General Offer Consideration, due to a Cadiz Shareholder with Own-Name Registration who is a non-resident of South Africa and who has never resided in the Common Monetary Area, whose registered address is outside the Common Monetary Area and whose Documents of Title have been restrictively endorsed under the Exchange Control Regulations, will be deposited with the authorised dealer in foreign exchange in South Africa nominated by such Cadiz Shareholder. It will be incumbent on the Cadiz Shareholder concerned to instruct the nominated authorised dealer as to the disposal of the Scheme Consideration or, if applicable, the General Offer Consideration, against delivery of the relevant documents of title.
- 5.2 The Form of Election, Surrender and Transfer (*pink*) attached to this Circular makes provision for the nomination required in terms of paragraph 5.1 above.

6. **INFORMATION NOT PROVIDED**

If the information regarding Authorised Dealers is not given or the instructions are not given the Scheme Consideration or the General Offer Consideration will be held in trust by Cadiz or the Transfer Secretaries on behalf of Cadiz for the Cadiz Shareholders concerned, pending receipt of the necessary information or instructions.

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**AUDITED FINANCIAL STATEMENTS OF BIDCO FOR THE PERIOD ENDED 31 JULY 2015**


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**BASIS OF PREPARATION**

The financial information of Bidco included herein has been extracted and compiled from the audited financial statements of Bidco for the period ended 31 July 2015. The preparation of this **Annexure 8** is the responsibility of the directors of Bidco.

**STATEMENT OF FINANCIAL POSITION**

	Note(s)	Figures in Rand 2015
<b>ASSETS</b>		
<b>Current Assets</b>		
Loan to shareholder	4	1
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	5	1

**STATEMENT OF CHANGES IN EQUITY**

	Share capital	Total equity
<b>Balance at 1 March 2015</b>	–	–
Changes in equity		
Issue of shares	1	1
<b>Total changes</b>	1	1
<b>Balance at 31 July 2015</b>	1	1

**ACCOUNTING POLICIES****1. PRESENTATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared in accordance with International Financial Reporting Standards, and the Companies Act, No. 71 of 2008. The financial statements have been prepared on the historical cost basis, except for the measurement of certain financial instruments at fair value, and incorporate the principal accounting policies set out below.

**1.1 Significant judgements and sources of estimation uncertainty**

There are no significant judgements and estimates made by management.

**1.2 Financial instruments****Classification**

The company classifies financial assets and financial liabilities into the following categories:

- **Loans and receivables**

Classification depends on the purpose for which the financial instruments were obtained/incurred and takes place at initial recognition. Classification is reassessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

**Initial recognition and measurement**

Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments.

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

### Subsequent measurement

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

## 1.3 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

## NOTES TO THE FINANCIAL STATEMENTS

**Figures in Rand  
2015**

### 2. FIRST TIME ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

The company has applied IFRS 1, First time adoption of International Financial Reporting Standards, to provide a starting point for the reporting under International Reporting and Accounting Standards. This is the company's first reporting period and therefore has no comparative information.

### 3. NEW STANDARDS AND INTERPRETATIONS

#### 3.1 Standards and interpretations effective and adopted in the current period

In the current period, the company has not adopted any new standards and interpretations that are effective for the current financial period and that are relevant to its operations.

#### 3.2 Standards and interpretations early adopted

The company has chosen not to early adopt any new standards and interpretations.

### 4. LOAN TO SHAREHOLDER

Stellar Capital Partners Limited	1
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The loan is unsecured, interest-free and has no fixed terms of repayment.

### 5. SHARE CAPITAL

#### Authorised

1 000 000 000 ordinary shares of no par value	1 000 000 000
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999 999 900 unissued ordinary shares are under the control of the directors in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting.

#### Issued

100 ordinary shares at R0.01 per share	1
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### 6. FINANCIAL ASSETS BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below:

2015	Loans and receivables	Total
Loan to shareholder	1	1

7. **RELATED PARTIES**

**Relationships**

Holding company	Stellar Capital Partners Limited
Director	PJ van Zyl
Director	CB de Villiers
Director	J de Bruyn

**Related party balances**

Loan accounts – Owing by related party	
Stellar Capital Partners Limited	1

8. **DIRECTORS' EMOLUMENTS**

No emoluments were paid to the directors or any individuals holding a prescribed office during the period.

9. **COMPARATIVE FIGURES**

No comparative figures have been presented as these are the first financial statements of the company.

10. **STATEMENT OF COMPREHENSIVE INCOME AND STATEMENT OF CASH FLOWS**

No statement of comprehensive income or statement of cash flows has been prepared as the company is dormant and has not commenced trading.

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**INDEPENDENT AUDITORS' REPORT ON THE AUDITED STATEMENT OF FINANCIAL POSITION OF BIDCO**

---

"The Directors  
Friedshelf 1678 Limited  
Office 202  
The Square  
Cape Quarter  
27 Somerset Road  
Green Point  
Cape Town  
8005

31 July 2015

**REPORT OF THE INDEPENDENT AUDITORS ON THE AUDITED STATEMENT OF FINANCIAL POSITION OF FRIEDSHELF 1678 LIMITED ("BIDCO")****To the member of Friedshelf 1678 Limited**

We have audited the financial statements of Friedshelf 1678 Limited, as set out in **Annexure 8**, which comprise the statement of financial position as at 31 July 2015, the statement of changes in equity for the period then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

**Directors' responsibility for the annual financial statements**

The company's directors are responsible for the preparation and fair presentation of this financial information in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act No. 71 of 2008, and for such internal control as the directors determine is necessary to enable the financial information that are free from material misstatement, whether due to fraud or error.

**Auditors' responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the condensed annual financial information is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the condensed annual financial information. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the condensed annual 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 condensed annual 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 condensed annual financial information.

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

**Opinion**

In our opinion, the financial information present fairly, in all material respects, the financial position of Friedshelf 1678 Limited as at 31 July 2015, and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act, No. 71 of 2008.

Yours faithfully

**Grant Thornton Cape Chartered Accountants**

Registered Auditors

*Per:* Bernard van der Walt

*Partner*

Chartered Accountant (SA)

Registered Auditor

**Date:** 31 July 2015

**Place:** Cape Town”

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**FRIEDSHELF PROSPECTUS**


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## Friedshelf 1678 Limited

(Incorporated in the Republic of South Africa)  
(Registration number 2015/129143/06)  
(“Friedshelf” or the “Company”)

***The definitions and interpretations commencing on page 84 of this document apply to this Prospectus, including this cover page, except where the context indicates a contrary intention. The definitions and interpretations commencing on page 16 of the Scheme Circular to which this Prospectus is attached, do not apply to this Prospectus.***

This Prospectus, which was registered by the CIPC on 28 August 2015, is prepared and issued in terms of the Companies Act for the purpose of giving information to Scheme Participants, the public and investors with regard to Friedshelf. This Prospectus is not an invitation to the public to subscribe for shares in Friedshelf.

Shareholders are referred to the Scheme Circular to which this Prospectus is annexed for information regarding the Scheme, proposed by the Cadiz Board between Cadiz and the Offer Shareholders in terms of which, if implemented, Stellar, acting through Friedshelf, a special purpose vehicle incorporated as a wholly-owned subsidiary of Stellar (but which will become an associate of Stellar following the implementation of the Scheme and on the basis that the Cadiz Shareholders listed in paragraph 26 of the Scheme Circular will elect to receive Friedshelf Shares as Scheme Consideration), will acquire all of the Scheme Shares from the Scheme Participants for the Scheme Consideration which will comprise of new Stellar Shares or new Friedshelf Shares on the basis that:

- Scheme Participants which elect to receive Stellar Shares as the Scheme Consideration (or make no election in which case Scheme Participants will be deemed to have elected Stellar Shares) will receive five Stellar Shares, to be issued at a price of R2.00 per Stellar Share, for every eight Scheme Shares held, which is the equivalent of R1.25 per Scheme Share; and
- Scheme Participants which elect to receive Friedshelf Shares as the Scheme Consideration will receive 1 Friedshelf Share, to be issued at a price of R1.25 per Friedshelf Share, for each Scheme Share held, such that they will retain their existing investment in Cadiz indirectly through Friedshelf.

In the event that the Scheme becomes operative, the listing of all the Cadiz Shares on the Main Board of the JSE will be terminated, and Scheme Participants will be deemed to have sold their Scheme Shares for the Scheme Consideration, thereby constituting Cadiz a wholly-owned subsidiary of Friedshelf.

**The offer to the Offer Shareholders to receive, if they so elect, Friedshelf Scheme Consideration Shares, constitutes an offer to the public in terms of section 95(1)(h) of the Companies Act. This Prospectus is therefore required to be issued in terms of section 99(3) of the Companies Act.**

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**Corporate Finance Adviser  
to Friedshelf**



**Independent Reporting Accountants  
and Auditors to Friedshelf**




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The Scheme is subject to the conditions precedent set out in “Particulars of the Proposed Offer contemplated in this Prospectus” in section 2, paragraph 3.2.



This Prospectus has been prepared on the assumption that all the special and ordinary resolutions proposed in the notice of the Cadiz General Meeting forming part of the Scheme Circular to which this Prospectus is attached, will be passed at the Cadiz General Meeting to be held on Tuesday, 29 September 2015.

Upon implementation of the Scheme, the total authorised ordinary share capital of the Company will comprise 1 000 000 000 ordinary no par value shares and the issued share capital will consist of 166 667 758 ordinary no par value shares. The stated capital of Friedshelf on the issuing of the Friedshelf Scheme Consideration Shares will be R208 334 698. No Friedshelf shares are held in treasury. All Friedshelf shares in issue shall rank *pari passu* with each other in all respects, including in respect of voting rights and dividends. No Friedshelf shares will be convertible or redeemable.

The Friedshelf directors, whose names are set out in section 1, paragraph 2.1 of this Prospectus, collectively and individually, accept full responsibility for the accuracy of the information contained in this Prospectus which relates to Friedshelf and, in this regard, certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Prospectus contains all information required by the Companies Act.

The Independent Reporting Accountants, whose report are referred to in the Scheme Circular to which this Prospectus is annexed, have given and have not, prior to the issue of this Prospectus, withdrawn their written consent to the inclusion of their report in the form and context in which it appears. Stellar Advisers, the Company's corporate finance adviser, have given and have not, prior to the issue of this Prospectus, withdrawn its written consent to the inclusion of its name in the capacity stated.

This Prospectus is available in English only. Electronic copies of this Prospectus may be obtained from the registered offices of Friedshelf, the sponsors to Cadiz and Stellar, the Transfer Secretaries of Cadiz or the corporate finance adviser to Stellar at the respective addresses set out in the respective "Corporate Information and Advisers" sections of the Scheme Circular, from the date of issue of this Prospectus until the date of the Cadiz General Meeting in the event of the Scheme being approved by the Scheme Members.

**Date of issue: Monday, 31 August 2015**

## **Special note in regard to the Proposed Offer**

Notwithstanding that this document constitutes a prospectus, it is not an offer to the general public and only constitutes an offer as it relates to the issue of the Friedshelf Scheme Consideration Shares to the existing shareholders of Cadiz ordinary shares who participate in the Scheme in South Africa, and is only addressed to persons to whom it may lawfully be made. The distribution of this Prospectus may be restricted by law. Persons into whose possession this Prospectus comes must inform themselves about and observe any such restrictions. This Prospectus does not constitute an offer or an invitation to elect to receive the Friedshelf Scheme Consideration Shares in any jurisdiction in which such an offer or election would be unlawful. No one has taken any action that would permit a public offering of the Friedshelf Scheme Consideration Shares to occur outside South Africa.

## **Forward-looking statements**

This Prospectus contains statements about Friedshelf that are or may be forward-looking statements. All statements, other than statements of historical fact are, or may be deemed to be, forward-looking statements, including, without limitation, those concerning: strategy; the economic outlook for the industry; production; cash costs and other operating results; growth prospects and outlook for operations, individually or in the aggregate; liquidity and capital resources and expenditure and the outcome and consequences of any pending litigation proceedings. These forward-looking statements are not based on historical facts, but rather reflect current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as “believe”, “aim”, “expect”, “anticipate”, “intend”, “foresee”, “forecast”, “likely”, “should”, “planned”, “may”, “estimated”, “potential” or similar words and phrases.

Examples of forward-looking statements include statements regarding a future financial position or future profits, cash flows, corporate strategy, anticipated levels of growth, estimates of capital expenditures, acquisition strategy, and expansion prospects or future capital expenditure levels and other economic factors, such as, *inter alia*, interest rates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Friedshelf cautions that forward-looking statements are not guarantees of future performance. Actual results, financial and operating conditions, liquidity and the developments within the industry in which Friedshelf operates may differ materially from those made in, or suggested by, the forward-looking statements contained in this Prospectus.

All these forward-looking statements are based on estimates and assumptions, as regards Friedshelf, made by Friedshelf as communicated in publicly available documents by the Company, all of which are estimates and assumptions, although Friedshelf believes them to be reasonable, are inherently uncertain. Such estimates, assumptions or statements may not eventuate. Factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in those statements or assumptions include other matters not yet known to Friedshelf or not currently considered material by Friedshelf.

Friedshelf shareholders should keep in mind that any forward-looking statement made in this Prospectus or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors that could cause the business of Friedshelf not to develop as expected may emerge from time to time and it is not possible to predict all of them. The extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement are not known. Friedshelf has no duty to, and does not intend to, update or revise the forward-looking statements contained in this Prospectus after the date of this Prospectus, except as may be required by law.

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## FRIEDSHELF'S CORPORATE INFORMATION AND ADVISERS

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### **Company Secretary**

The Secretarial Company Proprietary Limited  
(Registration number 2013/100434/07)  
c/o Caroline du Preez  
Empire Park, 55 Empire Service Road  
Parktown  
(PO Box 213, Mulbarton, 2059)

### **Directors**

PJ van Zyl (*Executive Director*)  
CB de Villiers (*Executive Director*)  
J de Buyn (*Non-executive director*)

### **Business and Registered Address**

Level P3, Oxford Corner  
Corner Jellicoe and Oxford Road  
Rosebank  
Johannesburg, 2196  
(Suite 54, Dixon Street, Cape Town, 8001)

### **Independent Reporting Accountants and Auditors**

Grant Thornton Cape Chartered Accountants  
(Registration number 2010/016204/21)  
119 Hertzog Boulevard Foreshore  
Cape Town, 8001  
(PO Box 7483/7498, Roggebaai, 8012)

### **Place and date of incorporation**

Incorporated in South Africa on 20 May 2015

### **Corporate Finance Adviser**

Stellar Advisers Proprietary Limited  
(Registration number 2007/015289/07)  
Office 202, Cape Quarter, The Square  
27 Somerset Road  
Green Point  
Cape Town, 8005  
(Suite 54, Dixon Street, Cape Town, 8001)

*and at*

Level P3, Oxford Corner  
Corner Jellicoe and Oxford Road  
Rosebank  
Johannesburg, 2196  
(Suite 54, Dixon Street, Cape Town, 8001)

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## TABLE OF CONTENTS

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The definitions and interpretations commencing on page 84 of this document have been used in the following table of contents.

	<i>Page</i>
Friedshelf Prospectus	78
Friedshelf's corporate information and advisers	81
Salient features	83
Definitions and interpretations	84
<b>SECTION 1: Company Information</b>	
1. Name, address and incorporation	88
2. Directors, other office holders or material third parties	88
3. History, state of affairs and prospects of the Company and its subsidiary	93
4. Share capital of Friedshelf	96
5. Options or preferential rights in respect of shares	99
6. Commissions paid or payable in respect of underwriting	99
7. Material contracts	99
8. Interests of directors and promoters	99
9. Loans	99
10. Shares issued or to be issued other than for cash	99
11. Property acquired or to be acquired	100
12. Amounts paid or payable to promoters	100
13. Preliminary expenses and issue expenses	100
<b>SECTION 2: Information about the offered securities</b>	
1. Purpose of the Proposed Offer	100
2. Salient dates and times	100
3. Particulars of the Offer contemplated in this Prospectus	101
4. Minimum subscription	103
<b>SECTION 3: Statements and reports relating to the Proposed Offer</b>	
1. Statement as to adequacy of capital	103
2. Report by directors as to material changes	103
3. Statement as to delisting on a stock exchange	103
4. Report by the auditors where business undertaking to be acquired	103
5. Report by the auditors where Company will acquire a subsidiary	103
6. Report by the auditors of the Company	103
<b>SECTION 4: Additional material information</b>	
1. Government protection and investment encouragement law	103
2. Documents available for inspection	104
3. Transfer of securities	104
<b>SECTION 5: Inapplicable or immaterial matters</b>	104
<b>ANNEXURES</b>	
<b>Annexure Friedshelf 1</b> Extract from the Memorandum of Incorporation relating to the Board of Friedshelf	105
<b>Annexure Friedshelf 2</b> Friedshelf directors' other directorships	106

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## SALIENT FEATURES

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The definitions and interpretations commencing on page 84 of this document shall apply, *mutatis mutandis*, to this section.

### 1. INTRODUCTION AND PURPOSE

#### 1.1 Background

Friedshelf is a newly incorporated private company which was established specifically for purposes of acquiring Cadiz. Friedshelf was incorporated in South Africa on 20 May 2015 and, following the implementation of the Scheme (and on the basis that the Cadiz Shareholders listed in paragraph 26 of the Scheme Circular will elect to receive Friedshelf Shares as Scheme Consideration) is an associate of Stellar. As at the date of this Prospectus, Friedshelf is effectively a dormant company with no assets, liabilities or operating history, nor does it have any subsidiaries. Pursuant to the implementation of the Proposed Offer, Cadiz will become a wholly-owned subsidiary of Friedshelf.

#### 1.2 Rationale for Proposed Offer

Shareholders are referred to paragraph 2 of the Scheme Circular to which this Prospectus is annexed regarding the rationale for the Proposed Offer.

#### 1.3 The Proposed Offer

This Prospectus has been prepared on the assumption that the special and ordinary resolutions proposed in the notice of the Cadiz General Meeting forming part of the Scheme Circular to which this Prospectus is attached, will be passed at the Cadiz General Meeting to be held on Tuesday, 29 September 2015 and that the Scheme will result in Friedshelf's acquisition of 100% of Cadiz.

### 2. DELISTING

In the event that the Scheme becomes operative, the listing of all the Cadiz Shares on the Main Board of the JSE will be terminated, and Scheme Participants will be deemed to have sold their Scheme Shares for the Scheme Consideration, thereby constituting Cadiz a wholly-owned subsidiary of Friedshelf.

### 3. SALIENT DATES AND TIMES

	<b>2015</b>
Record Date to determine which Cadiz Shareholders are entitled to receive the Scheme Circular and this Prospectus	Friday, 21 August
Last day to trade in order to be eligible to vote at the Cadiz General Meeting	Friday, 11 September
Voting Record Date to be able to vote at the Cadiz General Meeting	Friday, 18 September
Forms of proxy to be received by the Transfer Secretaries by no later than 10:00 on	Friday, 25 September
Cadiz General Meeting to be held at 10:00 on	Tuesday, 29 September
Expected Last Day to Trade in Offer Shares in order to be recorded in the Register as a Scheme Participant (Scheme Last Day to Trade)	Friday, 23 October
Expected Scheme Record Date	Friday, 30 October

#### **Timetable if the Scheme is not approved:**

If the Scheme fails, Stellar will be entitled to elect to make the General Offer to the Offer Shareholders (other than Stellar) within one Business Day after the Scheme has failed, by announcing its election on SENS. The following dates in respect of the General Offer will be confirmed in an announcement post failure of the Scheme:

Expected date of opening of General Offer	Wednesday, 30 September 2015
Expected General Offer Closing Date at 12:00	Friday, 13 November 2015

#### **Notes:**

1. The above dates are subject to change. Any such change will be announced on SENS and published in the South African press.
2. Shareholders are referred to the timetable contained in the Scheme Circular, to which this Prospectus is annexed, in respect of the salient dates and times applicable to the Proposed Offer.

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## DEFINITIONS AND INTERPRETATIONS

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**The definitions and interpretations commencing on page 16 of the Scheme Circular to which this Prospectus is annexed do not apply to this Prospectus.**

In this Prospectus and annexures hereto, unless otherwise stated or the context indicates otherwise, the terms and expressions in the first column will bear the meanings stated opposite them in the second column, and related expressions will bear corresponding meanings; words in the singular will include the plural and *vice versa*; words denoting one gender will include the other genders; and words denoting natural persons will include juristic persons and *vice versa*:

“Business Day”	any day other than a Saturday, a Sunday or an official public holiday in South Africa;
“Cadiz”	Cadiz Holdings Limited (registration number 1997/007258/06), a public company duly incorporated and registered in accordance with the laws of South Africa and a wholly-owned subsidiary of Friedshelf pursuant to the implementation of the Proposed Offer;
“Cadiz Board”	the board of directors of Cadiz, for the time being and from time to time, which, as at the Last Practicable Date, is comprised of those persons identified as directors in paragraph 23.1 of the Scheme Circular;
“Cadiz General Meeting”	the general meeting of Cadiz Shareholders to be held at the registered office of the Company at 4th Floor, The Terraces, 25 Protea Road, Claremont, Cape Town at 10:00 on Tuesday, 29 September 2015 (or any postponement or adjournment thereof) in order to consider and, if deemed fit, pass, with or without modification, the resolutions required to approve and implement the Scheme, as set out in the notice of the Cadiz General Meeting attached to and forming part of the Scheme Circular;
“Cadiz Shares”	ordinary shares in the share capital of Cadiz with a par value of R0.01 each;
“Cadiz Share Appreciation Rights Holder”	certain employees of Cadiz who hold share appreciation rights as a result of: <ul style="list-style-type: none"><li>• their participation in the Cadiz Share Appreciation Rights Scheme; or</li><li>• as holders of A Ordinary Shares in terms of the Cadiz Black Employee Share Ownership Scheme Trust;</li></ul>
“Cadiz Share Appreciation Rights Scheme”	the share appreciation rights scheme which was adopted by Cadiz pursuant to a shareholders resolution dated 7 March 2013, the beneficiaries of which are the Cadiz Share Appreciation Rights Holders;
“Cadiz Share Appreciation Rights Settlement Agreements”	the agreements entered into between Cadiz and each of the Cadiz Share Appreciation Rights Holders, in terms whereof Cadiz shall settle each Cadiz Share Appreciation Rights Holder’s rights in respect of the Cadiz Share Appreciation Rights with Cadiz Shares, which settlement will be conditional upon the implementation of the Scheme;
“Cadiz Shareholder”	a registered holder of Cadiz Shares;
“Combined Scheme and Offer Proposal”	the proposed mechanism through which Stellar intends to acquire the Scheme Shares or the Offer Shares (as applicable), consisting of the Scheme;
“Companies Act”	the Companies Act, No. 71 of 2008, as amended or re-enacted from time to time;

“Delisting”	the termination of the listing of all the Cadiz Shares from the Main Board of the JSE pursuant to the implementation of the Scheme;
“Firm Intention Announcement”	the announcement by Stellar setting out the terms of a firm intention by Stellar, as contemplated in Chapter 5 of the Companies Act and Chapter 5 of the Takeover Regulations, to propose the Combined Scheme and Offer Proposal, as released on SENS on Friday, 19 June 2015;
“Friedshelf” or the “Company”	Friedshelf 1678 Limited (registration number 2015/129143/06), a public company incorporated and registered in accordance with the laws of South Africa, a special purpose vehicle and, following the implementation of the Scheme (and on the basis that the Cadiz Shareholders listed in paragraph 26 of the Scheme Circular will elect to receive Friedshelf Shares as Scheme Consideration) is an associate of Stellar;
“Friedshelf Scheme Consideration Shares”	1 Friedshelf Share, to be issued at a price of R1.25 per Friedshelf Share, for each Scheme Share held;
“Friedshelf Shares”	ordinary shares of no par value in the share capital of Friedshelf;
“Independent Board”	those members of the Cadiz Board who have been identified by the Cadiz Board as being independent for the purposes of the consideration of the Combined Scheme and Offer Proposal in accordance with Regulation 108(8) of the Takeover Regulations, namely Messrs GW Fury, BH Kent, AN Matyumza and LL Xate;
“Independent Expert”	PSG Capital;
“JSE”	as the context requires, with 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 an exchange under the FMA, or the securities exchange operated by that company;
“JSE Listings Requirements”	the Listings Requirements issued by the JSE from time to time;
“Last Practicable Date”	the last practicable date prior to finalisation of this Prospectus, being Tuesday, 11 August 2015;
“MOI”	the Memorandum of Incorporation of Friedshelf;
“Offer Shareholders”	holders of Offer Shares, including, for the avoidance of doubt, Stellar;
“Offer Shares”	233 749 129 Cadiz Shares, being the entire issued share capital of Cadiz (excluding the Treasury Shares);
“Scheme Operative Date”	the date on which the Scheme is to be implemented, which is expected to be the first Business Day following the Scheme Record Date, or such other date as the JSE may direct;
“Proposed Offer”	the proposed acquisition of the Scheme Shares or Offer Shares, as applicable, by Stellar from Scheme Participants or the Offer Shareholders (other than Stellar), as applicable, by way of the Combined Scheme and Offer Proposal, each of which transaction constitutes an “affected transaction” as defined in section 117(1)(c) of the Companies Act;
“Prospectus” or “Friedshelf Prospectus”	this prospectus in respect of Friedshelf which has been prepared and registered in terms of section 100 of the Companies Act and Companies Regulations 51 to 79 on 28 August 2015, together with the annexures attached hereto;

“PSG Capital”	PSG Capital Proprietary Limited (registration number 2006/015817/07), a private company duly incorporated and registered in accordance with the laws of South Africa, the Independent Expert appointed by the Independent Board in accordance with section 114(2) of the Companies Act and the Takeover Regulations;
“R” or “Rand(s)”	South African Rand, the official currency of South Africa;
“Register”	the securities register of Cadiz Shareholders maintained by the Transfer Secretaries in accordance with sections 50(1) and 50(3) of the Companies Act, including both Certificated and Dematerialised Shareholders;
“SARB”	the South African Reserve Bank;
“Scheme” or “Scheme of Arrangement”	the scheme of arrangement in terms of section 114(1)(c) (read with section 115) of the Companies Act to be proposed by the Cadiz Board between Cadiz and the Offer Shareholders in terms of which, if implemented, Stellar will acquire the Scheme Shares for the Scheme Consideration, the full terms of which are set out in the Scheme Circular (subject to any modification or amendment made thereto which Stellar and Cadiz may agree (and which the TRP and the JSE approve to the extent that the TRP’s or the JSE’s approval is required));
“Scheme Circular”	the bound document, dated Monday, 31 August 2015, including its annexures and attachments, to which this Prospectus is annexed;
“Scheme Conditions”	the conditions to which the Scheme is subject, as set out in paragraph 8 of the Scheme Circular;
“Scheme Consideration”	subject to paragraph 4.2 of the Scheme Circular, new Stellar Shares or new Friedshelf Shares on the basis that: <ul style="list-style-type: none"> <li>– Scheme Participants which elect to receive Stellar Shares (or make no election in which case Scheme Participants will be deemed to have elected Stellar Shares) will receive five Stellar Shares, to be issued at a price of R2.00 per Stellar Share, for every eight Scheme Shares held, which is the equivalent of R1.25 per Scheme Share; and</li> <li>– Scheme Participants which elect to receive Friedshelf shares will receive 1 Friedshelf Share, to be issued at a price of R1.25 per Friedshelf Share, for each Scheme Share held, such that they will retain their existing investment in Cadiz indirectly through Friedshelf;</li> </ul>
“Scheme Finalisation Date”	the date on which the “finalisation date announcement” (as contemplated in the JSE Listings Requirements) is released on SENS, which date shall fall on the Business Day on which all the Scheme Conditions are fulfilled or waived, as the case may be;
“Scheme Last Day to Trade”	last day to trade in Cadiz Shares in order to be recorded on the Register on the Scheme Record Date in respect of the implementation of the Scheme, being the first Friday on which trading on the JSE occurs following the week in which the Scheme Finalisation Date occurs (unless there are official public holidays on that day) or such other date as the JSE may direct;
“Scheme Members”	Offer Shareholders who are in terms of the Companies Act and the MOI entitled to vote in respect of the Scheme at the Cadiz General Meeting, being those Cadiz Shareholders recorded in the Register at the close of business on the Voting Record Date;



“Scheme Participants”	<ul style="list-style-type: none"> <li>• Offer Shareholders registered as such on the Scheme Record Date, other than the holders of the Excluded Shares and the Excluded Dissenting Shareholders, provided that (i) Dissenting Shareholders who become Excluded Dissenting Shareholders after the Scheme Record Date will not be regarded as Scheme Participants; and (ii) because Dissenting Shareholders may become Excluded Dissenting Shareholders, Dissenting Shareholders will only be regarded as Scheme Participants once they cease to be Dissenting Shareholders as contemplated in paragraph 7 of the Scheme Circular; and</li> <li>• the Cadiz Share Appreciation Rights Holders;</li> </ul>
“Scheme Record Date”	the date on which an Offer Shareholder must be recorded in the Register in order to be eligible to receive the Scheme Consideration, being the close of business on the first Friday following the Scheme Last Day to Trade (or such other date as the JSE may direct);
“Scheme Shares”	all of the Cadiz Shares held by a Scheme Participant on the Scheme Record Date;
“SENS”	the Stock Exchange News Service of the JSE;
“Special Resolution”	the special resolution to be proposed at the Cadiz General Meeting for the approval of the Scheme, the full terms of which are set out in Special Resolution Number 1 in the notice of Cadiz General Meeting attached to and forming part of the Scheme Circular;
“subsidiary”	a subsidiary company, as defined in section 3 of the Companies Act;
“Stellar”	Stellar Capital Partners Limited (registration number 1998/015580/06), a public company duly incorporated and registered in accordance with the laws of South Africa, the shares of which are listed on the Main Board of the JSE;
“Stellar Board”	the board of directors of Stellar, for the time being and from time to time, which, as at the Last Practicable Date, is comprised of those persons identified as directors in the “Stellar’s Corporate Information and Advisers” section on page 23 of the Scheme Circular;
“Stellar Group”	Stellar and its subsidiaries;
“Stellar Scheme Consideration Shares”	Five Stellar Shares, to be issued at a price of R2.00 per Stellar Share, for every eight Scheme Shares held, which is the equivalent of R1.25 per Scheme Share;
“Stellar Shares”	ordinary shares of no par value in the share capital of Stellar;
“Takeover Regulations”	the Takeover Regulations issued in terms of section 120 of the Companies Act, as amended from time to time;
“TRP”	the Takeover Regulation Panel established pursuant to section 196 of the Companies Act, as amended from time to time;
“Treasury Shares”	12 073 989 Cadiz Shares held by a subsidiary of Cadiz, which constitute approximately 4.91% of the total issued ordinary share capital of Cadiz;
“VWAP”	the volume weighted average traded price; and
“Voting Record Date”	record date to be eligible to vote at the Cadiz General Meeting, being Friday, 18 September 2015.

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In this Prospectus, references to “the Scheme failing”, “the failure of the Scheme” or any similar such wording shall be strictly limited to the situation where the Scheme cannot be implemented by reason of the Scheme Conditions not being fulfilled and Stellar not waiving such conditions (where capable of waiver).

# Friedshelf 1678 Limited

(Incorporated in the Republic of South Africa)  
(Registration number 2015/129143/06)  
("Friedshelf" or the "Company")

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## FRIEDSHELF PROSPECTUS

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### SECTION 1: Company information

#### 1. NAME, ADDRESS AND INCORPORATION

##### 1.1 Name and registration number

Friedshelf, registration number 2015/129143/06

##### 1.2 Addresses

- 1.2.1 Registered office address: Level P3, Oxford Corner, Corner Jellicoe and Oxford Roads, Rosebank, Johannesburg, 2196
- 1.2.2 Postal address: Suite 54, Dixon Street, Cape Town, 8001
- 1.2.3 Address of Company's transfer agent: Not applicable

##### 1.3 Date of incorporation

Incorporated in the Republic of South Africa on 20 May 2015.

##### 1.4 Name of holding company

Stellar

##### 1.5 Registered office address of holding company

Level P3, Oxford Corner, Corner Jellicoe and Oxford Roads, Rosebank, Johannesburg, 2196

##### 1.6 Name of subsidiary

Cadiz

##### 1.7 Date and place of incorporation

Incorporated in the Republic of South Africa on 15 May 1997.

#### 2. DIRECTORS, OTHER OFFICE HOLDERS OR MATERIAL THIRD PARTIES

##### 2.1 Directors of Friedshelf

Director	Age	Business address	Occupation
Peter John van Zyl	39	Office 202, The Square, Cape Quarter, 27 Somerset Road, Green Point, Cape Town	Chief Executive Officer of Stellar
CB de Villiers	30	Office 202, The Square, Cape Quarter, 27 Somerset Road, Green Point, Cape Town	Chief Financial Officer of Stellar
J de Bruyn	47	8 Windsor Road, Plumstead, Cape Town	Business consultant

2.1.1 All Friedshelf directors are South African.

2.1.2 None of the Friedshelf directors are partners with unlimited liability.

2.1.3 Details of other directorships held by the Friedshelf directors are included in **Annexure Friedshelf 2** to this Prospectus.

## 2.2 Directors of Stellar

2.2.1 The full names, ages and business addresses of the directors of Stellar are provided below:

<b>Director</b>	<b>Age</b>	<b>Business address</b>	<b>Function at Stellar</b>
DD Tabata*#	60	Ground Floor, Building 2, 21 Impala Road, Chiselhurst, Sandton	Chairman
PJ van Zyl	39	Office 202, The Square, Cape Quarter, 27 Somerset Road, Green Point, Cape Town	Chief Executive Officer
CB de Villiers	30	Office 202, The Square, Cape Quarter, 27 Somerset Road, Green Point, Cape Town	Chief Financial Officer
CE Pettit**^	34	Office 202, The Square, Cape Quarter, 27 Somerset Road, Green Point, Cape Town	Independent and Non-executive Director
L Mangope**	51	19 Fredman Drive, Sandton, Gauteng	Independent and Non-executive Director
J de Bruyn**	47	8 Windsor Road, Plumstead, Cape Town	Independent and Non-executive Director
CC Wiese**	33	89 The Ridge, Fourth Beach, Clifton, Cape Town	Independent and Non-executive Director
CH Wiese**	29	80A The Ridge, Fourth Beach, Clifton, Cape Town	Independent and Non-executive Director

\*Independent

#Non-executive

^British

## 2.3 Experience of directors

Set out below are the qualifications, occupations and experience of the directors of Friedshelf and Stellar.

### 2.3.1 Directors of Friedshelf

#### **Peter John van Zyl (BCom)**

*Chairman*

Peter has wide-ranging operational experience in financial management and Financial Director roles and has entrepreneurial experience, with a particular focus on the Information and Communication Technology industry. From 2004 to 2009 he was Commercial Director of Sekunjalo Investments Limited, where he managed a wide range of transactions, including the Sekunjalo Health Care rights issue, the acquisition of a BEE stake in British Telecom and Marine Growers from Transnet, as well as the restructuring of Sekunjalo Financial Services and hence has many years of experience in the listed environment.

#### **Charl Benjamin de Villiers (BAcc/LLB)(CA)**

*Chief Financial Officer*

Charl is a qualified Chartered Accountant (SA). He holds BAcc LLB (*cum laude*) and BAcc (Hons) degrees from the University of Stellenbosch. He completed his SAICA training with Deloitte in its financial services division and was later retained as an audit manager in the same division where he serviced a portfolio of asset managers and one of South Africa's most prominent reinsurers. In May 2013, Charl joined Stellar Advisers (previously AfrAsia Corporate Finance) where he advised Stellar (then known as ConvergeNet Holdings Limited) on the sale of Sizwe Africa IT Group and other operating subsidiaries as well as the subsequent conversion of the Company to an investment entity.

### **Janine de Bruyn (BCompt/BCom(Hons))**

*Non-executive director*

Janine completed a BCom (Hons) degree in financial analysis and portfolio management at the University of Cape Town and obtained a BCompt degree through UNISA, while completing her articles at PricewaterhouseCoopers. Janine has consulted to various black empowerment groups and financial services companies over the last 10 years, specialising in the analysis of private equity opportunities, valuations, corporate finance advice, corporate actions, socially responsible focused private equity as well as financial management. Janine gained invaluable experience in empowerment, development finance and private equity at Sanlam Investment Management and Futuregrowth Asset Management and has held a number of directorships. She is a member of the Institute of Directors of Southern Africa.

Messrs PJ van Zyl and CB de Villiers and Ms J de Bruyn are also directors of Stellar.

#### **2.3.2 Directors of Stellar**

### **Dumisani Dumekhaya Tabata (BProc, LLB)**

*Non-executive Chairman*

Dumisani is an admitted attorney and director and founding partner and director of Smith Tabata Inc. in King William's Town. In 1996, he was an Acting Judge of the High Court and served in this position for three terms. In April 1999 he was appointed by the Premier of the Eastern Cape as one of the Joint Liquidators of the Transkei Agricultural Corporation (TRACOR). After the advent of democracy, Dumisani regularly acted as attorney for Government Departments, local authorities and parastatals. Dumisani has served as Deputy Chairman of Absa Bank's regional board (Eastern Cape), and was a member of its Advisory Board. He is a member of Absa Bank's Divisional Board and chairman of Afrifresh, Budget Van and Truck Rentals (Eastern Cape) and Budget Office Furniture. He is also a director of Tabata Buchanan Boyes (STBB), Cape Town and Johannesburg.

### **Charles Edward Pettit (BCom (Hons), CFA)**

*Independent Non-executive Director*

Charles graduated from the University of Cape Town with a First Class Honours degree in Finance and subsequently qualified as a CFA charter holder while working in London for Close Brothers Corporate Finance. At Close Brothers Charles worked on a wide range of M&A and Restructuring transactions and following his return to South Africa in 2008 he established Stellar Advisers (previously AfrAsia Corporate Finance) to focus on the provision of independent advisory services to clients in the SADC region. Stellar Advisers now provides a range of advisory, structuring and lending solutions to corporate and institutional clients across SADC from its offices in Johannesburg, Cape Town and Mauritius. Charles advised on the balance sheet restructuring of formerly-known SA French Limited from 2010 and led the 2011 rights issue for that company as well as its delisting and sale to Torre Industries Limited ("**Torre**") in November 2013. He was appointed as the Chief Executive Officer of Torre in August 2012 and now serves in this position on a permanent basis.

### **Lerato Mangope (BA Economics)**

*Independent Non-executive Director*

Lerato holds a Bachelor of Arts in Economics degree from Vista University and is in the final stages of completing her MBA. In addition, she has a PDM from the University of Natal as well as a Diploma in Investments Liability Management from the University of Johannesburg (formerly RAU). She is currently the head of the Asset and Liability Management and Corporate Funding (ALMU) division of the Industrial Development Corporation of South Africa Limited ("IDC"). In her present position, she deals with the planning and implementation of the borrowing plan for the IDC on an annual basis, manages the cost of debt as well as the tender procurement process relating to the funding of the IDC and covenants. Previously, Lerato was a Senior Risk Manager with the IDC for eighteen months where she proactively promoted risk awareness whilst monitoring and overseeing the management of key risks facing the IDC on the basis of Enterprise-Wide Risk Management. She also worked as a

Risk Manager for Transnet for seven years where she dealt with the analysis of the Transnet portfolio, the management and reporting of liquidity reports to the Strategic Committee, as well as reviewing the Transnet financial instrument policies.

**Caroline Clare Wiese (LLB, BA (Journalism))**

*Independent Non-executive Director*

Clare holds an LLB degree from the University of Cape Town and a BA degree in Journalism from the University of Westminster. After having worked as a magazine journalist at House & Leisure (Associated Magazines), she completed her postgraduate law degree after which she worked at Bowman Gilfillan as a litigation attorney for three years, before founding Sloane & Madison, a company which specialises in the manufacturing of Fine Jewellery.

**Christina Helmien Wiese (BA (Value and Policy Studies), Masters (Management))**

*Independent Non-executive Director*

Christina graduated from the University of Stellenbosch with a BA degree in Value and Policy Studies, after which she did volunteer work at the Red Cross War Memorial Children's Hospital in Cape Town. She also attended a global leadership program at the Iacocca Institute at Lehigh University in the USA. She subsequently completed her Masters degree in Management at the London School of Economics during which time she also completed an internship programme at Credit Suisse in London. She has worked in the micro-finance industry and currently consults for an online retailer in South Africa.

**2.4 Further particulars regarding directors**

None of the directors of Friedshelf:

- 2.4.1 have been declared bankrupt, insolvent or have entered into any individual voluntary compromise arrangements;
- 2.4.2 have been directors with an executive function of any company put under, or proposed to be put under, any business rescue plans, or that is or was the subject of an application for business rescue, any notices in terms of section 129(7) of the Companies Act, receiverships, compulsory liquidations, creditors voluntary liquidations, administrations, company voluntary arrangements or any compromise or arrangements with creditors generally or any class of creditors, at the time of such event or within the 12 months preceding any such event;
- 2.4.3 have been partners in a partnership that was the subject of any compulsory liquidation, administration or partnership voluntary arrangement, at the time of such event or within the 12 months preceding any such event;
- 2.4.4 entered into any receiverships of any asset(s) or of a partnership where such directors are or were partners during the preceding 12 months;
- 2.4.5 have been publicly criticised by a statutory or regulatory authority, including recognised professional bodies, or been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company;
- 2.4.6 been involved in any offence of dishonesty;
- 2.4.7 been removed from an office of trust, on the grounds of misconduct, involving dishonesty; or
- 2.4.8 been the subject of any court order declaring him delinquent or placing him under probation in terms of section 162 of the Companies Act and/or section 47 of the Close Corporations Act, 1984 or been disqualified by a court to act as a director in terms of section 69 of the Companies Act.

**2.5 Borrowing powers of the Company and its subsidiary exercisable by directors**

Friedshelf

- 2.5.1 Friedshelf directors may from time to time exercise all of the powers of the Company to borrow such sums as they think fit for the purposes of the Company, and secure the payment or repayment of any such sums, or any other sum, as they think fit, whether by the creation

and issue of securities, mortgage or charge upon all or any of the property or assets of the Company. Such borrowing powers of the Friedshelf directors are unlimited.

- 2.5.2 Friedshelf is a newly incorporated company and as such no borrowing powers of the Friedshelf directors have been exercised as at the Last Practicable Date.

Subsidiary: Cadiz

- 2.5.3 Subject to the provisions of the MOI of Cadiz, Cadiz directors may from time to time:
- 2.5.3.1 borrow for the purpose of Cadiz such sums as they think fit; and
  - 2.5.3.2 secure the payment or repayment of any such sums or any other sum, as they think fit, whether by the creation and issue of Cadiz shares, mortgage or charge upon all or any of the property or assets of Cadiz.
- 2.5.4 The Cadiz directors shall procure that the aggregate principal amount at any one time outstanding in respect of moneys so borrowed or raised by Cadiz shall not exceed the aggregate amount at that time authorised to be borrowed or secured by Cadiz.
- 2.5.5 The borrowing powers exercisable by the directors of Cadiz have not been exceeded or varied during the three years preceding the date of this Prospectus.

**2.6 Appointment and qualification of directors**

- 2.6.1 The relevant provisions of the MOI regarding the term of office of Friedshelf directors and the manner of their appointment are set out in **Annexure Friedshelf 1**. No person has the right in terms of any agreement in respect of the appointment of any director or any number of directors.
- 2.6.2 Apart from satisfying the qualification and eligibility requirements set out in section 69 of the Companies Act, a person need not satisfy any eligibility requirements or qualifications to become or remain a director of Friedshelf.
- 2.6.3 In terms of the MOI, Friedshelf directors' remuneration is to be determined by a disinterested quorum of the Friedshelf board of directors, subject to the provisions of the Companies Act.
- 2.6.4 The MOI does not prescribe an age limit at which Friedshelf directors are to retire as directors of Friedshelf.

**2.7 Interests of directors**

- 2.7.1 As at the Last Practicable Date, none of the Friedshelf directors held any shares in the share capital of Friedshelf.
- 2.7.2 Subsequent to the implementation of the Proposed Offer, none of the directors of Friedshelf or Stellar will acquire shares in the Company.
- 2.7.3 None of the directors of Friedshelf (nor any director who has resigned during the last 18 months) held any direct or indirect material beneficial interest in transactions that were effected by the Company during the current or immediately preceding financial year or during an earlier financial year which remain in any respect outstanding or unperformed.

**2.8 Directors' remuneration and service contracts**

- 2.8.1 The following written service contracts have been entered into between Friedshelf and its directors:

<b>Director</b>	<b>Effective date</b>	<b>Term of office</b>	<b>Capacity</b>
PJ van Zyl	12 June 2015	1 year rolling contract	Executive Director
CB de Villiers	12 June 2015	1 year rolling contract	Executive Director

- 2.8.2 All of the executives' services contracts contain terms and conditions that are standard in nature and are terminable on 1 (one) months' notice. The service contracts do not contain specific non-compete provisions.
- 2.8.3 No remuneration was payable to the executive directors of Friedshelf for the period ending 30 June 2015. No proposed remuneration will be paid to the executive directors of Friedshelf.
- 2.8.4 Since there are no non-executive directors of Friedshelf, no remuneration was or will become payable for the period ending 30 June 2015.
- 2.8.5 The executive directors will make their own contributions to a pension scheme.
- 2.8.6 Bonuses, if any, will depend on the extent to which Friedshelf meets its financial and other objectives and appraisal of the directors' individual performances by independent members of the Friedshelf board of directors.
- 2.8.7 No emoluments are receivable from Friedshelf's subsidiaries, associates, joint ventures or from entities that provide management or advisory services to Friedshelf, its subsidiaries, associates or joint ventures.
- 2.8.8 As at the Last Practicable Date, no loans have been made or security furnished by Friedshelf or by any of its subsidiaries to or for the benefit of any director or associate of any director.
- 2.8.9 No part of the business of the Company or any of its subsidiaries is, or is to be, managed by a third party.

## 2.9 **Name and business address of Company Secretary**

### **The Secretarial Company (c/o Caroline du Preez)**

Business address: Empire Park, 55 Empire Service Road, Parktown (PO Box 213, Mulbarton, 2059)

Appointed: 2 July 2015

Professional qualifications: Chartered Secretary South Africa (CSSA) (ICSA)

Term of office: No fixed term but subject to the provisions of the MOI and the Companies Act.

## 2.10 **Name and business address of the auditors, attorneys, banker, stockbroker and underwriter**

### 2.10.1 Auditors and Independent Reporting Accountants

#### **Grant Thornton Cape Chartered Accountants**

119 Hertzog Boulevard Foreshore, Cape Town, 8001 (PO Box 7483/7498, Roggebaai, 8012)

The Independent Reporting Accountants and Auditors and each of the advisers whose names appear in the "Corporate Information" section of this Prospectus, have given and have not, prior to the formal approval of this Prospectus by the JSE, withdrawn their written consents to the inclusion of their names, and acting in the capacities stated and, where applicable, to their reports being included in this Prospectus.

The Company does not have attorneys, bankers, stockbrokers or underwriters.

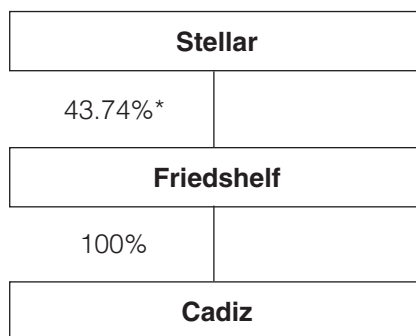
## 3. **HISTORY, STATE OF AFFAIRS AND PROSPECTS OF THE COMPANY AND ITS SUBSIDIARY**

### 3.1 **History of Friedshelf**

Friedshelf is a newly incorporated company which was established specifically for purposes of holding Cadiz as a wholly-owned subsidiary pursuant to the implementation of the Proposed Offer. Friedshelf was incorporated in South Africa as a private Company on 20 May 2015 and was converted to a public company on 6 August 2015. Following the implementation of the Scheme (and on the basis that the Cadiz Shareholders listed in paragraph 26 of the Scheme Circular will elect to receive Friedshelf Shares as Scheme Consideration), Friedshelf will become an associate of Stellar.

As at the date of this Prospectus, Friedshelf is effectively a dormant company with no assets, liabilities or operating history and has no subsidiaries.

The structure of Friedshelf pursuant to the implementation of the Proposed Offer is set out in the diagram below:



\* Denotes the maximum interest held in Cadiz by Friedshelf pursuant to the implementation of the Proposed Offer. The balance of Cadiz' issued shares will be held by those Cadiz Shareholders who have provided Stellar with irrevocable undertakings to elect to receive Friedshelf Scheme Consideration Shares, as detailed in paragraph 26.1 of the Scheme Circular.

## 3.2 Stellar

### 3.2.1 **Incorporation and history**

Stellar was incorporated in South Africa on 7 August 1998. Stellar is a diversified investment holding company listed on the JSE.

### 3.2.2 **Nature of the business of Stellar**

Stellar is a newly established investment holding company listed on the JSE. Stellar, previously known as ConvergeNet Holdings Limited, has recently completed a R150 million private placement with prominent institutional investors and the acquisition of its initial investment portfolio, thereby seeking to:

- leverage the Main Board listing of ConvergeNet Holdings Limited;
- optimise the use of its existing assets;
- harness the deal-making experience of the Stellar Board and Stellar Advisers in a cost-effective manner;
- facilitate the introduction of strong new shareholders; and
- establish a platform to facilitate further capital raising and the growth of the initial investment portfolio.

Following the acquisition by Stellar of a 16.45% interest in Cadiz, as announced on SENS on 8 April 2015, and an assessment of the strategic options available, the Stellar Board believes that Cadiz would benefit from the focus and flexibility of operating in the unlisted environment, with the support of Stellar as a key shareholder. Benefits of the Proposed Offer for Cadiz and its shareholders include:

- for Cadiz Shareholders:
  - a substantial premium to the current traded price of Cadiz shares; and
  - a mechanism to either realise their investment in Cadiz (by acquiring shares in a more liquid investment) or alternatively to participate in the turnaround strategy of Cadiz in an unlisted environment;
- for Cadiz:
  - reduced regulatory reporting requirements post-Delisting in respect of Cadiz' future corporate activity and ability to respond swiftly and decisively to market opportunities;
  - reduced costs associated with maintaining a listing and a consolidation of head office functions and costs; and
  - greater clarity and flexibility in respect of the intended turnaround and growth strategy with a strong anchor shareholder in Stellar.



### 3.3 Cadiz

#### 3.3.1 **Incorporation and history**

Cadiz was incorporated as a private company with limited liability on 15 May 1997 and was converted to a public company on 7 August 1998. Founded in Cape Town 20 years ago as a securities house, the group has been listed on the JSE since 1999. Over the past decade, Cadiz has shifted its focus away from securities to asset management. Today, Cadiz Asset Management is a large independent fund manager in South Africa with assets under management of R20.7 billion as at Cadiz's reporting date, 31 March 2015.

#### 3.3.2 **Nature of the business of Cadiz**

Cadiz is a financial services group that is primarily focused on institutional and personal investments through its wholly-owned subsidiary, Cadiz Asset Management Proprietary Limited ("Cadiz Asset Management"). Cadiz is an independent South African company.

Cadiz' business model is based on a small head office function. The business units, namely Cadiz Asset Management and Cadiz Corporate Solutions, are accountable for their performance which is closely aligned with remuneration and with the interests of shareholders.

Cadiz Asset Management is an independent fund manager and has assets under management of R20.7 billion at year end, spread across institutional (55%) and personal (45%) investment clients. The group also offers corporate advisory services through Cadiz Corporate Solutions in which it holds a 70% stake and has a 40% interest in BNP Paribas Securities South Africa Holdings (Proprietary) Limited (BNP Paribas Securities).

### 3.4 King III Code and Corporate Governance

Friedshelf is a recently incorporated, non-operational company, and the Friedshelf board of directors is newly constituted.

The Friedshelf board of directors confirms its commitment to the principles of fairness, accountability, responsibility and transparency as advocated in the King Report and Code and embraces the principles and recommendations of the King Report and Code.

### 3.5 Material Changes

Save for the Proposed Offer, there have been no material changes in the financial or trading position of:

3.5.1 Friedshelf from its incorporation; or

3.5.2 Stellar from the end of its last financial period for which audited annual financial statements were issued (being for the fifteen months ended 30 November 2014), save for the acquisition by Stellar of a 16.45% interest in Cadiz, as announced on SENS on 8 April 2015; or

3.5.3 Cadiz from the end of its last financial period for which audited annual financial statements were issued (being 31 March 2015),

until the Last Practicable Date.

### 3.6 State of affairs of Friedshelf and its subsidiary:

3.6.1 Friedshelf is a recently formed company which has not traded as at the date of this Prospectus. It has no assets, liabilities, or operating history.

3.6.2 The operating results and state of affairs of Cadiz, which will become a wholly-owned subsidiary of Friedshelf on the Scheme Operative Date, are fully set out in **Annexure 2** to the Scheme Circular. The share capital structure of Cadiz is set out in paragraph 20 of the Scheme Circular.

### 3.7 Prospects

In 2014 South Africa's growth continued to slow down, recording only 1.5%, the weakest performance since the global financial crisis. The asset management industry faces a relative positive environment with predicted global assets under asset management exceed \$100 trillion by 2020 (up from \$63.9 trillion in 2012), with much of the growth coming from emerging markets in Asia, Latin America and Africa, according to the findings in PwC's Asset Management 2020 white paper. As part of Friedshelf's diversification strategy, certain opportunities have been identified to grow the business via the acquisition of businesses in the financial services and asset finance sectors, thereby positioning itself for sustainable long-term growth through a shift in the group's focus on to higher margin and more stable sectors.

### 3.8 Principal immovable properties

3.8.1 Friedshelf does not own or occupy any immovable property or leasehold property.

3.8.2 Cadiz occupies the following leasehold property:

Location	Area (m <sup>2</sup> )	Tenure	Lease expiration date	Month rental
4th Floor The Terraces 25 Protea Road Claremont	922.61	5 years	31 December 2017	R148.88/m <sup>2</sup> (subject to an 8% escalation with effect from 1 January 2014)

### 3.9 Commitments for the purchase, construction or installation of buildings, plant, machinery

Neither Friedshelf nor its subsidiary has any plans for and has made no commitments to purchase, construct or install any buildings, plant or machinery.

### 3.10 Company particulars

Friedshelf is a recently formed company, which has not traded. It has no assets, liabilities, or operating history and has no turnover. Friedshelf has never declared any dividends.

### 3.11 Litigation

There are no legal or arbitration proceedings, including any such proceedings that are pending or threatened, of which Friedshelf is aware, that may have or have had in the recent past, being the date of its incorporation, a material effect on the financial position of Friedshelf or its subsidiaries.

### 3.12 Risk factors

The table below sets out the risk factors considered by Friedshelf and measures to be taken in mitigation thereof:

Risk	Mitigation
Key executive incapacitation or unavailability	Appointment of a sufficient number of skilled executives and segregation of duties
Change in strategies of listed and unlisted investees and outgoing subsidiaries	Quarterly strategy feedback to the board
Ongoing liquidity management within investee companies	Monthly budgeting
Impact of macro-economic factors	Quarterly monitoring by the board

## 4. SHARE CAPITAL OF FRIEDSHELF

### 4.1 Issue of shares by Friedshelf

4.1.1 In terms of the Scheme, it is proposed that Friedshelf acquires the entire issued share capital of Cadiz by way of a scheme of arrangement in terms of section 114 of the Companies Act. Should the Scheme become unconditional and be implemented, Friedshelf shall issue the Friedshelf Scheme Consideration Shares to each Scheme Participant who elects to receive Friedshelf Shares as Scheme Consideration, rounded to the nearest whole number and credited as fully paid.

4.1.2 The total number of Friedshelf Shares to be issued pursuant to the Scheme depends on the elections made by Scheme Participants. Stellar will elect to receive its consideration in Friedshelf Shares.

4.1.3 Friedshelf's shareholder approved the issuing by Friedshelf of the Friedshelf Scheme Consideration Shares pursuant to the implementation of the Scheme in terms of a special resolution dated 3 August 2015 in accordance with sections 41(1) and 41(3) of the Companies Act. Pursuant to the aforesaid shareholder approval, the Friedshelf board of directors has resolved to issue the Friedshelf Scheme Consideration Shares upon the implementation of the Scheme.

4.1.4 Other than the securities offered to the Scheme Participants, Friedshelf has not offered any of its securities to the public for subscription or sale during the three years preceding the date of this Prospectus.

## 4.2 Authorised and issued share capital

### 4.2.1 Share capital of Friedshelf

4.2.1.1 The authorised and issued share capital of Friedshelf is set out below:

	<b>Before the Proposed Offer Number of shares</b>	<b>After issuing of Friedshelf Scheme Consideration Shares Number of shares</b>
<b>Authorised share capital</b>		
Ordinary no par value shares	1 000 000 000	1 000 000 000
<b>Issued share capital</b>		
Ordinary no par value shares	100	166 667 758*

\*Assuming all Cadiz Shareholders will elect to receive the Stellar Scheme Consideration Shares.

4.2.1.2 As at the Last Practicable Date, the stated capital of Friedshelf was R1.00. The stated capital of Friedshelf will, as a result of the Scheme and the issuing of the Consideration Shares, increase to R208 334 698.

4.2.1.3 As at the listing date, all Friedshelf Shares in issue shall rank *pari passu* with each other in all respects, including in respect of voting rights and dividends. None of the Friedshelf Shares will be convertible or redeemable.

4.2.1.4 No Friedshelf Shares are held in treasury.

4.2.1.5 No debentures have been created or issued by Friedshelf.

4.2.1.6 All Friedshelf Shares in issue are fully paid up and freely transferable.

### 4.2.2 Share capital of Stellar

	<b>Number of shares</b>
<b>Authorised</b>	
Ordinary shares with no par value	1 000 000 000
<b>Issued</b>	
Ordinary shares with no par value	271 944 617

4.2.3 Stellar holds 100 Friedshelf Shares.

## 4.3 Alterations to the share capital of Friedshelf

4.3.1 The Company was formed on 20 May 2015 with an authorised share capital of 1 000 ordinary shares of no par value. 100 Friedshelf Shares were issued to Stellar. There have been no changes to Friedshelf's authorised or issued share capital since its incorporation, save for an increase in the number of the Company's authorised shares from 1 000 ordinary shares of no par value to 1 000 000 000 ordinary shares of no par value on 28 July 2015.

4.3.2 Save as detailed in paragraph 4.8 below, no shares were issued or offered by Friedshelf or its subsidiaries since incorporation.

4.3.3 No shares were repurchased by Friedshelf or its subsidiaries since incorporation.

4.3.4 No consolidations or sub-divisions occurred in respect of Friedshelf Shares.

4.3.5 Friedshelf shareholders control the issue of the authorised but unissued securities of Friedshelf, as the Friedshelf directors may only resolve to issue shares and/or grant options to subscribe for shares, to the extent that such issue or option has been approved by the shareholders in a general meeting, either by way of a general authority (which may be either conditional or unconditional) or a specific authority in respect of any particular issue or option in respect of shares, provided that, if such approval is in the form of a general authority to the Friedshelf board of directors, it shall be valid only until the next annual general meeting of the Company and it may be varied or revoked by any general meeting of the shareholders prior to such annual general meeting.

#### 4.4 Voting, variation and conversion of rights

4.4.1 The authorised share capital of Friedshelf is comprised of 1 000 000 000 ordinary shares of no par value and of the same class, each of which ranks *pari passu* in respect of all rights and entitles the holder to:

4.4.1.1 vote on any matter to be decided by the shareholders and to one vote on a show of hands, irrespective of the number of voting rights that person would otherwise be entitled to exercise, and, on a poll, one vote per Friedshelf share held in the case of a vote by means of a poll;

4.4.1.2 participate proportionally in any distribution made by the Company; and

4.4.1.3 receive proportionally the net assets of the Company upon its liquidation.

4.4.2 The provisions of the MOI relating to the variation of rights attaching to shares in the share capital of Friedshelf are set out in **Annexure Friedshelf 1**.

#### 4.5 Dividends

4.5.1 In terms of the MOI, all unclaimed monies that are due to any shareholders pursuant to the declaration of a dividend shall be held by Friedshelf in trust until lawfully claimed by such shareholder/s, or until the shareholder's claim to such money has prescribed in terms of the applicable laws of prescription.

4.5.2 No arrangements exist under which future dividends are waived or are agreed to be waived.

#### 4.6 No other listings

As at the date of this Prospectus, no securities of Friedshelf are listed on the JSE or on any other stock exchange.

#### 4.7 Authorities granted to directors of Friedshelf

The following resolutions, dated 3 August 2015 were approved by the shareholder of Friedshelf in anticipation of the Scheme:

4.7.1 a special resolution authorising the Company and/or any subsidiary of the Company, by way of a general authority, to acquire ordinary shares in the capital of the Company upon such terms and conditions and in such amounts as the directors may from time to time determine in terms of and subject to sections 4, 46 and 48 of the Companies Act.

4.7.2 a special resolution approving, to the extent required in terms of and subject to the provisions of section 45 of the Companies Act, the Company providing, at any time and from time to time during the period of 2 (two) years commencing on the special resolution, any direct or indirect financial assistance as contemplated in section 45 of the Companies Act to a director or prescribed officer of the Company or of a related or inter-related company, or to any one or more related or inter-related companies or corporations of the Company and/or to any one or more members of any such related or inter-related corporation and/or to any one or more persons related to any such company, corporation, director, prescribed officer or member; and

4.7.3 a special resolution approving, subject to the implementation of the Scheme, and in accordance with the MOI, the issue of the Friedshelf Scheme Consideration Shares on the terms as detailed in the Scheme Circular.

#### 4.8 Controlling and major shareholders

The following shareholders, insofar as they are known to the directors of Friedshelf, are beneficially interested (directly or indirectly) in 5% or more of the issued ordinary share capital of Friedshelf:

<b>Name of shareholder</b>	<b>Number of shares held</b>	<b>Percentage shareholding</b>
Stellar	100	100

Insofar as it is known to the directors of Friedshelf, there is no controlling shareholder of Friedshelf as defined in the Listings Requirements, nor has there been a change in control of Friedshelf since its incorporation.

## 5. **OPTIONS OR PREFERENTIAL RIGHTS IN RESPECT OF SHARES**

There is no contract or arrangement, either actual or proposed, whereby any option or preferential right of any kind has been or will be given to any person to subscribe for any securities of Friedshelf or its subsidiary.

## 6. **COMMISSIONS PAID OR PAYABLE IN RESPECT OF UNDERWRITING**

Neither Friedshelf nor its subsidiary has paid any commission or consideration during the two years preceding the date of this Prospectus other than in the normal course of business since their incorporation.

## 7. **MATERIAL CONTRACTS**

7.1 There have been no material contracts entered into by Friedshelf or its subsidiary during the two years preceding the date of this Prospectus, other than in the ordinary course of business.

7.2 No proposed remuneration will be paid to the executive directors of Friedshelf. The remuneration payable to the directors of Cadiz is set out in paragraph 23.2 of the Scheme Circular.

7.3 Neither Friedshelf nor its subsidiary has entered into any contracts which contain an obligation for settlement that is material to Friedshelf or its subsidiary at the date of this Prospectus.

7.4 Neither Friedshelf nor its subsidiary is subject to any third party management contracts.

7.5 A monthly retainer in the amount of R15 000 is payable to the company secretary of Friedshelf and its subsidiary in respect of company secretarial services rendered. This amount includes such services rendered in respect of the Stellar Group.

7.6 No restraint payments, technical fees or royalties are payable by either Friedshelf or its subsidiary.

7.7 Neither Friedshelf nor its subsidiary has entered into any promoters' agreements during the three years preceding the date of this Prospectus.

## 8. **INTERESTS OF DIRECTORS AND PROMOTERS**

8.1 Friedshelf is a newly constituted company and as such no consideration has been paid, or agreed to be paid to any director or related person or another company in which a director is beneficially interested or of which such director is also a director, nor to any partnership, syndicate or other association of which the director is a member to:

8.1.1 induce the director to become a director; or

8.1.2 to qualify as a director; or

8.1.3 for services rendered by the director or by a company, partnership, syndicate or other association in connection with the promotion or formation of Friedshelf.

8.2 No director or promoter has any direct or indirect material interest in the promotion of Friedshelf. Neither Friedshelf nor its subsidiary has acquired any property during the three years preceding the date of this Prospectus, nor does Friedshelf or its subsidiary propose to acquire any property.

## 9. **LOANS**

### 9.1 **Material loans made to Friedshelf or its subsidiary**

Neither Friedshelf nor its subsidiary has entered into any loan arrangements since the date of their incorporation.

### 9.2 **Material loans advanced by Friedshelf or its subsidiary**

Neither Friedshelf nor its subsidiary has advanced any loans to any party.

## 10. **SHARES ISSUED OR TO BE ISSUED OTHER THAN FOR CASH**

Other than the shares which Friedshelf will be obliged to issue to those Scheme Participants, who, if the Scheme becomes operative, become entitled to receive Friedshelf Shares as Scheme Consideration (if they so elect), no other Friedshelf Shares have been issued to any person. Cadiz has not issued any shares, nor has it agreed to issue any shares, to any person other than for cash within the three years preceding the date of this Prospectus.

## 11. PROPERTY ACQUIRED OR TO BE ACQUIRED

Friedshelf has not acquired and does not propose to acquire any immovable property or fixed assets.

## 12. AMOUNTS PAID OR PAYABLE TO PROMOTERS

No amounts have been paid or are contemplated to be paid to any promoter in relation to the Scheme, save for the amounts referred to in paragraph 6 of this section 1.

## 13. PRELIMINARY EXPENSES AND ISSUE EXPENSES

Friedshelf has not paid any preliminary expenses, issue expenses, commission or consideration other than in the normal course of business during the three years preceding the date of this Prospectus.

## SECTION 2: Information about the offered securities

### 1. PURPOSE OF THE PROPOSED OFFER

Stellar is a diversified investment holding company listed on the JSE. Following the acquisition by Stellar of a 16.45% interest in Cadiz, as announced on SENS on 8 April 2015, and an assessment of the strategic options available, the Stellar Board believes that Cadiz would benefit from the focus and flexibility of operating in the unlisted environment, with the support of Stellar as a key shareholder.

The purpose of the Proposed Offer contemplated in this Prospectus is to facilitate the implementation of the Scheme by allowing for the Stellar Scheme Consideration Shares or the Friedshelf Scheme Consideration Shares (as applicable) to be issued to Scheme Participants. In terms of the Scheme, a Scheme Participant will not be required to pay any consideration for the Stellar Scheme Consideration Shares or the Friedshelf Scheme Consideration Shares (as applicable). The Stellar Scheme Consideration Shares or the Friedshelf Scheme Consideration Shares (as applicable) will be issued in exchange for the Scheme Shares.

### 2. SALIENT DATES AND TIMES

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<b>2015</b>	
Record Date to determine which Cadiz Shareholders are entitled to receive the Scheme Circular and this Prospectus	Friday, 21 August
Last day to trade in order to be eligible to vote at the Cadiz General Meeting	Friday, 11 September
Voting Record Date to be able to vote at the Cadiz General Meeting	Friday, 18 September
Forms of proxy to be received by the Transfer Secretaries by no later than 10:00 on	Friday, 25 September
Cadiz General Meeting to be held at 10:00 on	Tuesday, 29 September
Expected Last Day to Trade in Offer Shares in order to be recorded in the Register as a Scheme Participant (Scheme Last Day to Trade)	Friday, 23 October
Expected Scheme Record Date	Friday, 30 October

#### **Timetable if the Scheme is not approved:**

If the Scheme fails, Stellar will be entitled to elect to make the General Offer to the Offer Shareholders (other than Stellar) within one Business Day after the Scheme has failed, by announcing its election on SENS. The following dates in respect of the General Offer will be confirmed in an announcement post failure of the Scheme:

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<b>2015</b>	
<b>Expected date of opening of General Offer</b>	<b>Wednesday, 30 September</b>
Expected last day to trade to take up the General Offer	Friday, 6 November
Cadiz Shares trade "ex" the General Offer	Monday, 9 November
Expected General Offer Record Date	Friday, 13 November
<b>Expected General Offer Closing Date at 12:00</b>	<b>Friday, 13 November</b>
Expected General Offer Settlement Date	Monday, 16 November

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**Note:**

The above dates are subject to change. Any such change will be announced on SENS and published in the South African Press. Shareholders are referred to the timetable contained in the Scheme Circular, to which this Prospectus is annexed, in respect of the salient dates and times applicable to the Proposed Offer.

**3. PARTICULARS OF THE OFFER CONTEMPLATED IN THIS PROSPECTUS**

In terms of section 114(1)(c) of the Companies Act, the Cadiz Board has proposed the Scheme as set out in this section 3 between Cadiz and the Offer Shareholders. In terms of the Scheme, Stellar will, acting through Friedshelf, acquire the Scheme Shares from the Scheme Participants for the Scheme Consideration.

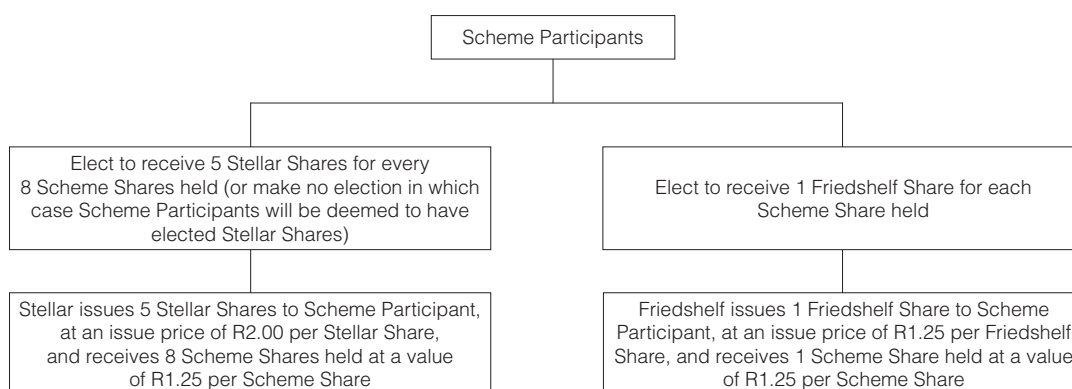
**3.1 Terms of the Scheme**

- 3.1.1 The Scheme is proposed by the Cadiz Board between Cadiz and the Offer Shareholders pursuant to which, if approved by the requisite majority of Scheme Members, Stellar, acting through Friedshelf, will acquire all of the Scheme Shares from the Scheme Participants.
- 3.1.2 The consideration payable to the Scheme Participants for the Scheme Shares will be the Scheme Consideration.
- 3.1.3 The Scheme will be subject to the fulfilment or waiver (where capable of waiver) of the Scheme Conditions.
- 3.1.4 The Scheme will be subject to section 164 of the Companies Act and shall become binding on Cadiz and the Scheme Participants (irrespective of whether or not each Cadiz Shareholder supports the Scheme) if, *inter alia*:
  - 3.1.4.1 the Special Resolution is adopted at the Cadiz General Meeting; and
  - 3.1.4.2 all the remaining Scheme Conditions for the implementation of the Scheme have been fulfilled or waived (where capable of waiver).
- 3.1.5 Subject to the Scheme becoming unconditional, the Scheme Participants shall be deemed with effect from the Scheme Operative Date to have:
  - 3.1.5.1 ceded their Cadiz Shares to Friedshelf, who will be deemed to have acquired registered and beneficial ownership of such Cadiz Shares, free of encumbrance, on the Scheme Operative Date, against settlement of the Scheme Consideration in terms of paragraph 3.6 of the Scheme Circular;
  - 3.1.5.2 subject to paragraph 3.11 of the Scheme Circular, authorised Cadiz as principal with power of substitution on their behalf to transfer and register the Scheme Shares into the name of Friedshelf on or at any time after the Scheme Operative Date; and
  - 3.1.5.3 subject to paragraph 3.11 of the Scheme Circular, authorised Cadiz as principal with power of substitution on their behalf to collect from Stellar the Scheme Consideration for delivery to those Scheme Participants and all risk and benefit in the Scheme Shares will pass from those Scheme Participants to Stellar with effect from the Scheme Operative Date against settlement of the Scheme Consideration in terms of paragraph 3.6 of the Scheme Circular.
- 3.1.6 Stellar shall, on the Scheme Operative Date, deliver to Cadiz as principal, or to the Transfer Secretaries for and behalf of Cadiz, the Scheme Consideration in full and final discharge of Stellar's obligations to pay the Scheme Consideration under the Scheme.
- 3.1.7 Cadiz, as principal, shall procure that Stellar complies with its obligations under the Scheme, and Cadiz alone shall have the right to enforce these obligations (if necessary) against Stellar.
- 3.1.8 The rights of the Scheme Participants to receive the Scheme Consideration in respect of the Cadiz Shares held by them will be the rights enforceable by Scheme Participants against Cadiz only. Such rights will only be enforceable against Cadiz if Cadiz or its agents have received the Scheme Consideration from Stellar. The Scheme Participants shall be entitled to require Cadiz to enforce its rights in terms of the Scheme against Stellar. Scheme Participants shall not be entitled to require Cadiz to deliver or procure the delivery of the Scheme Consideration if Cadiz or its agents have not received the Scheme Consideration or to hold Cadiz liable for damages or the payment of any amount, save to the extent that Cadiz itself is in breach of its obligations in terms of the Scheme.

- 3.1.9 The effect of the Scheme will be that, with effect from the Scheme Operative Date, Friedshelf will own 100% of the Scheme Shares. Stellar's percentage interest in Friedshelf following the implementation of the Scheme will be subject to the elections made by Scheme Participants, as detailed in paragraph 4 below.
- 3.1.10 Furthermore, following the implementation of the Scheme, the listing of all the Cadiz Shares on the Main Board of the JSE will be terminated in terms of section 1.16(b) of the JSE Listings Requirements.
- 3.1.11 With effect from the Scheme Operative Date, each and every officer/director of the Transfer Secretaries and/or Cadiz or any other person nominated by Cadiz, will irrevocably be deemed to be the attorney and agent *in rem suam* of the Scheme Participants to implement the transfer of their Cadiz Shares in terms of paragraph 3.5 of the Scheme Circular and to sign any instrument of transfer in respect thereof or any other documents and to do any and all other acts required or desirable to implement the Scheme and the Delisting and to take all steps necessary to procure electronic delivery of the Cadiz Shares which have been dematerialised.

### 3.2 The Scheme Consideration

- 3.2.1 Should the Scheme be approved, Scheme Participants will receive new Stellar Shares or new Friedshelf Shares on the basis that:
- 3.2.1.1 Scheme Participants which elect to receive Stellar Shares (or make no election in which case Scheme Participants will be deemed to have elected Stellar Shares) will receive five Stellar Shares, to be issued at a price of R2.00 per Stellar Share, for every eight Scheme Shares held, which is the equivalent of R1.25 per Scheme Share; and
- 3.2.1.2 Scheme Participants which elect to receive Friedshelf Shares will receive 1 Friedshelf Share, to be issued at a price of R1.25 per Friedshelf Share, for each Scheme Share held, such that they will retain their existing investment in Cadiz indirectly through Friedshelf.
- 3.2.2 The diagram below illustrates the share exchange options available to Scheme Participants in respect of the settlement of the Scheme Consideration referred to in paragraph 3.2.1 above:



- 3.2.3 The listing of all the Cadiz Shares will, pursuant to the implementation of the Scheme, be delisted from the Main Board of the JSE. Save for the Delisting, the Cadiz Shares will retain their current status in all respects and will not be treated as treasury shares.

### 3.3 Conditions precedent to the Scheme

Shareholders are referred to paragraph 8 of the Scheme Circular regarding the conditions precedent to the Scheme.

### 3.4 Previous issues of securities

At the date of this Prospectus Friedshelf has issued 100 ordinary no par value share to Stellar for a consideration of R1.00. The shares were issued at a nominal value because Friedshelf has no assets and has not traded. Prior to the implementation of the Scheme, Stellar will be the only shareholder in Friedshelf.



#### 4. **MINIMUM SUBSCRIPTION**

In terms of section 108(2) of the Companies Act, a company is required to state the minimum amount which must be raised by the issue of securities in order to provide for the matters prescribed in this Prospectus to be covered by such minimum subscription amount. The purpose of the Scheme is not to raise capital for Friedshelf. In terms of the Scheme, each Cadiz Shareholder will be entitled to receive the Scheme Consideration in exchange for their Scheme Shares. Cadiz Shareholders will not be required to pay for the Stellar Scheme Consideration Shares or Friedshelf Scheme Consideration Shares (as applicable), but to exchange the relevant proportion of their Scheme Shares for a corresponding proportion of the Stellar Scheme Consideration Shares or Friedshelf Scheme Consideration Shares (as applicable). Therefore the Scheme is not subject to an aggregate minimum subscription.

### **SECTION 3: Statements and reports relating to the Proposed Offer**

#### 1. **STATEMENT AS TO ADEQUACY OF CAPITAL**

The Friedshelf directors are of the opinion that, subject to the implementation of the Proposed Offer:

- the share capital of Friedshelf will be adequate for the purposes of the business of Friedshelf and any subsidiary of Friedshelf for at least the next 12 months after the date of issue of this Prospectus; and
- that the working capital available to Friedshelf and its subsidiaries is sufficient for Friedshelf's present requirements, that is, for at least the next 12 months from the date of issue of this Prospectus.

#### 2. **REPORT BY DIRECTORS AS TO MATERIAL CHANGES**

The directors confirm that there have been no material changes in the assets or liabilities of the Company or its subsidiary that occurred between the end of the financial year of the Company or its subsidiary and the date of this Prospectus.

#### 3. **STATEMENT AS TO DELISTING ON A STOCK EXCHANGE**

In the event that the Scheme becomes operative, the listing of all the Cadiz Shares on the Main Board of the JSE will be terminated, and Scheme Participants will be deemed to have sold their Scheme Shares for the Scheme Consideration, thereby constituting Cadiz a wholly-owned subsidiary of Friedshelf.

#### 4. **REPORT BY THE AUDITORS WHERE BUSINESS UNDERTAKING TO BE ACQUIRED**

No proceeds will be raised in terms of the Proposed Offer and accordingly, Friedshelf does not intend to apply any proceeds of the Proposed Offer in the purchase of any business undertaking.

#### 5. **REPORT BY THE AUDITORS WHERE COMPANY WILL ACQUIRE A SUBSIDIARY**

No proceeds will be raised in terms of the Proposed Offer and accordingly, Friedshelf does not intend to apply any proceeds of the offer in the acquisition of the securities of any other juristic person.

#### 6. **REPORT BY THE AUDITORS OF THE COMPANY**

The audited statement of financial position on Friedshelf, together with the Independent Auditors' report thereon is annexed as Annexure 8 and Annexure 9 to the Scheme Circular, respectively.

The summary audited consolidated financial statements of Cadiz for the financial years ended 31 March 2015, 31 March 2014 and 31 March 2013 is annexed as **Annexure 2** to the Scheme Circular.

### **SECTION 4: Additional material information**

Save as stated in this section 4, the directors are of the opinion that all other material information in relation to the offer contemplated in this Prospectus has been disclosed in the preceding paragraphs of this Prospectus, and the Scheme Circular to which this Prospectus is attached, and there is no further material information which requires disclosure under this section 4.

#### 1. **GOVERNMENT PROTECTION AND INVESTMENT ENCOURAGEMENT LAW**

No government protection and investment encouragement laws are applicable to the Company and the businesses it operates.

## 2. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or certified copies thereof, will be available for inspection at the registered office of Friedshelf as detailed in the "Corporate Information" section of this Prospectus, during normal office hours from the date of issue of this Prospectus up to and including 27 November 2015:

- 2.1 the MOI of Friedshelf and Cadiz;
- 2.2 the written consents referred to in paragraph 33 of the Scheme Circular;
- 2.3 the service contracts of the directors of Friedshelf and Cadiz;
- 2.4 the contract with the company secretary of Friedshelf and its subsidiary referred to in paragraph 7.5 of this Prospectus;
- 2.5 the power of attorney documents of the directors of Friedshelf in respect of the signature of this Prospectus; and
- 2.6 a copy of this Prospectus.

## 3. TRANSFER OF SECURITIES

- 3.1 In terms of the MOI, and subject to provisions to the contrary in the Companies Act, Friedshelf will enter in the securities register (as defined in section 1 of the Companies Act) (the "**Securities Register**") every transfer of securities in accordance with the Companies Act.
- 3.2 If, in an instance other than as contemplated in paragraph 3.1 above, a person becomes entitled, by operation of law, or otherwise, to have his name entered into the Securities Register, in official capacity, or otherwise, Friedshelf will enter such person's name in the Securities Register in accordance with the Companies Act, if applicable, the rules (as defined in section 1 of the Companies Act), and as reasonably determined by the Friedshelf board of directors.

## SECTION 5: Inapplicable or immaterial matters

The following paragraphs of the Companies Regulations dealing with the requirements for a prospectus are not applicable to this Prospectus:

57(1)(b)(i); 57(1)(b)(ii); 57(2); 58(2)(b)(ii); 58(3)(d); 64; 77; 78; 79(2) and 80.

The directors, whose names are given in section 1, paragraph 2.1 on page 88 of this document, collectively and individually, accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Prospectus contains all information required by the Companies Act.

**SIGNED AT CAPE TOWN ON 24 AUGUST 2015 BY PJ VAN ZYL ON BEHALF OF ALL THE DIRECTORS OF FRIEDSHELF, AS LISTED BELOW, IN TERMS OF POWERS OF ATTORNEY SIGNED BY SUCH DIRECTORS**

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**PJ van Zyl**

**CB de Villiers**

**J de Bruyn**

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**EXTRACT FROM THE MEMORANDUM OF INCORPORATION RELATING TO THE BOARD OF FRIEDSHELF**

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**The numbering and wording below matches that of the applicable provisions in the Memorandum of Incorporation.**

**13. THE BOARD**

- 13.1 The Board shall manage the business and affairs of the Company as contemplated in section 66(1).
- 13.2 The Board must comprise at least:
  - 13.2.1 3 (three) Directors; and
  - 13.2.2 the number of Directors, if any, that the Company must have to satisfy any requirement in terms of the Act to appoint an audit committee and, if obliged to do so, a social and ethics committee.
- 13.3 The Directors shall be elected in accordance with section 68(1).
- 13.4 A Director shall serve for an indefinite term, unless otherwise determined pursuant to an ordinary resolution of the Entitled Shareholders, in general or in a particular instance.
- 13.5 Subject to the Act and applicable law, the Board shall be entitled to ratify an act performed by the Board or a Director, if it shall afterwards be discovered that there was some clerical or technical defect or oversight in relation to the holding of office of the Director or purported Director concerned.
- 13.6 Subject to the Act and applicable law, the Board may from time to time:
  - 3.6.1 appoint a Director to the office of managing Director for such term and at such remuneration as it may think fit, and may revoke such appointment, subject to the terms of any relevant agreement entered into in a particular instance; and
  - 3.6.2 entrust to and confer upon a managing Director such of the powers exercisable in terms of this Memorandum and the Act by the Board as it may think fit, and may confer such powers for such time and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions, as it thinks expedient.

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## FRIEDSHELF DIRECTORS' OTHER DIRECTORSHIPS

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Details of FriedshelF directors' current and previous directorships are as follows:

### **PJ VAN ZYL**

#### **Current**

AfrAsia Special Opportunities Fund Limited  
 Afrozaar Proprietary Limited  
 Amrichprop 27 Properties Proprietary Limited  
 Control Instruments Group Limited  
 K2012049373 Proprietary Limited  
 Lan Solutions (Gauteng) Proprietary Limited  
 Emergent Energy Proprietary Limited  
 FriedshelF  
 Northbound Communication Solutions Proprietary Limited  
 Preparatory Play and Learning Centre Proprietary Limited  
 Saratoga Private Equity Proprietary Limited  
 Saratoga Software Proprietary Limited  
 Silvertree Properties Proprietary Limited  
 Stellar  
 Thunder Capital Proprietary Limited  
 Thunder Capital Assets Proprietary Limited  
 Thunder Properties Proprietary Limited  
 Torre Industries Limited  
 Thunder Securitisations Proprietary Limited

#### **Previous**

Andrews Kit Proprietary Limited  
 Chrystalpine Investments 9 Proprietary Limited  
 Consolidation Resources and Exploration Limited  
 Fios Proprietary Limited  
 Goliath Gold Mining Limited  
 GTC Employee Benefits Administration Proprietary Limited  
 Imagination Advisory and Distribution Services Proprietary Limited  
 Imagination Capital Management Services Proprietary Limited  
 Kilomax Investments Proprietary Limited  
 Octigon (SA) Proprietary Limited  
 Sekunjalo Asset Finance Proprietary Limited  
 Sekunjalo Asset Management Proprietary Limited  
 Sekunjalo Capital Proprietary Limited  
 Sekunjalo Corporate Services Proprietary Limited  
 Sekunjalo Financial Services Proprietary Limited  
 Sekunjalo Fund Administrators Proprietary Limited  
 Sekunjalo Health Care Solutions Proprietary Limited  
 Sekunjalo Private Equity Proprietary Limited  
 Sekunjalo Properties Proprietary Limited  
 Sekunjalo Technology Solutions Group Proprietary Limited  
 Stellar Advisers Proprietary Limited  
 Synbi Proprietary Limited  
 The Centre for Play and Learning (CC)  
 West Coast Capital Proprietary Limited  
 Workers Life Assurance Company Proprietary Limited  
 Workers Life Medical Aid Administrators Proprietary Limited

**CB de Villiers**

**Current**

Friedshelf  
Stellar

**Previous**

none

**J de Bruyn**

**Current**

Friedshelf  
Micawber 469 Proprietary Limited  
North Oaks No 10 CC  
Prowess Investment Managers Proprietary Limited  
Salt Capital Proprietary Limited (*Deregistration in process*)

**Previous**

Afripalm Uranium Proprietary Limited  
Dream World Investments 506 Proprietary Limited  
Kingsley Technologies Proprietary Limited  
Stellar Advisers Proprietary Limited (previously AfrAsia Corporate Finance Proprietary Limited)



**Cadiz Holdings Limited**  
(Incorporated in the Republic of South Africa)  
(Registration number 1997/007258/06)  
Share code: CDZ ISIN: ZAE000017661

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## NOTICE OF CADIZ GENERAL MEETING

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### Directors

SP Ngwenya (*Chairman*)#  
FC Shaw (*Chief Executive Officer and Financial Director*)  
R Gonsalves  
GW Fury\*#^  
BH Kent\*#^  
AN Matyumza~^  
LL Xate\*#^

\*Independent

#Non-executive

~Lead Independent non-executive

^Comprising the Independent Board

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### THE ATTENTION OF SHAREHOLDERS IS DRAWN TO ANNEXURES 4 AND 5, AS WELL AS PARAGRAPH 7 OF THE CIRCULAR TO WHICH THIS NOTICE OF CADIZ GENERAL MEETING IS ATTACHED, WHICH SETS OUT THE PROVISIONS OF SECTIONS 115 AND 164 OF THE COMPANIES ACT (THE APPRAISAL RIGHTS AVAILABLE TO DISSENTING SHAREHOLDERS)

Notice is hereby given that a meeting of Cadiz Shareholders will be held at 4th Floor, The Terraces, 25 Protea Road, Claremont, Cape Town at 10:00 on Tuesday, 29 September 2015, for the purpose of considering and, if deemed fit, passing with or without modification, the special and ordinary resolutions set out below.

The Voting Record Date in terms of section 59 of the Companies Act for Cadiz Shareholders to be recorded on the Register in order to be able to attend, participate, speak and vote at the Cadiz General Meeting is **Friday, 18 September 2015**. All meetings (whether called for the passing of special or ordinary resolutions) shall be called on not less than 15 (fifteen) Business Days' notice.

### Important dates to note

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	<b>2015</b>
Record Date to determine which Cadiz Shareholders are entitled to receive the Circular	Friday, 21 August
Last day to trade in order to be eligible to vote at the Cadiz General Meeting	Friday, 11 September
Voting Record Date to be able to vote at the Cadiz General Meeting	Friday, 18 September
Forms of proxy to be received by the Transfer Secretaries by no later than 10:00 on	Friday, 25 September
Cadiz General Meeting to be held at 10:00 on	Tuesday, 29 September
Expected Last Day to Trade in Offer Shares in order to be recorded in the Register as a Scheme Participant ( <b>Scheme Last Day to Trade</b> )	Friday, 23 October
Expected Scheme Record Date	Friday, 30 October

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Where appropriate and applicable, the terms defined in the Circular to which this notice of Cadiz General Meeting is attached and forms part of bear the same meanings in this notice of Cadiz General Meeting, and in particular in the resolutions set out below.

**In terms of section 62(3)(e) of the Companies Act, Cadiz Shareholders are notified that:**

- a Cadiz Shareholder who is entitled to attend and vote at the Cadiz General Meeting is entitled to appoint a proxy or two or more proxies to attend and participate in and vote at the Cadiz General Meeting in the place of the Cadiz Shareholder, by completing the proxy in accordance with the instructions set out therein;
- a proxy need not be a Cadiz Shareholder; and
- Cadiz Shareholders recorded in the Register on the Voting Record Date (including Cadiz Shareholders and their proxies) are required to provide reasonably satisfactory identification before being entitled to attend or participate in the Cadiz General Meeting. In this regard, all Cadiz Shareholders recorded in the Register of Cadiz on the Voting Record Date will be required to provide identification satisfactory to the chairman of the Cadiz General Meeting. Forms of identification include valid identity documents, driver's licences and passports.

**SPECIAL RESOLUTION NUMBER 1: APPROVAL OF THE SCHEME**

**“RESOLVED THAT**, the Scheme in terms of section 114(1)(c) of the Companies Act (as more fully described in this Circular and as same may be amended as contemplated in the Circular), proposed by the Cadiz Board between Cadiz and the Offer Shareholders, in terms of which, if such scheme becomes operative and unconditional, Stellar will, acting through Bidco, amongst other things, acquire on the terms and subject to the conditions set out in the Circular (as may be amended as contemplated in the Circular) all of the Scheme Shares from the Scheme Participants for the Scheme Consideration, pursuant to which scheme of arrangement the Cadiz Shares will be de-listed from the Main Board of the JSE, be and is hereby approved as a special resolution in terms of section 115(2)(a) of the Companies Act.”

The percentage of voting rights that will be required for Special Resolution Number 1 to be adopted is at least 75% of the voting rights exercised on the resolution.

**Reason and effect of Special Resolution Number 1**

The reason and effect of Special Resolution Number 1 is to obtain shareholder approval, in terms of section 114 read with 115 of the Companies Act, for the Scheme proposed by the Cadiz Board between Cadiz and the Offer Shareholders. Cadiz Shareholders are referred to the content of the Circular for more information relating to the reason for and effect of Special Resolution Number 1.

*In terms of section 115(4) of the Companies Act, the voting rights of Stellar in respect of Stellar's Cadiz Shares will not be taken into account in calculating the percentage of voting rights to determine whether the applicable quorum of Cadiz Shareholders is present and will not be taken into account in calculating the percentage of voting rights required to approve this Special Resolution.*

**SPECIAL RESOLUTION NUMBER 2: REVOCATION OF SPECIAL RESOLUTION 1 IF THE SCHEME IS TERMINATED**

**“RESOLVED THAT**, subject to and in the event of (i) the Special Resolution Number 1 being approved at the Cadiz General Meeting in terms of the Companies Act; and (ii) Cadiz announcing that the Scheme has been terminated, Special Resolution Number 1 is revoked with effect from the date of the announcement contemplated in (ii) above, as contemplated in section 164(9)(c) of the Companies Act, and accordingly any Dissenting Shareholder that has sent a demand to Cadiz in terms of sections 164(5) to (8) of the Companies Act to be paid the fair value of its Cadiz Shares, shall have no rights to be so paid under section 164 of the Companies Act in that the Scheme did not and shall not become effective.”

The percentage of votes that will be required for Special Resolution Number 2 to be adopted is at least 75% of the voting rights exercised at the resolution.

## **Reason and effect of Special Resolution Number 2**

The reason and effect of Special Resolution Number 2 is to remove the rights to payment of Dissenting Shareholders if the Scheme is terminated and shall become effective only if: (i) the Special Resolution is approved at the Cadiz General Meeting in terms of the Companies Act; and (ii) Cadiz announces that the Scheme has been terminated. The effect of Special Resolution Number 2 is to remove any right to payment that a Dissenting Shareholder may have under section 164 of the Companies Act if the Scheme is terminated.

## **ORDINARY RESOLUTION 1: DELISTING RESOLUTION**

**“RESOLVED THAT**, if the Scheme as proposed in Special Resolution Number 1 fails, in terms of section 1.14(a) of the JSE Listings Requirements and subject to the General Offer being made and implemented, the listing of all the Cadiz Shares on the Main Board of the JSE be suspended and terminated at such times and such dates as will be approved by the JSE and by the directors of Cadiz.”

## **Reason and effect of Ordinary Resolution Number 1**

The reason for the passing of Ordinary Resolution Number 1 is to approve the termination of the listing of all the Cadiz Shares from the Main Board of the JSE in terms of section 1.14(a) of the JSE Listings Requirements, if the Scheme as proposed in Special Resolution Number 1 fails, and Stellar makes and implements the General Offer.

The effect of Ordinary Resolution Number 1 will be that, if Stellar makes and implements the General Offer, the listing of all the Cadiz Shares on the Main Board of the JSE will be terminated.

*In terms of section 1.14 of the JSE Listings Requirements, the percentage of voting rights that will be required for this Ordinary Resolution Number 1 to be adopted is 50% plus 1 vote of the total number of voting rights exercised at the Cadiz General Meeting by Cadiz Shareholders present and voting, either in person or by proxy. In terms of section 1.15 of the JSE Listings Requirements, the votes of any controlling shareholder, its associates and any party acting in concert will not be taken into account in determining the results of the voting on Special Resolution Number 1. Cadiz does not have any controlling shareholders.*

## **ORDINARY RESOLUTION 2: AUTHORISING RESOLUTION**

**“RESOLVED THAT** any director of the Company be and is hereby authorised to do all such things, sign all such documents and take all such actions as may be necessary for or incidental to the implementation of Special Resolution Number 1, Special Resolution Number 2 and Ordinary Resolution Number 1 (if passed) at the meeting at which this Ordinary Resolution Number 2 is considered.”

In terms of section 62(3)(c) of the Companies Act, the percentage of voting rights that will be required for this Ordinary Resolution Number 1 to be adopted is 50% plus 1 vote of the total number of voting rights exercised at the Cadiz General Meeting by Cadiz Shareholders present and voting, either in person or by proxy.

## **QUORUM**

A Cadiz Shareholders' meeting may not begin until sufficient persons are present at such meeting to exercise, in aggregate, at least 25% of all the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the Cadiz General Meeting. A matter to be decided at the Cadiz General Meeting may not begin to be considered unless sufficient persons are present at the meeting to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised on that matter at the time the matter is called on the agenda. In addition, a quorum shall consist of at least three Cadiz Shareholders personally present or represented by proxy (and if the Cadiz Shareholder is a body corporate, it must be represented) and entitled to vote at the Cadiz General Meeting on matters to be decided by Cadiz Shareholders.

## **VOTING**

Every Cadiz Shareholder who is present in person, by proxy or represented at the Cadiz General Meeting shall:

- on a show of hands, have one vote (irrespective of the number of Cadiz Shares held or represented); and
- on a poll, have for each share held by him that proportion of the total votes in the company which the aggregate amount of the nominal value of that share held by him bears to the aggregate of the nominal value of all the shares issued by the Company.



In terms of section 115(4) of the Companies Act, and paragraph 1.14 of the Listings Requirements the votes of Stellar will not be taken into account in determining whether a quorum of Cadiz Shareholders is present and will not be taken into account in determining the results of the voting on Special Resolution Number 1.

## **ELECTRONIC PARTICIPATION**

1. Cadiz Shareholders are advised in terms of section 63(3) of the Companies Act, that while the Cadiz General Meeting will be held in person, Cadiz Shareholders (and/or their proxies) may participate in (but not vote at) the Cadiz General Meeting by electronic communication, as contemplated in sub-section 63(2) of the Companies Act, and Cadiz Shareholders and/or their proxies will be able, at their own expense, to participate in (but not vote at) the Cadiz General Meeting by means of a teleconference facility.
2. Arrangements to participate electronically in the Cadiz General Meeting should be made by completing and returning the attached application for electronic participation at the Cadiz General Meeting in the manner and within the timeframes envisaged in such application form.

## **FORM OF PROXY**

A form of proxy (*green*) is attached for the convenience of any Cadiz Shareholder holding Certificated Cadiz Shares who cannot attend the Cadiz General Meeting and who wishes to be represented thereat. Forms of proxy may also be obtained on request from Cadiz' registered office. The completed form of proxy must be deposited at or posted to the office of the Transfer Secretaries, Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) to be received by no later than 48 hours prior to the Cadiz General Meeting that is being held at 10:00 on Tuesday, 29 September 2015. The form of proxy may also be handed to the chairman of the Cadiz General Meeting or adjourned Cadiz General Meeting before the Cadiz General Meeting is due to commence or recommence. Any Cadiz Shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend and vote in person at the Cadiz General Meeting should the Cadiz Shareholder subsequently decide to do so.

Attached to the form of proxy is an extract of section 58 of the Companies Act, to which Cadiz Shareholders are referred.

Cadiz Shareholders who have already dematerialised their Cadiz Shares through a CSDP or broker and who wish to attend the Cadiz General Meeting must instruct their CSDP or broker to issue them with the necessary letter of representation to attend.

Dematerialised Cadiz Shareholders, who have elected "own-name" registration in the Register through a CSDP and who are unable to attend but who wish to vote at the Cadiz General Meeting must complete and return the attached relevant form of proxy (*green*) and lodge it with the Transfer Secretaries, Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) to be received by no later than 10:00 on Friday, 25 September 2015.

Dematerialised Cadiz Shareholders, who have not elected "own-name" registration in the Register through a CSDP and who are unable to attend but who wish to vote at the Cadiz General Meeting should ensure that the person or entity (such as a nominee) whose name has been entered into the sub-Register maintained by a CSDP or broker completes and returns the attached relevant forms of proxy in terms of which they appoint a proxy to vote at the Cadiz General Meeting.

## **APPRAISAL RIGHTS FOR DISSENTING SHAREHOLDERS**

In terms of section 164 of the Companies Act, at any time before the Special Resolution Number 1 as set out in this notice of Cadiz General Meeting is voted on, a Cadiz Shareholder (other than Stellar) may give Cadiz a written notice objecting to Special Resolution Number 1.

Within 10 Business Days after Cadiz has adopted the Special Resolution Number 1, Cadiz must send a notice that Special Resolution Number 1 has been adopted to each Cadiz Shareholder who:

- gave Cadiz a written notice of objection as contemplated above; and
- has neither withdrawn that notice nor voted in support of the Special Resolution Number 1.

A Cadiz Shareholder may demand that Cadiz pay the Cadiz Shareholder the fair value for all of the Offer Shares held by that person if:

- the Cadiz Shareholder has sent Cadiz a notice of objection;
- Cadiz has adopted Special Resolution Number 1; and
- the Cadiz Shareholder voted against Special Resolution Number 1 and has complied with all of the procedural requirements of section 164 of the Companies Act.

A copy of section 164 of the Companies Act is set out in **Annexure 4** to this Circular.

By order of the Cadiz Board

**Charl Schmahl**  
*Company Secretary*

**Cadiz Holdings Limited**

**Registered office**  
4th Floor, The Terraces  
25 Protea Road  
Claremont, 7708  
(PO Box 44547, Claremont, 7735)



**Cadiz Holdings Limited**  
(Incorporated in the Republic of South Africa)  
(Registration number 1997/007258/06)  
Share code: CDZ ISIN: ZAE000017661

## FORM OF PROXY

Where appropriate and applicable the terms defined in the Circular to which this form of proxy is attached and forms part of shall bear the same meaning in this form of proxy.

For use by the holders of Certificated Cadiz Shares and/or Dematerialised Cadiz Shares held through a CSDP or broker who have selected "own-name" registration, registered as such at the close of business on the Voting Record Date, at the Cadiz General Meeting to be held at 10:00 at 4th Floor, The Terraces, 25 Protea Road, Claremont, Cape Town on Tuesday, 29 September 2015 or any postponement or adjournment thereof. The form of proxy may also be handed to the chairman of the Cadiz General Meeting or adjourned Cadiz General Meeting before the Cadiz General Meeting is due to commence or recommence.

Persons who have not selected "own-name" registration must inform their CSDP or broker timeously of their intention to attend and vote at the Cadiz General Meeting or be represented by proxy thereat in order for the CSDP or broker to issue them with the necessary letter of representation to do so or provide the CSDP or broker timeously with their voting instruction should they not wish to attend the Cadiz General Meeting in order for the CSDP or broker to vote in accordance with their instructions at the Cadiz General Meeting. Such Cadiz Shareholders must not use this form of proxy.

I/We [FULL NAMES IN BLOCK LETTERS]

of (address) [BLOCK LETTERS]

Telephone: (Work) ( )

Telephone: (Home) ( )

Cellphone:

Email address:

being the holder of \_\_\_\_\_ certificated or dematerialised shares with "own-name" registration (delete whichever is not applicable) shares hereby appoint:

- \_\_\_\_\_ or failing him,
- \_\_\_\_\_ or failing him,
- the chairperson of the Cadiz General Meeting, which appointment is irrevocable/revocable as my/our proxy to attend, speak, participate in and vote for me/us on my/our behalf at the Cadiz General Meeting or any adjournment thereof as follows:

RESOLUTION	For	Against	Abstain
<b>SPECIAL RESOLUTION NUMBER 1</b> Approval of the Scheme in terms of sections 114(1)(c) and 115 of the Companies Act			
<b>SPECIAL RESOLUTION NUMBER 2</b> Revocation of Special Resolution Number 1 if the Scheme is terminated			
<b>ORDINARY RESOLUTION NUMBER 1</b> Approval of the Delisting in terms of paragraph 1.14(a) of the Listings Requirements			
<b>ORDINARY RESOLUTION NUMBER 2</b> 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 the company, insert the number of Cadiz Shares held in respect of which you desire to vote (see note 2).** If no directions are given, the proxy will be entitled to vote or to abstain from voting, as that proxy deems fit. Unless otherwise instructed, the proxy may vote as he/she thinks fit.

Signed at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 2015

Full name \_\_\_\_\_ Capacity \_\_\_\_\_

Signature(s) \_\_\_\_\_

Assisted by (where applicable) \_\_\_\_\_

**Please see the notes on the reverse side hereof.**

**A Cadiz Shareholder entitled to attend and vote at the Cadiz General Meeting may appoint one or more persons as his proxy to attend, speak and vote in his stead at the Cadiz General Meeting. A proxy need not be a Cadiz Shareholder.**

**Every Cadiz Shareholder shall:**

- **on a show of hands, have one vote (irrespective of the number of Cadiz Shares held or represented); and**
- **on a poll, have for each Cadiz Share held by him that proportion of the total votes in the Company which the aggregate amount of the nominal value of that Share held by him bears to the aggregate amount of the nominal value of all the Cadiz Shares.**

#### **SUMMARY OF RIGHTS CONTAINED IN SECTION 58 OF THE COMPANIES ACT**

In terms of section 58 of the Companies Act:

- a Cadiz Shareholder may, at any time and in accordance with the provisions of section 58 of the Companies Act, appoint any individual (including an individual who is not a shareholder) as a proxy to participate in, and speak and vote at, a Cadiz Shareholders' meeting on behalf of such shareholder;
- a proxy may delegate her or his authority to act on behalf of a Cadiz Shareholder to another person, subject to any restriction set out in the instrument appointing such proxy;
- 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 Cadiz Shareholder chooses to act directly and in person in the exercise of any of such Cadiz Shareholder's rights as a shareholder;
- any appointment by a Cadiz 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 Cadiz 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 the Company; and
- a proxy appointed by a Cadiz Shareholder is entitled to exercise, or abstain from exercising, any voting right of such Cadiz Shareholder without direction, except to the extent that the memorandum of incorporation of Cadiz, or the instrument appointing the proxy, provides otherwise.

#### **Notes:**

1. A Cadiz Shareholder may insert the name of a proxy or the names of two alternative proxies of his choice in the spaces provided with or without deleting "the chairperson of the Cadiz General Meeting", but any such deletion must be initialled by the Cadiz Shareholder. The person whose name appears first on this form of proxy and who is present at the Cadiz General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. Please insert an "X" in the relevant spaces according to how you wish your votes to be cast. If you wish to cast your votes in respect of a lesser number of Offer Shares exercisable by you, insert the number of Cadiz Shares held in respect of which you wish to vote. Failure to comply with the above will be deemed to authorise and compel the chairperson, if the chairperson is the authorised proxy, to vote in favour of the resolutions, or to authorise any other proxy to vote for or against the resolutions or abstain from voting as he/she deems fit, in respect of all the Cadiz Shareholder's votes exercisable thereat. A Cadiz Shareholder or its/his proxy is not obliged to use all the votes exercisable by the Cadiz Shareholder or its/his proxy (except in the case of the chairperson as proxy), but the total of the votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the Cadiz Shareholder or its/his proxy.
3. The proxy shall (unless this sentence is struck out and countersigned) have the authority to vote as he or she deems fit, on any other resolution which may validly be proposed at the meeting, including in respect of any proposed amendment to the above resolutions. If the foregoing sentence is struck out, the proxy shall be deemed to be instructed to vote against any such proposed additional resolution and/or proposed amendment to an existing resolution as proposed in the notice to which this form of proxy is attached.
4. A vote given in terms of an instrument of proxy shall be valid in relation to the meeting, notwithstanding the death of the person granting it, or the revocation of the proxy, or the transfer of the Cadiz Shares in respect of which the vote is given, unless an intimation in writing of such death, revocation or transfer is received by the Transfer Secretaries before the commencement of the Cadiz General Meeting.
5. Forms of proxy must be lodged with the Transfer Secretaries, Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), to be received by no later than 10:00 on Friday, 25 September 2015, in order to be effective.
6. Any alteration or correction made to this form of proxy must be initialled by the signatory(ies).
7. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Transfer Secretaries or waived by the chairperson of the shareholders' meeting.
8. The completion and lodging of this form of proxy will not preclude the relevant Cadiz Shareholder from attending the Cadiz General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Cadiz Shareholder wish to do so.
9. The chairperson of the Cadiz General Meeting may accept or reject any form of proxy which is completed and/or received, other than in accordance with these notes and instructions, provided that the chairperson is satisfied as to the manner in which the Cadiz Shareholder wishes to vote.
10. The appointment of a proxy shall remain valid until the end of the meeting contemplated in this appointment.
11. Joint holders – any such persons may vote at the Cadiz General Meeting in respect of such joint Cadiz Shares as if he/she were solely entitled thereto; but if more than one of such joint holders are present or represented at the Cadiz General Meeting, that one of the said persons whose name stands first in the register in respect of such Cadiz Shares or his proxy, as the case may be, is alone entitled to vote in respect thereof.
12. Cadiz Shareholders who hold Cadiz Shares that have been dematerialised, and are registered by the CSDP in Cadiz' uncertificated securities register in their own name kept by that CSDP ("own name dematerialised scheme members"), will be entitled to attend the Cadiz General Meeting in person or, if they are unable to attend and wish to be represented thereat, must complete and return the form of proxy to the Transfer Secretaries in accordance with the time specified on the form of proxy.
13. Persons who hold Cadiz Shares through a nominee should advise their nominee or, if applicable, their CSDP or broker timeously of their intention to attend and vote at the Cadiz General Meeting or to be represented by proxy thereat in order for their nominee or, if applicable, their CSDP or broker to provide them with the necessary letter of representation to do so or should provide their nominee or, if applicable, their CSDP or broker timeously with their voting instruction should they not wish to attend the shareholders' meeting in person, in order for their nominee to vote in accordance with their instruction at the Cadiz General Meeting.



**Cadiz Holdings Limited**  
(Incorporated in the Republic of South Africa)  
(Registration number 1997/007258/06)  
Share code: CDZ ISIN: ZAE000017661

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## FORM OF ELECTION, SURRENDER AND TRANSFER

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Where appropriate and applicable the terms defined in the Circular to which this Form of Election, Surrender and Transfer is attached and forms part of shall bear the same meaning in this Form of Election, Surrender and Transfer.

**This form should be read in conjunction with the Circular.**

**INSTRUCTIONS:**

1. A separate Form of Election, Surrender and Transfer is required for each Cadiz Shareholder. Cadiz Shareholders must complete this form in BLOCK CAPITALS.
2. Part A must be completed by all Cadiz Shareholders who return this form and relates to the surrender of Documents of Title.
3. Part B must be completed by Cadiz Shareholders who are emigrants from or non-residents of the Common Monetary Area (see note 2).
4. Part C must be completed by all Cadiz Shareholders who return this form and relates to the settlement of the **Stellar Scheme Consideration Shares**.
5. Part D must be completed by all Cadiz Shareholders who return this form and relates to the settlement of the **Bidco Scheme Consideration Shares**.

**Please also read notes overleaf.**

To: Computershare Investor Services Proprietary Limited

**If delivered by hand**

Computershare Investor Services Proprietary Limited  
70 Marshall Street  
Johannesburg  
2001

**If sent by mail**

Computershare Investor Services Proprietary Limited  
PO Box 61763  
Marshalltown  
2107

Dear Sirs

**PART A –SURRENDER OF DOCUMENTS OF TITLE**

**ALL CADIZ SHAREHOLDERS WHO RETURN THIS FORM MUST PLEASE COMPLETE PART A**

Cadiz Shareholders who wish to anticipate the Scheme becoming unconditional in accordance with its terms, becoming operative and expedite settlement of the Scheme Consideration should complete Part A and return this form to the Transfer Secretaries by no later than 12:00 on the Scheme Record Date.

Surname or Name of corporate body \_\_\_\_\_

First names (in full) \_\_\_\_\_

Title \_\_\_\_\_

Address (see Part C or Part D (as applicable) below) \_\_\_\_\_

Postal code \_\_\_\_\_

Country \_\_\_\_\_

Telephone: (Work) (    ) \_\_\_\_\_

Telephone: (Home) (    ) \_\_\_\_\_

Cellphone number \_\_\_\_\_

Email address \_\_\_\_\_

Fax number (    ) \_\_\_\_\_

**Please note:**

In order to comply with the requirements of FICA, the Transfer Secretaries will be unable to record any change of address mandated unless the following documentation is received from the relevant Cadiz Shareholder:

- an original certified copy of your identity document;
- an original certified copy of a document issued by the South African Revenue Services to verify your tax number (if you do not have a tax number, please confirm this in writing and have the letter signed by a Commissioner of Oaths); and
- an original or an original certified copy of a service bill to verify your physical address.

I/We hereby surrender the Cadiz share certificate(s) and/or other Document(s) of Title attached hereto, representing Scheme Shares, registered in the name of the person mentioned below and authorise the Transfer Secretaries, conditional upon the Scheme being implemented, to register the transfer of these Scheme Shares into the name of Bidco or its nominee(s):

**Share certificate(s) and/or other Document(s) of Title to be surrendered (as enclosed)**

Name of registered holder (separate form for each holder)	Certificate number(s) (in numerical order)	Number of Cadiz Shares covered by each certificate(s) enclosed
<b>Total</b>		

Signature of Cadiz Shareholder	<b>Stamp and address of agent lodging this Form of Election, Surrender and Transfer (if any)</b>
Assisted by me (if applicable)	
State full name and capacity	
Date	
Telephone number (Home) (    )	
Telephone number (Work) (    )	
Cellphone number	

Signatories may be called upon for evidence of their authority or capacity to sign this form.

**PART B**

**1. To be completed only by Cadiz Shareholders who are emigrants from the Common Monetary Area**

The Scheme Consideration will be forwarded to the authorised dealer nominated below for its control and credited to the emigrant's blocked account. Accordingly, a non-resident who is an emigrant from South Africa must provide the following information:

Name and address of authorised dealer in South Africa or substitute instruction  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 Account number  
 \_\_\_\_\_

**2. To be completed only by all other non-resident Cadiz Shareholders who wish to provide a substitute address**

The Scheme Consideration will be posted to the registered address of the non-resident concerned, unless written instructions to the contrary are received and a substitute address provided below:

Substitute address  
 \_\_\_\_\_

**3. If no nomination is made in terms of 1 above, the Scheme Consideration will be held in trust by Cadiz.**

**PART C – SETTLEMENT OF THE STELLAR SCHEME CONSIDERATION SHARES**

**THIS PART C SHOULD BE COMPLETED BY CADIZ SHAREHOLDERS WHO ELECT TO RECEIVE THE STELLAR SCHEME CONSIDERATION SHARES (AS DETAILED IN PARAGRAPH 4 OF THIS CIRCULAR)**

All Cadiz Shareholders (save for Dissenting Shareholders who have given notice in terms of sections 164(5) to 164(8) of the Companies Act and who do not withdraw their respective demands or allow any offers by the Company to them in terms of section 164(11) of the Companies Act to lapse) who wish to receive the **Stellar Scheme Consideration Shares** (as detailed in paragraph 4 of this Circular) should kindly complete the section below, dealing with the settlement of the Stellar Scheme Consideration Shares, in the event that the Cadiz Shareholder becomes entitled to the Stellar Scheme Consideration Shares (as applicable) as a result of the Scheme becoming operative.

1.  Please tick this box **if you have an account with a broker or CSDP** and wish such account to be credited with the **Stellar Scheme Consideration Shares**, and insert the details of such account below:

Name of account holder: \_\_\_\_\_  
 Name of broker: \_\_\_\_\_  
 Name of CSDP: \_\_\_\_\_  
 Account number of broker: \_\_\_\_\_  
 Account number of CSDP: \_\_\_\_\_  
 Telephone number of broker/CSDP: \_\_\_\_\_  
 SCA number of broker/CSDP: \_\_\_\_\_

**Please note:** The account details provided above must be verified by your broker or CSDP, and proof of such verification must accompany this Form of Election, Surrender and Transfer. Should the account details provided by you above be incorrect or incomplete, it will not be possible to credit such account with the Stellar Scheme Consideration Shares, in which case you will be issued with a statement of allocation, confirming the number of Stellar Scheme Consideration Shares due to you. The statement of allocation will be sent to you, at your risk, at the address provided by you in **Part A** above.

2.  Please tick this box **if you do NOT have an account with a broker or CSDP**, but wish to receive the Stellar Scheme Consideration Shares in Dematerialised form and not in certificated form. It will be necessary for you to appoint a broker or CSDP before the Stellar Scheme Consideration Shares can be credited to your broker or CSDP account. In the meantime, you will be issued with a statement of allocation, confirming the number of Stellar Scheme Consideration Shares due to you. The statement of allocation will be sent to you, at your risk, at the address provided by you in **Part A** above.
3.  Please tick this box **if you do NOT wish to receive the Stellar Scheme Consideration Shares in Dematerialised form** and instead wish to "withdraw" the Dematerialised Stellar Scheme Consideration Shares due to you and replace these with a physical Document of Title (share certificate). The Document of Title (share certificate) for the Stellar Scheme Consideration Shares will be sent you, at your risk, at the address provided by you in **Part A** above.

**PART D – SETTLEMENT OF THE BIDCO SCHEME CONSIDERATION SHARES**

**THIS PART D SHOULD BE COMPLETED BY CADIZ SHAREHOLDERS WHO ELECT TO RECEIVE THE BIDCO SCHEME CONSIDERATION SHARES (AS DETAILED IN PARAGRAPH 4 OF THIS CIRCULAR)**

All Cadiz Shareholders (save for Dissenting Shareholders who have given notice in terms of sections 164(5) to 164(8) of the Companies Act and who do not withdraw their respective demands or allow any offers by the Company to them in terms of section 164(11) of the Companies Act to lapse) who wish to receive the **Bidco Scheme Consideration Shares** (as detailed in paragraph 4 of this Circular) should kindly complete the section below, dealing with the settlement of the Bidco Scheme Consideration Shares, in the event that the Cadiz Shareholder becomes entitled to the Bidco Scheme Consideration Shares (as applicable) as a result of the Scheme becoming operative.

**The Bidco Scheme Consideration Shares, if elected, will be issued only in Certificated form. The share certificates in respect of the Bidco Scheme Consideration Shares will be issued by Stellar.**

Surname \_\_\_\_\_  
 First names (in full) \_\_\_\_\_  
 Title (Mr, Mrs, Miss, Ms, etc) \_\_\_\_\_

Address to which the share certificate in respect of the Bidco Scheme Consideration Shares should be sent by Stellar (if different from registered address):

Postal code \_\_\_\_\_ Country \_\_\_\_\_  
 Telephone: (Work) ( \_\_\_\_\_ ) Telephone: (Home) ( \_\_\_\_\_ )  
 Cellphone number \_\_\_\_\_  
 Email address \_\_\_\_\_  
 Fax number ( \_\_\_\_\_ ) \_\_\_\_\_

In terms of FICA, Stellar and/or the Transfer Secretaries will be unable to record any change of address mandated unless the following documentation is received from the relevant Cadiz Shareholder:

- an original certified copy of your identity document;
- an original certified copy of a document issued by the South African Revenue Services to verify your tax number (if you are unable to provide same, please submit a statement to this effect in writing, signed by a Commissioner of Oaths); and
- an original or an original certified copy of a service bill to verify your residential address.

**TO BE COMPLETED IN BLOCK CAPITALS BY ALL CERTIFICATED CADIZ SHAREHOLDERS WHO RETURN THIS FORM**

I/We hereby surrender and enclose the share certificates, certified transfer deeds and/or other Documents of Title, details in respect of which are set out in the table below, in respect of my/our holding of Certificated Cadiz Shares:

Name of registered holder (separate form for each holder)	Certificate number(s) (in numerical order)	Number of Cadiz Shares covered by each certificate(s) enclosed
<b>Total</b>		

Signature of Cadiz Shareholders	Stamp and address of agent lodging this General Offer Form (if applicable)
Date of signature	

I/We hereby certify that:

- I/We own the shares issued by Cadiz as detailed in the table set out above at the end of Part D (defined for purposes of this Part D as the "Cadiz Shares");
- the Cadiz Shares are fully paid-up;
- the Cadiz Shares are in registered form;
- I/We am/are the legal owner solely entitled to the Cadiz Shares and have the power to dispose of the Cadiz Shares;

- there are no pre-emption right nor any other right by virtue of which any person or entity may be entitled to demand that one or more of the Cadiz Shares be transferred to him;
- none of the Cadiz Shares are encumbered with any pledge or usufruct, there are no right to acquire any pledge or usufruct of the Cadiz Shares and none of the Cadiz Shares are subject of any attachment; and
- the Cadiz Shares are freely transferable.

**Notes:**

1. If this Form of Election, Surrender and Transfer is returned with the relevant Document(s) of Title, it will be treated as a conditional surrender which is made subject to the Scheme becoming unconditional, details of which are set out in this Circular. In the event of the Scheme not becoming unconditional for any reason whatsoever, the Transfer Secretaries will, by no later than five Business Days after the date upon which it becomes known that the Scheme will not be operative, return the Documents of Title to the Cadiz Shareholders concerned, by registered post, at the risk of such Cadiz Shareholders.
2. Emigrants from the Common Monetary Area must complete Part B.
3. All other non-residents of the Common Monetary Area must complete Part B if they wish the Stellar Scheme Consideration Shares or Bidco Scheme Consideration Shares (as applicable) to be sent to an address other than their address in the Register.
4. If Part B is not properly completed, the Stellar Scheme Consideration Shares or Bidco Scheme Consideration Shares (as applicable) (in the case of emigrants) will be held in trust by Cadiz pending receipt of the necessary nomination or instruction.
5. The Stellar Scheme Consideration Shares or Bidco Scheme Consideration Shares (as applicable) will not be sent to Cadiz Shareholders recorded in the Register on the Scheme Record Date unless and until Documents of Title in respect of the relevant Cadiz Shares have been surrendered to the Transfer Secretaries.
6. If a Cadiz Shareholder produces evidence to the satisfaction of Cadiz and Stellar that Documents of Title in respect of Cadiz Shares have been lost or destroyed, Cadiz may waive the surrender of such Documents of Title against delivery of a duly executed indemnity in a form and on terms and conditions approved by Cadiz and Stellar, or may in their discretion waive such indemnity.
7. If this Form of Election, Surrender and Transfer is not signed by the Cadiz Shareholder, the Cadiz Shareholder will be deemed to have irrevocably appointed the Transfer Secretaries to implement that Cadiz Shareholder's obligations under the Scheme on his/her behalf.
8. Persons who have acquired Cadiz Shares after the date of posting of the Circular to which this Form of Election, Surrender and Transfer is attached, can obtain copies of the Form of Election, Surrender and Transfer and the Circular from the Transfer Secretaries at 70 Marshall Street, Johannesburg, 2001 (PO Box 61763, Marshalltown, 2107).
9. No receipts will be issued for documents lodged, unless specifically requested. Signatories may be called upon for evidence of their authority or capacity to sign this form.
10. Any alteration to this Form of Election, Surrender and Transfer must be signed in full and should not be merely initialled.
11. If this Form of Election, Surrender and Transfer is signed under a power of attorney, then such power of attorney, or a notarially certified copy hereof, must be sent with this form for noting (unless it has already been noted by Cadiz).
12. Where the Cadiz Shareholder is a company or a close corporation, unless it has already been registered with Cadiz, a certified copy of the directors' or members' resolution authorising the signing of this Form of Election, Surrender and Transfer must be submitted if so requested by Cadiz.
13. Where Cadiz Shares are held jointly, all joint holders are required to sign this Form of Election, Surrender and Transfer.





**Cadiz Holdings Limited**  
(Incorporated in the Republic of South Africa)  
(Registration number 1997/007258/06)  
Share code: CDZ ISIN: ZAE000017661

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## **GENERAL OFFER FORM: FORM OF ACCEPTANCE, SURRENDER AND TRANSFER (FOR USE BY CERTIFICATED CADIZ SHAREHOLDERS ONLY)**

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Where appropriate and applicable the terms defined in the Circular to which this General Offer Form is attached and forms part of shall bear the same meaning in this General Offer Form.

**This document is important and applies to shareholders of Cadiz electing to accept the General Offer.**

If you are in any doubt about how to complete this General Offer Form, please consult your professional adviser immediately.

To: **Computershare Investor Services Proprietary Limited**  
70 Marshall Street  
Johannesburg, 2001  
(PO Box 61763, Marshalltown, 2107)

**Notes:**

1. This General Offer Form is only to be considered by Cadiz Shareholders should the Scheme fail and Stellar elects to make the General Offer.
2. A separate form is required for each Certificated Cadiz Shareholder.
3. Part A must be completed by all Certificated Cadiz Shareholders who wish to accept the General Offer.
4. Part B must be completed by all Certificated Cadiz Shareholders who wish to accept the General Offer and who are emigrants from the Common Monetary Area and whose Cadiz Shares have not been released.
5. Part C must be completed by all Certificated Cadiz Shareholders who wish to accept the General Offer and who are non-residents of the Common Monetary Area or who are emigrants from the Common Monetary Area whose Cadiz Shares have been released and wish for the General Offer Consideration to be paid to an Authorised Dealer.
6. Part D must be completed by all Cadiz Shareholders who wish to accept the General Offer.
7. No receipts will be issued for Documents of Title lodged unless specifically requested. Lodging agents are requested to prepare special transaction receipts, if required.

Dear Sirs

I/We hereby accept the General Offer and surrender and enclose the share certificates, certified transfer deeds and/or other Documents of Title, in respect of my/our holding of Cadiz Shares, as per my/our instructions contained herein:

**PART A – TO BE COMPLETED IN BLOCK CAPITALS BY ALL CERTIFICATED CADIZ SHAREHOLDERS WHO RETURN THIS FORM**

I/We hereby accept the General Offer in respect of  Certificated Cadiz Shares.

Surname

First names (in full)

Title (Mr, Mrs, Miss, Ms, etc)

Address to which the General Offer Consideration, which a Certificated Cadiz Shareholder is entitled to in terms of the General Offer, should be sent (if different from registered address):

Postal code

Country

Telephone: (Work) (    )

Telephone: (Home) (    )

Cellphone number

Email address

Fax number (    )

In terms of FICA, the Transfer Secretaries will be unable to record any change of address mandated unless the following documentation is received from the relevant Cadiz Shareholder:

- an original certified copy of your identity document;
- an original certified copy of a document issued by the South African Revenue Services to verify your tax number (if you are unable to provide same, please submit a statement to this effect in writing, signed by a Commissioner of Oaths); and
- an original or an original certified copy of a service bill to verify your residential address.

The General Offer Consideration will be settled on the first Business Day following the General Offer Closing Date, provided that the General Offer Form and relevant Documents of Title were received by the Transfer Secretaries. No settlement will be made for acceptances made after 12:00 on the General Offer Closing Date.

I/We hereby surrender and enclose the share certificates, certified transfer deeds and/or other Documents of Title, details in respect of which are set out in the table below, in respect of my/our holding of Certificated Cadiz Shares:

<b>Name of registered holder (separate form for each holder)</b>	<b>Certificate number(s) (in numerical order)</b>	<b>Number of Cadiz Shares covered by each certificate(s) enclosed</b>
<b>Total</b>		

Signature of Cadiz Shareholders	Stamp and address of agent lodging this General Offer Form (if applicable)
Date of signature	

I/We hereby certify that:

- I/We own the shares issued by Cadiz as detailed in the table set out above at the end of Part A (defined for purposes of this Part B as the “**Cadiz Shares**”);
- the Cadiz Shares are fully paid-up;
- the Cadiz Shares are in registered form;
- I/We am/are the legal owner solely entitled to the Cadiz Shares and have the power to dispose of the Cadiz Shares;
- there are no pre-emption right nor any other right by virtue of which any person or entity may be entitled to demand that one or more of the Cadiz Shares be transferred to him;
- none of the Cadiz Shares are encumbered with any pledge or usufruct, there are no right to acquire any pledge or usufruct of the Cadiz Shares and none of the Cadiz Shares are subject of any attachment; and
- the Cadiz Shares are freely transferable.

**PART B – TO BE COMPLETED IN BLOCK CAPITALS BY ALL CERTIFICATED CADIZ SHAREHOLDERS WHO ARE EMIGRANTS FROM THE COMMON MONETARY AREA AND WHOSE SHARES HAVE NOT BEEN RELEASED**

The General Offer Consideration due to Certificated Cadiz Shareholders who are emigrants from the Common Monetary Area and whose Cadiz Shares have not been released will be forwarded to the Authorised Dealer controlling his blocked assets and credited to the emigrant’s blocked account. Accordingly, a non-resident who is an emigrant from the Common Monetary Area must provide the following information:

\_\_\_\_\_  
Name of Authorised Dealer in South Africa:

\_\_\_\_\_  
Address:

\_\_\_\_\_  
Account number:

If no nomination is made above, the Offer Consideration will be held in trust by Cadiz until a written instruction is received as to the disposal of such amount.

**PART C – TO BE COMPLETED IN BLOCK CAPITALS BY CERTIFICATED CADIZ SHAREHOLDERS WHO ARE NON-RESIDENTS OF THE COMMON MONETARY AREA OR EMIGRANTS FROM THE COMMON MONETARY AREA WHOSE SHARES HAVE BEEN RELEASED AND WHO WISH TO HAVE THE GENERAL OFER CONSIDERATION PAID TO AN AUTHORISED DEALER**

The General Offer Consideration due to Certificated Cadiz Shareholders who have registered addresses outside South Africa (other than Certificated Cadiz Shareholders who are emigrants from the Common Monetary Area and whose Cadiz Shares have not been released) and whose share certificates are endorsed “non-resident” will be posted to the relevant Certificated Cadiz Shareholder, unless that Certificated Cadiz Shareholder nominates an Authorised Dealer to which such General Offer Consideration should be paid.

\_\_\_\_\_  
Name of Authorised Dealer in South Africa or alternative instructions:

\_\_\_\_\_  
Address:

\_\_\_\_\_  
Account number:

**Notes:**

1. Any alteration to this General Offer Form must be signed in full and not merely initialled.
2. Emigrants from the Common Monetary Area must, in addition to Part A, also complete Part C. If Part C is not properly completed, the General Offer Consideration will be held in trust by the Company or the Transfer Secretaries until claimed for a maximum period of five years, after which period such funds shall be made over to the Guardians Fund of the High Court. No interest will accrue or be paid on any General Offer Consideration so held in trust.
3. All other non-residents of the Common Monetary Area must complete Part D if they wish the General Offer Consideration to be settled through an Authorised Dealer in South Africa.
4. No receipt will be issued for documents lodged, unless specifically requested. Persons requiring receipts must prepare a receipt and forward it together with their Documents of Title surrendered.
5. If this General Offer Form is signed under a power of attorney, then such power of attorney, or a notarially certified copy thereof, must be sent with this General Offer Form (unless it has already been noted by the Company or its Transfer Secretaries).
6. Where the Certificated Cadiz Shareholder is a company, close corporation or other juristic person, unless it has already been registered with the Company or its Transfer Secretaries, a certified copy of the directors’ or members’ or other resolution authorising the signing of this General Offer Form must be submitted with this General Offer Form, unless this requirement is waived by Cadiz.
7. Note 7 above does not apply in the case of a form bearing a JSE broker’s stamp.

8. A minor must be assisted by his parent or guardian, unless the relevant documents establishing his legal capacity are produced or have been registered by the Company or the Transfer Secretaries.
9. Where there are joint holders of any Cadiz Shares, only that holder whose name stands first in the Register in respect of those Cadiz Shares need to sign this General Offer Form.
10. Persons who have acquired Cadiz Shares after the date of issue of the Circular can obtain copies of the Circular (including this General Offer Form) from the Transfer Secretaries.
11. Notwithstanding transfer of ownership, the General Offer Consideration will not be sent to Certificated Cadiz Shareholders unless and until Document/s of Title in respect of the relevant Cadiz Shares have been surrendered to the Company or the Transfer Secretaries.

## **PART D – SETTLEMENT OF THE GENERAL OFFER CONSIDERATION**

### **THIS PART D SHOULD BE COMPLETED BY CADIZ SHAREHOLDERS WHO WISH TO ACCEPT THE GENERAL OFFER**

All Cadiz Shareholders who wish to accept the General Offer should kindly complete the section below, dealing with the settlement of the General Offer Consideration, in the event that the Scheme fails and Stellar elects to make the General Offer.

1.  Please tick this box **if you have an account with a broker or CSDP** and wish such account to be credited with the General Offer Consideration, and insert the details of such account below:

Name of account holder:

Name of broker:

Name of CSDP:

Account number of broker:

Account number of CSDP:

Telephone number of broker/CSDP:

SCA number of broker/CSDP:

**Please note:** The account details provided above must be verified by your broker or CSDP, and proof of such verification must accompany this General Offer Form. Should the account details provided by you above be incorrect or incomplete, it will not be possible to credit such account with the General Offer Consideration, in which case you will be issued with a statement of allocation, confirming the number of Stellar Shares in respect of the General Offer Consideration due to you. The statement of allocation will be sent to you, at your risk, at the address provided by you in **Part A** above.

2.  Please tick this box **if you do not have an account with a broker or CSDP**, but wish to receive the General Offer Consideration in Dematerialised form and not in certificated form. It will be necessary for you to appoint a broker or CSDP before the General Offer Consideration can be credited to your broker or CSDP account. In the meantime, you will be issued with a statement of allocation, confirming the number of Stellar Shares in respect of the General Offer Consideration due to you. The statement of allocation will be sent to you, at your risk, at the address provided by you in **Part A** above.

3.  Please tick this box **if you do NOT wish to receive the General Offer Consideration in Dematerialised form** and instead wish to “withdraw” the Dematerialised General Offer Consideration due to you and replace these with a physical Document of Title (share certificate). The Document of Title (share certificate) for the General Offer Consideration will be sent to you, at your risk, at the address provided by you in **Part A** above.



**Cadiz Holdings Limited**  
(Incorporated in the Republic of South Africa)  
(Registration number 1997/007258/06)  
Share code: CDZ ISIN: ZAE000017661

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## APPLICATION FOR ELECTRONIC PARTICIPATION AT THE CADIZ GENERAL MEETING

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Where appropriate and applicable the terms defined in the Circular to which this application for electronic participation form is attached and forms part of shall bear the same meaning in this application form.

### Instructions

Cadiz Shareholders, or their proxies, will be given the right, as authorised in the MOI and provided for in the Companies Act, to participate by way of electronic communication in the Cadiz General Meeting. Cadiz Shareholders or their duly appointed proxies who wish to participate by way of electronic communication must apply to the Company Secretary, Mr C Schmahl, by completing this application form and by delivering it to the Company Secretary at 4th Floor, The Terraces, 25 Protea Road, Claremont, 7708 (PO Box 44547, Claremont, 7735) as soon as possible but in any event, by no later than 14:00 on Friday, 25 September 2015.

### Please note

Cadiz Shareholders, or their proxies, may not vote electronically and must use the proxy form attached for this purpose if they wish to have their vote counted and are not able to attend the Cadiz General Meeting in person and vote in person.

By no later than 17:00 on Monday, 28 September 2015, Cadiz Shareholders or their duly appointed proxies will be advised by email, telephone call or text message of the relevant telephone number and access code to allow them to dial in and participate electronically in the Cadiz General Meeting.

The Company will bear the cost of establishing the electronic communication whilst the cost of the Cadiz Shareholder (or its proxy) dialling in will be for its own account.

By signature of this form, the Cadiz Shareholder or its proxy indemnifies and holds Cadiz harmless against any loss, injury, damage, penalty or claim arising in any way from the use of the telecommunication lines to participate in the Cadiz General Meeting or any interruption in the ability of the Cadiz Shareholder or proxy to participate in the Cadiz General Meeting via electronic communication, whether or not the problem is caused by any act or omission on the part of the Cadiz Shareholder, proxy or anyone else, including without limitation Cadiz and its employees.

### Information required for participation by electronic communication at the Cadiz General Meeting

Full names of Cadiz Shareholder or authorised representative (for company or other legal entity):

Identity number or registration number of individual/entity:

Email address:

Cellphone number:

Telephone number including dialling codes:

### Documents required to be attached to this application form

1. In order to participate at the Cadiz General Meeting, Cadiz Shareholders are to appoint a proxy, which proxy may only participate at such Cadiz General Meeting provided that a duly completed proxy form has been submitted in accordance with the instructions on that form, and as envisaged in the notice of the Cadiz General Meeting, a copy of which proxy form is also to be attached to this application.
2. Documentary evidence establishing the authority of the named person, including any person acting in a representative capacity, who is to participate in the Cadiz General Meeting, must be attached to this application.
3. A certified copy of the valid identity document/passport/driver's licence of the person attending the Cadiz General Meeting by electronic participation, including any person acting in a representative capacity, must be attached to this application.

Signed at \_\_\_\_\_ on \_\_\_\_\_ 2015

Signature: \_\_\_\_\_

Assisted by (where applicable): \_\_\_\_\_

Applications to participate by electronic communication will only be considered if this form is completed in full, signed by the Cadiz Shareholder, proxy or representative and delivered to the Company Secretary as aforesaid. Cadiz may in its sole discretion accept any incomplete forms.

