

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions (i.e. denoted by words with a capitalised first letter) and interpretations commencing on page 10 apply to this cover page.

ACTIONS REQUIRED BY SHAREHOLDERS:

1. If you are in any doubt as to what actions to take in relation to this Circular, consult your CSDP, Broker, banker, attorney, accountant or other professional advisor immediately.
2. If you have disposed of all your Shares, forward this Circular to the purchaser of such Shares or to the CSDP, Broker, banker or other agent through whom the disposal was effected.
3. Shareholders are referred to page 2 of this Circular, which sets out the actions required by them.

Trencor does not accept responsibility, and will not be held liable for any action of, or omission by, any CSDP or Broker including, without limitation, any failure on the part of the CSDP or Broker of any Shareholder to notify such Shareholder of the General Meeting, notice of which is contained in and forms part of this Circular.



TRENCOR LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1955/002869/06)

Share code: TRE ISIN: ZAE000007506

("Trencor" or the "Company")

CIRCULAR TO SHAREHOLDERS

relating to

- an Odd-lot Offer to Shareholders holding fewer than 100 Shares in the share capital of Trencor;
- a Specific Offer to repurchase Shares from Shareholders holding 100 Shares or more but equal to or fewer than 635 Shares;
- a specific authority for Trencor to repurchase its own Shares for purposes of implementing the Offers; and
- the approval of the Unbundling, in terms of which Trencor will distribute the Unbundling Shares to Shareholders by way of a distribution *in specie* in terms of section 46(1) of the Companies Act, which will constitute the disposal of the greater part of the assets or undertaking of Trencor in terms of section 112 of the Companies Act and therefore requires the approval of the Shareholders by way of a special resolution in compliance with the provisions of section 115 of the Companies Act. The Unbundling Shares will be distributed to Shareholders in accordance with the Entitlement Ratio;

and incorporating

- a report prepared by an Independent Expert on the Unbundling;
- a report prepared by the Independent Reporting Accountant on compilation of the *pro forma* financial information of Trencor for the financial year ended 31 December 2018;
- extracts of sections 115 and 164 of the Companies Act;
- a Notice convening a General Meeting;
- a Form of Proxy for purposes of the General Meeting (for use by Certificated Shareholders and Dematerialised Shareholders who have selected Own-name Registration only) (grey);
- a Form of Election and Surrender for the Odd-lot Offer (for use by Certificated Shareholders only) (blue); and
- a Form of Election and Surrender for the Specific Offer (for use by Certificated Shareholders only) (pink); and
- Forms of Declarations and Undertakings in terms of section 64FA of the Income Tax Act for Dividends Tax Purposes.

Financial Advisor and Transaction Sponsor



Independent Expert



Legal and Tax Advisor



Date of issue: Wednesday, 18 September 2019

This Circular is available in English only. Copies may be obtained during normal business hours from the registered office of Trencor, whose address is set out in the "Corporate Information" section of this Circular from Wednesday, 18 September 2019 until Friday, 18 October 2019 (both days inclusive). Furthermore, this Circular is available on Trencor's website (www.trencor.net).

CORPORATE INFORMATION

Directors

DM Nurek (Chairperson)*#
JE McQueen*
E Oblowitz*#
RA Sieni (Financial)
RJA Sparks*#
HR van der Merwe (Chief Executive Officer)
H Wessels*#

* non-executive

independent

Date and Place of Incorporation

28 September 1955
Republic of South Africa

Secretaries

Trencor Services Proprietary Limited
(Registration number 1967/004868/07)

Company Registered and Postal Address

13th Floor
The Towers South
Heerengracht
Cape Town 8001

Transfer Secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Rosebank Towers
15 Biermann Avenue
Rosebank 2196
(PO Box 61051, Marshalltown 2107)

Financial Advisor and Transaction Sponsor

Investec Bank Limited
(Registration number 1969/004763/06)
100 Grayston Drive
Sandown
Sandton 2196
(PO Box 765700, Sandton 2146)

Legal and Tax Advisor

Edward Nathan Sonnenbergs Inc.
(Registration number 2006/018200/21)
1 North Wharf Square
Loop Street
Foreshore
Cape Town 8001
(PO Box 2293, Cape Town 8000)

Independent Expert

BDO Corporate Finance Proprietary Limited
(Registration number 1983/002903/07)
Wanderers Office Park
52 Corlett Drive
Illovo 2196
(Private Bag X60500, Houghton 2041)

Independent Reporting Accountant

KPMG Inc.
(Registration number 1999/021543/21)
The Halyard
4 Christiaan Barnard Street
Cape Town City Centre 8000
(PO Box 4609, Cape Town 8000)

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Form of Election and Surrender for the Specific Offer (for use by Certificated Shareholders only) (<i>pink</i>)	Enclosed
Forms of Declarations and Undertakings in terms of section 64FA of the Income Tax Act for Dividends Tax Purposes	Enclosed

ACTIONS REQUIRED BY SHAREHOLDERS

The definitions (i.e. denoted by words with a capitalised first letter) and interpretations commencing on page 10 apply to this “Actions required by Shareholders” section.

This Circular is important and requires your immediate attention. Take careful note of the following provisions regarding the actions required by Shareholders. If you are in any doubt as to what actions to take, consult your CSDP, Broker, banker, attorney, accountant or other professional advisor immediately.

If you have disposed of all of your Shares, forward this Circular to the purchaser of such Shares or to the CSDP, Broker, banker, attorney or other agent through whom the disposal was effected.

This Circular is not intended to, and does not constitute, or form part of, an offer to sell or an invitation to purchase or subscribe for any securities or a solicitation of any vote or approval in any jurisdiction other than South Africa. This Circular does not constitute a prospectus or a prospectus equivalent document. Shareholders are advised to read this Circular with care. Any decision to approve the Unbundling or any other response to the proposals set out herein should be made only on the basis of the information in this Circular.

If you are in any doubt as to your position, including, without limitation, your tax status, consult your appropriate independent professional advisor in the relevant jurisdiction without delay.

The General Meeting will be held at Trencor, 13th Floor, The Towers South, Heerengracht, Cape Town on Friday, 18 October 2019 at 14:00. At the General Meeting, Shareholders will be requested to consider and, if deemed fit, to pass, with or without modification, the resolutions set out in the Notice of a General Meeting attached to this Circular.

ACTION REQUIRED BY SHAREHOLDERS REGARDING THE GENERAL MEETING

I. DEMATERIALISED SHAREHOLDERS WHO ARE NOT OWN-NAME DEMATERIALISED SHAREHOLDERS

I.1 Voting at the General Meeting

- I.1.1 Your Broker or CSDP should contact you to ascertain how you wish to cast your vote at the General Meeting and should thereafter cast your vote in accordance with your instructions.
- I.1.2 If your Broker or CSDP has not contacted you, it is advisable for you to contact your Broker or CSDP and furnish it with your voting instructions.
- I.1.3 If your Broker or CSDP does not obtain voting instructions from you, it will be obliged to vote in accordance with the instructions contained in the custody agreement concluded between you and your Broker or CSDP.
- I.1.4 **You must not complete the attached Form of Proxy** (grey).

I.2 Attendance and representation at the General Meeting

- I.2.1 In accordance with the custody agreement between you and your CSDP or Broker, you must advise your CSDP or Broker if you wish to:
 - I.2.1.1 attend, speak and vote at the General Meeting; or
 - I.2.1.2 send a proxy to represent you at the General Meeting.
- I.2.2 Your CSDP or Broker should then issue the necessary letter of representation to you for you or your proxy to attend, speak and vote at the General Meeting.

2. **CERTIFICATED SHAREHOLDERS AND DEMATERIALIZED SHAREHOLDERS WHO ARE OWN-NAME DEMATERIALIZED SHAREHOLDERS**

2.1 **Voting and attendance at the General Meeting**

- 2.1.1 You may attend the General Meeting in person and may vote at the General Meeting.
- 2.1.2 Alternatively, you may appoint a proxy to represent you at the General Meeting by completing the attached Form of Proxy (grey) in accordance with the instructions contained therein and lodging it or posting it to the Transfer Secretaries, to be received by them, for administrative purposes, by no later than 14:00 on Thursday, 17 October 2019 or thereafter by handing such form to the chairperson of the General Meeting or the Transfer Secretaries at the General Meeting, at any time before the proxy exercises any rights of the Shareholder at such General Meeting.

Transfer Secretaries

Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank
Johannesburg 2196
(PO Box 61051, Marshalltown 2107)

ACTION REQUIRED BY SHAREHOLDERS REGARDING THE ODD-LOT OFFER AND SPECIFIC OFFER

If you hold fewer than 100 Shares as at the close of business on Friday, 8 November 2019, you are an Odd-lot Holder. If you hold 100 Shares or more but equal to or fewer than 635 Shares as at the close of business on Friday, 8 November 2019, you are a Specific Holder.

If you are an Odd-lot Holder you must elect to either:

- accept the Odd-lot Offer and sell your entire Odd-lot Holding to Trenchor, at the Offer Price; or
- retain your entire Odd-lot Holding.

Odd-lot Holders who do not make an election by completing the attached Form of Election and Surrender for the Odd-lot Offer (*blue*) (and marking the acceptance block with an 'X') and returning it to the Transfer Secretaries to be received by no later than 12:00 on Friday, 8 November 2019, will in terms of the MOI and Listings Requirements be regarded as having accepted the Odd-lot Offer and as having elected to sell their Odd-lot Holding to Trenchor, at the Offer Price.

If you are a Specific Holder you must elect to either:

- accept the Specific Offer and sell your entire Specific Holding to Trenchor, at the Offer Price; or
- retain your entire Specific Holding.

The shareholding in Trenchor of Specific Holders who do not make an election to sell their entire Specific Holding will remain unchanged.

Odd-lot Holders and Specific Holders should note that the Offers open on Tuesday, 22 October 2019 but that the respective Offers remain conditional on the approval of the respective Offer Resolutions, which will be considered, and if deemed fit, approved at the General Meeting to be held on Friday, 18 October 2019 and on the fulfilment of the condition precedent referred to in paragraph 3.6.2.

1. IF YOU ARE A CERTIFICATED ODD-LOT HOLDER OR SPECIFIC HOLDER

1.1 Certificated Odd-lot Holder

- 1.1.1 You must complete the Form of Election and Surrender for the Odd-lot Offer (*blue*) and elect to either sell or retain your entire Odd-lot Holding.
- 1.1.2 If you elect to retain your entire Odd-lot Holding you must complete the Form of Election and Surrender for the Odd-lot Offer (*blue*) and return it to the Transfer Secretaries at the address set out in that form to be received by no later than 12:00 on Friday, 8 November 2019. If the Transfer Secretaries do not receive your completed Form of Election and Surrender for the Odd-lot Offer (*grey*) by Friday, 8 November 2019, you will be automatically regarded as having accepted the Odd-lot Offer and elected to sell your entire Odd-lot Holding to Trenchor, at the Offer Price.

1.2 Certificated Specific Holder

- 1.2.1 You may elect to sell your entire Specific Holding to Trenchor by completing the Form of Election and Surrender for the Specific Offer (*pink*) and returning it to the Transfer Secretaries at the address set out in that form to be received by no later than 12:00 on Friday, 8 November 2019.
- 1.3 If any Documents of Title of Certificated Odd-lot Holders or Specific Holders have been lost or destroyed and the Odd-lot Holder or Specific Holder concerned produces evidence to this effect to the satisfaction of the Transfer Secretaries and Trenchor, then the Transfer Secretaries, subject to obtaining Trenchor's consent, may dispense with the surrender of such existing Documents of Title against provision of an acceptable indemnity.

2. IF YOU ARE A DEMATERIALIZED ODD-LOT HOLDER OR SPECIFIC HOLDER WITH OR WITHOUT "OWN NAME" REGISTRATION

- 2.1 Your CSDP or Broker is obliged to contact you in the manner stipulated in the agreement concluded between you and your CSDP or Broker to ascertain what election you wish to make in respect of an applicable Offer and thereafter to advise the Transfer Secretaries of such election.
- 2.2 If you have not been contacted, you should contact your CSDP or Broker and furnish it with your instructions relating to your election.
- 2.3 If your CSDP or Broker does not obtain instructions from you regarding your election, it will be obliged to act in accordance with the provisions contained in the agreement concluded between you and your CSDP or Broker.
- 2.4 You must NOT complete either the Form of Election and Surrender for the Odd-lot Offer (*blue*) or the Form of Election and Surrender for the Specific Offer (*pink*).

ACTION REQUIRED BY SHAREHOLDERS REGARDING THE UNBUNDLING

1. SHAREHOLDERS' REQUIRED DIVIDENDS TAX DECLARATIONS AND UNDERTAKINGS

Shareholders are advised to duly complete and sign the relevant required Form of Declaration and Undertaking (as applicable), attached to this Circular, and submit same to Trenchor before 23:59 on Tuesday, 26 November 2019.

IF YOU ARE THE REGISTERED HOLDER OF THE SHARES BUT NOT THE BENEFICIAL OWNER OR THE DULY AUTHORISED AGENT OF THE BENEFICIAL OWNER, KINDLY PROCURE THAT THE BENEFICIAL OWNER DULY COMPLETES AND SIGNS THE REQUIRED FORM OF DECLARATION AND UNDERTAKING (AS APPLICABLE), ATTACHED TO THIS CIRCULAR, AND SUBMIT SUCH COMPLETED AND SIGNED FORM OF DECLARATION AND UNDERTAKING BY THE BENEFICIAL OWNER TO TRENCHOR BEFORE 23:59 ON TUESDAY, 26 NOVEMBER 2019.

1.1 If you are exempt from Dividends Tax

You must complete Form I of the Forms of Declarations and Undertakings and return such form to Trenchor in the manner set out in that form to be received by no later than 23:59 on Tuesday, 26 November 2019.

1.2 If you are subject to Dividends Tax at a reduced rate

You must complete Form II of the Forms of Declarations and Undertakings and return such form to Trenchor in the manner set out in that form to be received by no later than 23:59 on Tuesday, 26 November 2019.

1.3 If you are not exempt from Dividends Tax and not subject to Dividends Tax at a reduced rate

You must complete Form III of the Forms of Declarations and Undertakings and return such form to Trenchor in the manner set out in that form to be received by no later than 23:59 on Tuesday, 26 November 2019.

2. SHAREHOLDERS' APPRAISAL RIGHTS

Shareholders who wish to exercise their rights in terms of section 164 read with section 115 of the Companies Act, in relation to the Unbundling, are referred to **Annexure 7** of this Circular.

3. TAKEOVER REGULATION PANEL APPROVAL

Shareholders should take note that the TRP does not consider the commercial advantages or disadvantages of an affected transaction as defined in section 117(1)(c)(i) of the Companies Act, such as the Unbundling, when it approves such transactions.

ACTION REQUIRED BY NON-RESIDENT SHAREHOLDERS

1. GENERAL

- 1.1 For purposes of this section, a non-resident Shareholder means any Shareholder that may be subject to the laws of a jurisdiction other than of South Africa.
- 1.2 This Circular has been prepared for the purposes of complying with the laws of South Africa and is subject to applicable laws and regulations, including but not limited to the Companies Act and the Companies Regulations. The information disclosed herein may not be the same as that which would have been disclosed if this Circular had been prepared in accordance with the laws and regulations of any jurisdiction other than South Africa.
- 1.3 The release, publication or distribution of this Circular in jurisdictions other than South Africa may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than South Africa should inform themselves about, and observe, any applicable requirements. Any failure to comply with the applicable requirements may constitute a violation of the securities laws of any such jurisdiction.
- 1.4 It is the responsibility of any non-resident Shareholder (including, without limitation, nominees, agents and trustees for such person) to satisfy itself as to full observance of the applicable laws of any relevant jurisdiction, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories. A non-resident Shareholder is obliged to observe the applicable legal requirements of their relevant jurisdictions.
- 1.5 Any non-resident Shareholder who is in doubt as to their position, including, without limitation, their tax status, should consult an appropriate independent professional advisor in the relevant jurisdiction without delay.

2. **IN RELATION TO THE OFFERS**

- 2.1 The acceptance of an applicable Offer by a non-resident Shareholder may be subject to the laws of such non-resident Shareholder's relevant jurisdiction.
- 2.2 As set out above, it is the responsibility of any non-resident Shareholder (including, without limitation, nominees, agents and trustees for such person) to satisfy itself as to full observance of the applicable laws of any relevant jurisdiction, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories. A non-resident Shareholder is obliged to observe the applicable legal requirements of their relevant jurisdictions.
- 2.3 A non-resident Shareholder who may, for whatever reason, not be entitled to receive the Cash Consideration pursuant to the Odd-lot Offer, should elect to retain their entire Odd-lot Holding by completing the Form of Election and Surrender for the Odd-lot Offer (*blue*) and return it to the Transfer Secretaries at the address set out in that form to be received by no later than 12:00 on Friday, 8 November 2019, or dispose of their entire Odd-lot Holding such that they are no longer reflected as an Odd-lot Holder on the record date for the Offers.
- 2.4 A non-resident Shareholder who may, for whatever reason, not be entitled to receive the Cash Consideration pursuant to the Specific Offer, should not elect to accept the Specific Offer.
- 2.5 Trenchor reserves the right, but shall not be obliged, to treat as invalid any election and acceptance of an Offer, which appears to Trenchor or its advisors or agents to have been executed, effected or dispatched in a manner which may involve a breach of the securities laws or regulations of any jurisdiction or if Trenchor believes or its advisors or agents believe that the same may violate applicable legal or regulatory requirements.

3. **IN RELATION TO THE UNBUNDLING**

- 3.1 The distribution of the Unbundling Shares to a non-resident Shareholder in terms of the Unbundling may be subject to the laws of such non-resident Shareholder's relevant jurisdiction.
- 3.2 As set out above, it is the responsibility of any non-resident Shareholder (including, without limitation, nominees, agents and trustees for such person) to satisfy itself as to full observance of the applicable laws of any relevant jurisdiction, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories. A non-resident Shareholder is obliged to observe the applicable legal requirements of their relevant jurisdictions.
- 3.3 A non-resident Shareholder who is not entitled to receive Unbundling Shares pursuant to the Unbundling should dispose of their Shares such that they are no longer reflected as a holder of Shares on the Unbundling Record Date, or alternatively, to the extent lawful under the applicable laws of the relevant jurisdiction, require the applicable CSDP and/or nominees, agents and trustees for such persons receiving the Unbundling Shares on behalf of the non-resident Shareholder to approach the Transfer Secretaries to dispose of the Unbundling Shares on behalf of and for the benefit of the relevant non-resident Shareholder as soon as is reasonably practical after the implementation of the Unbundling.
- 3.4 Trenchor reserves the right, but shall not be obliged, to treat as invalid any distribution of Unbundling Shares, in terms of the Unbundling, which appears to Trenchor or its advisors or agents to have been executed, effected or dispatched in a manner which may involve a breach of the securities laws or regulations of any jurisdiction or if Trenchor believes or its advisors or agents believe that the same may violate applicable legal or regulatory requirements.

SALIENT DATES AND TIMES

The definitions and interpretations commencing on page 10 apply to these salient dates and times.

Notice record date, being the date on which a Shareholder must be registered in the Register in order to be eligible to receive the Notice of a General Meeting	Friday, 13 September 2019
Circular incorporating the Notice of a General Meeting and Form of Proxy (<i>grey</i>), distributed to Shareholders	Wednesday, 18 September 2019
Announcement of distribution of Circular and notice convening the General Meeting released on SENS	Wednesday, 18 September 2019
Last day to trade Shares in order to be recorded in the Register to vote at the General Meeting (refer to note 6 below)	Tuesday, 8 October 2019
General Meeting record date, being the date on which a Shareholder must be registered in the Register in order to be eligible to attend and participate in the General Meeting and to vote thereat, by close of trade	Friday, 11 October 2019
For administrative reasons, it is recommended that Forms of Proxy in respect of the General Meeting to be lodged at or received via post by the Transfer Secretaries by no later than 14:00	Thursday, 17 October 2019
Form of Proxy (<i>grey</i>) in respect of the General Meeting to be handed to the chairperson of the General Meeting or the Transfer Secretaries at the General Meeting, at any time before the proxy exercises any rights of the Shareholder at the General Meeting	Friday, 18 October 2019
Last date and time for Shareholders to give notice to Trenchor objecting, in terms of section 164(3) of the Companies Act, to the Unbundling Resolution approving the Unbundling for purposes of their appraisal rights by 14:00	Friday, 18 October 2019
General Meeting held at 14:00	Friday, 18 October 2019
Results of the General Meeting published on SENS on or before	Monday, 21 October 2019
If either of, or both of, the Offers are approved by Shareholders:	
Offers announced on SENS	Tuesday, 22 October 2019
Offers open at 09:00	Tuesday, 22 October 2019
Offers' finalisation announcement released on SENS by 11:00	Tuesday, 29 October 2019
Last day to trade Shares in order to be recorded in the Register to participate in the Offers	Tuesday, 5 November 2019
Shares trade "ex" the Offers	Wednesday, 6 November 2019
Forms of Election and Surrender for the Offers (<i>blue and pink</i>) to be received by Computershare by 12:00	Friday, 8 November 2019
Offers close at 12:00	Friday, 8 November 2019
Offers record date, being the date on which an Odd-lot Holder or a Specific Holder, as the case may be, must be registered in the Register in order to be eligible to participate in the Offers, by close of trade	Friday, 8 November 2019
Offers implementation date	Monday, 11 November 2019
Dematerialised Odd-lot Holders and Dematerialised Specific Holders who have accepted the Offers or Odd-lot Holders who are deemed to have accepted the Odd-lot Offer will have their accounts held at their CSDP or Broker credited with the Cash Consideration	Monday, 11 November 2019

Payments of the Cash Consideration to Certificated Odd-lot Holders and Certificated Specific Holders who have accepted the Offers or Odd-lot Holders who are deemed to have accepted the Odd-lot Offer	Monday, 11 November 2019
Results of the Offers released on SENS	Monday, 11 November 2019
Cancellation and termination of listing of Trenchor Shares repurchased in terms of the Offers expected	Thursday, 14 November 2019

If the Unbundling is approved by Shareholders:

Last date on which Shareholders who voted against the Unbundling Resolution may require Trenchor to seek court approval in terms of section 115(3)(a) of the Companies Act, but only if the Unbundling Resolution was opposed by at least 15% of the voting rights exercised thereon	Friday, 25 October 2019
Last date on which Shareholders who voted against the Unbundling Resolution may make application to the court in terms of section 115(3)(b) of the Companies Act	Friday, 1 November 2019
Last date for Trenchor to send objecting Shareholders notice of the adoption of the Unbundling Resolution, in terms of section 164 of the Companies Act	Friday, 1 November 2019
Last day for Shareholders to submit the relevant required Forms of Declarations and Undertakings for purposes of the Board's calculation of Dividends Tax in respect of the Unbundling	Tuesday, 26 November 2019

Assuming that all of the Unbundling Conditions in terms of paragraph 4.5 are fulfilled or waived (as the case may be):¹

Finalisation announcement for the Unbundling to be released on SENS (including Entitlement Ratio, taking into account the results of the Offers and the Retained Shares (if any))	Monday, 2 December 2019
Last day to trade in Shares on the JSE to participate in the Unbundling (refer to note 8 below)	Tuesday, 10 December 2019
Shares trade ex entitlement of Unbundling Shares	Wednesday, 11 December 2019
Inward Listing of Textainer (share code: TXT, ISIN: BMG8766E1093) and abbreviated name "Textainer" on the JSE expected	Wednesday, 11 December 2019
Announcement in respect of the cash value of Fractional Shares by 11:00	Thursday, 12 December 2019
Record date to receive Unbundling Shares	Friday, 13 December 2019
Unbundling Shares distributed to Shareholders	Tuesday, 17 December 2019
Shareholder's account with CSDP or Broker is updated	Tuesday, 17 December 2019
Announcement of value of Unbundling Shares	Tuesday, 17 December 2019

¹ and should no court review or approval be required in terms of section 115(3) of the Companies Act.

Notes:

1. All dates and times indicated above are South African Standard Time.
2. Forms of Proxy must be lodged with or posted to the Transfer Secretaries, at the address set out in this Circular, to be received by them, for administrative purposes, by no later than Thursday, 17 October 2019, at 14:00 or thereafter by handing such form to the chairperson of the General Meeting or the Transfer Secretaries at the General Meeting, at any time before the proxy exercises any rights of the Shareholder at such General Meeting.
3. Those Odd-lot Holders who do not make an election will automatically be regarded as having elected and accepted the Odd-lot Offer.
4. Dematerialised Odd-lot Holders and Specific Holders are requested to notify their duly appointed CSDP or Broker of their election by the cut-off time stipulated by their CSDP or Broker. This will be an earlier date than the closing of the Offers.
5. In the case of Certificated Odd-lot Holders and Certificated Specific Holders who accept, or are regarded as having accepted the Odd-lot Offer or have accepted the Specific Offer, payment will be made by electronic funds transfer into the bank accounts of the Odd-lot Holders and Specific Holders on Monday, 11 November 2019, if such holders' banking details have been provided in the relevant Form of Election and Surrender (*blue or pink*). No cheques or other forms of tender will be utilised or posted.
6. Shareholders should note that, as transactions in Shares are settled in the electronic settlement system used by Strate, settlement of trade takes place three Business Days after such trade. Therefore, Shareholders who acquire Shares after the last day to trade in order to be recorded in the Register will not be able to participate in, and attend and vote at the General Meeting. Furthermore, share certificates for Shares may not be dematerialised or rematerialised after the last day to trade in order to be recorded in the Register and the record date to participate, attend and vote at the General Meeting (the record date being included).
7. Shareholders who acquire an Odd-lot Holding or a Specific Holding after the last day to trade to participate in the Offers will not be able to participate in the Offers. Furthermore, share certificates for an Odd-lot Holding or a Specific Holding may not be dematerialised or rematerialised after the last day to trade and the record date to participate in the Offers (the record date being included).
8. Shareholders who acquire Shares after the last day to trade to participate in the Unbundling will not be able to participate in the Unbundling. Furthermore, share certificates for Shares may not be dematerialised or rematerialised after the last day to trade and the Unbundling Record Date (the Unbundling Record Date being included).
9. The above salient dates and times may be amended (i) to the extent that any Shareholders exercise their appraisal rights in terms of section 164 of the Companies Act or (ii) to cater for the delayed fulfilment of any condition precedent.

DEFINITIONS AND INTERPRETATIONS

In this Circular, unless the context indicates otherwise, reference to the singular shall include the plural and *vice versa*, words denoting one gender include the others, words and expressions denoting natural persons include juristic persons and associations of persons, and the words and expressions in the first column have the meanings stated opposite them in the second column.

"Authorised Dealer"	a person authorised by the Financial Surveillance Department under the powers delegated by the Minister of Finance of the Republic of South Africa to deal in foreign exchange, subject to applicable conditions and within the prescribed limits in terms of the Exchange Control Regulations;
"Board" or "Directors"	the directors of Tencor from time to time, comprising, as at the Last Practicable Date, those persons whose names appear in the "Corporate Information" section of this Circular;
"Broker"	any person registered as a "broking member (equities)" in accordance with the rules of the JSE and the provisions of the Financial Markets Act;
"Business Day"	any day, other than a Saturday, Sunday or public holiday in South Africa;
"Cash Consideration"	the Offer Consideration less such amount of Dividends Tax as is required to be withheld in accordance with the Dividends Tax status of the respective Odd-lot Holder or Specific Holder, as the case may be;
"Certificated Odd-lot Holders"	Odd-lot Holders who hold Certificated Shares;
"Certificated Shareholders"	Shareholders who hold Certificated Shares;
"Certificated Shares"	Shares which have not yet been Dematerialised, title to which is represented by a share certificate or other Document of Title;
"Certificated Specific Holders"	Specific Holders who hold Certificated Shares;
"CGT"	capital gains tax in terms of the Income Tax Act;
"Circular"	this document, dated Wednesday, 18 September 2019, including annexures and enclosures hereto;
"Common Monetary Area"	collectively, South Africa, the Republic of Namibia and the Kingdoms of Eswatini and Lesotho;
"Companies Act"	the Companies Act, 2008 (Act No. 71 of 2008) of South Africa, as amended;
"Companies Regulations"	the Companies Regulations, 2011, promulgated under the Companies Act, as amended;
"CSDP"	a Central Securities Depository Participant as defined in section 1 of the Financial Markets Act, duly authorised by a central securities depository in terms of the depository rules pursuant to section 31 of the Financial Markets Act and registered in terms of the Financial Markets Act, as amended, with whom a beneficial holder of shares holds a dematerialised share account;
"Dematerialised"	the process by which securities held by a Certificated Shareholder are converted to, or held in, electronic form as uncertificated securities and recorded in the sub-register of Shareholders and maintained by the Broker or CSDP;
"Dematerialised Shareholders"	those Shareholders who hold Dematerialised Shares;
"Dematerialised Shares"	Shares which have been incorporated into the Strate system and which are no longer evidenced by certificates or other physical Documents of Title;
"Dividends Tax"	dividends tax in terms of the Income Tax Act;

“Documents of Title”	share certificates, certified transfer deeds, balance receipts or any other documents of title to Certificated Shares acceptable to Trenchor;
“DTA”	agreement for the avoidance of double taxation;
“Eighth Schedule”	the Eighth Schedule to the Income Tax Act;
“Entitlement Ratio”	the number of Textainer Shares to which a Shareholder will be entitled for every 100 Trenchor Shares held by Shareholders on the Unbundling Record Date, calculated with reference to the Trenchor Shares (after implementation of the Offers) and the Unbundling Shares (but prior to any deduction of the Textainer Appraisal Right Shares). Depending on the number of Shares repurchased by Trenchor in terms of the Offers the Entitlement Ratio is expected to be between 15,70655 ² and 15,72534 ³ ;
“Exchange Control Regulations”	the South African Exchange Control Regulations, promulgated in terms of the South African Currency and Exchanges Act, 1933 (Act No. 9 of 1933) of South Africa, as amended;
“Excluded Assets”	all assets remaining post the Unbundling including, but not limited to, Trenchor’s investment in TAC, Trenchor’s cash resources, Textainer Appraisal Right Shares (if any) and Retained Shares (if any);
“Financial Markets Act”	the Financial Markets Act, 2012 (Act No. 19 of 2012) of South Africa, as amended;
“Form of Declaration and Undertaking” or “Forms of Declarations and Undertakings”	Forms I, II and III (collectively or individually, as the case may be) containing declarations and undertakings in terms of section 64FA of the Income Tax Act for use by Shareholders to inform Trenchor of such Shareholder’s Dividends Tax status;
“Form of Election and Surrender for the Odd-lot Offer”	form of election and surrender for use by Certificated Odd-lot Holders in order for such Shareholders to sell or retain their Odd-lot Holding (<i>blue</i>);
“Form of Election and Surrender for the Specific Offer”	form of election and surrender for use by Certificated Specific Holders in order for such Shareholders to sell their Specific Holding (<i>pink</i>);
“Form of Proxy”	for purposes of the General Meeting, the form of proxy for use only by Certificated Shareholders and Own-name Registered Dematerialised Shareholders (<i>grey</i>);
“Fractional Share”	any fractional interest in a Textainer Share that may result for a Shareholder from the application of the Entitlement Ratio to that Shareholder’s Trenchor shares, over and above the whole number of Unbundling Shares to be transferred to that Shareholder in line with the rounding down convention of the JSE;
“General Meeting”	the general meeting of Shareholders to be held at Trenchor, 13th Floor, The Towers South, Heerengracht, Cape Town on Friday, 18 October 2019 at 14:00, convened in terms of the Notice of a General Meeting enclosed and forming part of this Circular, together with any reconvened general meeting held as a result of the adjournment or postponement of that general meeting;
“Halco”	Halco Holdings Inc., a company registered in the British Virgin Islands, with registration number 1506006, and wholly-owned by the Halco Trust prior to Halco’s dissolution in October 2018;
“Halco Trust”	Halco Trust, a trust established and registered in Liechtenstein, which terminated under such law on 28 February 2019 and of which Trenchor and certain of its wholly-owned subsidiaries were the sole nominated discretionary beneficiaries;
“IFRS”	the International Financial Reporting Standards as issued from time to time by the International Accounting Standards Board or its successor body as adopted or applied in South Africa;
“Income Tax Act”	the Income Tax Act, 1962 (Act No. 58 of 1962) of South Africa, as amended;

² Calculated as follows: 27 278 802 Textainer Shares divided by (173 677 833 Trenchor Shares divided by 100).

³ Calculated as follows: 27 278 802 Textainer Shares divided by ((173 677 833 Trenchor Shares less 207 472) divided by 100).

“Independent Board”	collectively, E Oblowitz, RJA Sparks and H Wessels, being those independent Directors who are sufficient in number to constitute the independent board of the Company in terms of the Companies Regulations to consider the Unbundling. Despite being an independent Director of Trenchor, DM Nurek was not considered to form part of the independent board in terms of the Companies Regulations for purposes of the Unbundling because he did not wish to participate in deliberations on the Unbundling due to being both an independent Director of Trenchor and also a director of Textainer;
“Independent Expert”	BDO Corporate Finance Proprietary Limited, a company incorporated under the laws of South Africa, with registration number 1983/002903/07, particulars of which appear in the “Corporate Information” section of the Circular; being the independent expert of Trenchor;
“Independent Expert Report”	the report prepared by the Independent Expert on the Unbundling, in accordance with the provisions of the Companies Act and the Companies Regulations, a copy of which is annexed to this Circular as Annexure I ;
“Independent Reporting Accountant”	KPMG Inc., a company incorporated under the laws of South Africa, with registration number 1999/021543/21, particulars of which appear in the “Corporate Information” section of the Circular; being the auditor and independent reporting accountant of Trenchor;
“Investec”	Investec Bank Limited, a company incorporated under the laws of South Africa, with registration number 1969/004763/06, particulars of which appear in the “Corporate Information” section of the Circular; being the Financial Advisor and Transaction Sponsor of Trenchor;
“Inward Listing”	the proposed listing of Textainer, which has a primary listing on the NYSE, on the main board of the JSE by way of a secondary inward listing;
“JSE”	JSE Limited, a public company incorporated under the laws of South Africa, with registration number 2005/022939/06, which is licensed as an exchange in terms of the Financial Markets Act;
“Last Practicable Date”	the last practicable date before finalisation of this Circular, which date was Monday, 2 September 2019;
“Legal and Tax Advisor”	Edward Nathan Sonnenbergs Inc., a company incorporated under the laws of South Africa, with registration number 2006/018200/21, particulars of which appear in the “Corporate Information” section of the Circular; being the legal and tax advisor of Trenchor;
“Listings Requirements”	the listings requirements of the JSE;
“MOI”	the memorandum of incorporation of Trenchor;
“Notice of a General Meeting”	the notice of the General Meeting, forming part of this Circular;
“NYSE”	New York Stock Exchange;
“Odd-lot Holder” or “Odd-lot Holders”	Shareholders holding an Odd-lot Holding as at the record date of the Offers (other than Directors or prescribed officers of the Company, their associates and any other related parties and their associates, as defined in sections 10.1 to 10.3 of the Listings Requirements);
“Odd-lot Holding” or “Odd-lot Holdings”	an aggregate shareholding of fewer than 100 Shares;
“Odd-lot Offer”	the offer to Odd-lot Holders to repurchase their entire Odd-lot Holding at the Offer Price;
“Offer”	either of the Odd-lot Offer or the Specific Offer, as the context may indicate;
“Offers”	collectively, the Odd-lot Offer and the Specific Offer;

“Offer Consideration”	<p>the product of the Offer Price multiplied by the number of Trencor Shares held on the record date of the Offer; for the respective:</p> <ul style="list-style-type: none"> – Odd-lot Holders who elect, or are regarded as having elected (i.e. who do not make an election), to sell their entire Odd-lot Holding; or – Specific Holders who elect to sell their entire Specific Holding;
“Offer Price”	the 10-day VWAP of a Share on the JSE at the close of business on Monday, 28 October 2019, plus a 10% premium;
“Offer Resolutions”	<p>the following resolutions proposed to be passed by Shareholders at the General Meeting (at which sufficient persons are present in person or represented by proxy, to exercise in aggregate at least 25% of all of the voting rights entitled to be exercised in respect of the matter) to approve:</p> <ul style="list-style-type: none"> – as a special resolution, specific authority for Trencor to repurchase Shares from the Odd-lot Holders in terms of the Odd-lot Offer; – as a special resolution, specific authority for Trencor to repurchase Shares from the Specific Holders in terms of the Specific Offer; – as an ordinary resolution, authority for the Directors to make and implement the Odd-lot Offer, specifically the repurchase of the Odd-lot Holdings from the Odd-lot Holders who do not make an election; – as an ordinary resolution, authority for the Directors to do all such things, sign all such documents and procure the doing of all such things and the signature of all such documents as may be necessary or incidental to give effect to the resolutions set out in the Notice of a General Meeting;
“Own-name Registration” or “Own-name Registered”	Shareholders who hold Shares that have been Dematerialised and are recorded by the CSDP on the sub-register kept by that CSDP in the name of such Shareholder;
“Rand” or “R”	South African Rand;
“Repurchase Shares”	any Shares beneficially owned by an Odd-lot Holder or a Specific Holder to be repurchased by Trencor pursuant to the respective Offers;
“Register”	the register of Certificated Shareholders maintained by the Transfer Secretaries and the sub-register of Dematerialised Shareholders maintained by the relevant CSDPs;
“Regulated Intermediary”	in accordance with section 64D of the Income Tax Act means any central securities depository participant as contemplated in section 32 of the Financial Markets Act, authorised user as contemplated in section 1 of the Financial Markets Act, approved nominee as contemplated in section 76(3) of the Financial Markets Act, nominee holding investments on behalf of clients in specific circumstances, portfolio of collective investment scheme in securities, natural person approved as a transfer secretary or portfolio of a hedge fund collective investment scheme;
“Retained Shares”	such number of Textainer Shares (if any) withheld by Trencor in accordance with the exercise of the discretion of the Board, to be announced on SENS on Monday, 2 December 2019, in terms of the finalisation announcement for the Unbundling;
“SAICA”	the South African Institute of Chartered Accountants;
“SARS”	the South African Revenue Service;
“SEC”	the United States Securities and Exchange Commission;
“Secretaries”	Trencor Services Proprietary Limited, a private company incorporated under the laws of South Africa, with registration number 1967/004868/07, particulars of which appear in the “Corporate Information” section of this Circular, being the secretaries of Trencor;
“Securities Act”	United States Securities Act of 1933, as amended;

“Section 112 Disposal”	the disposal of the whole or a greater part of the undertaking or the assets of a company as contemplated in section 112 of the Companies Act;
“SENS”	the Stock Exchange News Service of the JSE;
“Share Repurchase”	the repurchase of any Shares pursuant to the Offers;
“Shares” or “Share” or “Trencor Shares”	ordinary shares of 0,5 cent each in the issued share capital of Trencor, being 173 677 833 Trencor ordinary shares at the Last Practicable Date;
“Shareholders”	the registered holders of Shares as appearing on the Register;
“Specific Holder” or “Specific Holders”	Shareholders holding a Specific Holding, as at the record date of the Offers (other than Directors or prescribed officers of the Company, their associates and any other related parties and their associates, as defined in sections 10.1 to 10.3 of the Listings Requirements);
“Specific Holding” or “Specific Holdings”	an aggregate shareholding of 100 Shares or more but equal to or fewer than 635 Shares;
“Specific Offer”	the offer to Specific Holders to repurchase their Specific Holding at the Offer Price;
“South Africa Standard Time”	two hours ahead of Greenwich Mean Time;
“South Africa”	the Republic of South Africa;
“Strate”	Strate Proprietary Limited, a private company incorporated under the laws of South Africa, with registration number 1998/022242/07, being a licensed central securities depository in terms of section 1 of the Financial Markets Act and the entity that manages the electronic custody, clearing and settlement environment for all share transactions concluded on the JSE and off-market, and in terms of which transactions in securities are settled and transfers of ownership in securities are recorded electronically;
“STT Act”	the Securities Transfer Tax Act, 2007 (Act No. 25 of 2007) of South Africa, as amended;
“STT”	securities transfer tax in terms of the STT Act;
“Subsidiary”	a “subsidiary” as defined in the Companies Act;
“TAC”	TAC Limited, an exempted company with limited liability duly registered and incorporated in Bermuda, with registration number EC197111, and wholly-owned by Trencor;
“Textainer”	Textainer Group Holdings Limited, a public company duly registered and incorporated in Bermuda, with registration number EC18896, with its primary listing on the NYSE;
“Textainer Appraisal Right Shares”	those Textainer Shares (if any) withheld by Trencor in relation to any Shareholder which has delivered its demand in accordance with section 164(5) of the Companies Act;
“Textainer Shares”	common shares, at US\$0,01 par value, in the issued share capital of Textainer, of which 58 076 518 were in issue based on publicly disclosed information at the Last Practicable Date
“Transfer Secretaries”	Computershare Investor Services Proprietary Limited, a private company incorporated under the laws of South Africa, with registration number 2004/003647/07, particulars of which appear in the “Corporate Information” section of the Circular, being the transfer secretaries of Trencor;
“Trencor” or “the Company”	Trencor Limited, a public company duly registered and incorporated in accordance with the company laws of South Africa, with registration number 1955/002869/06;
“TRP”	the Takeover Regulation Panel established in terms of section 196 of the Companies Act;

“Unbundling”	the distribution <i>in specie</i> by Trencor of the Unbundling Shares in accordance with the Entitlement Ratio, in terms of section 46(1) of the Companies Act and which is to be regarded as a Section 112 Disposal for Trencor; to its Shareholders as at the Unbundling Record Date, as contemplated in clause 4 of this Circular;
“Unbundling Completion Date”	the date on which the Unbundling has been completed and the Unbundling Shares are acquired by the Shareholders registered as such on the Unbundling Record Date;
“Unbundling Conditions”	the conditions precedent to the Unbundling as set out in paragraph 4.5 of this Circular;
“Unbundling Record Date”	the date on which a Shareholder must be registered in the Register in order to be eligible to participate in the Unbundling;
“Unbundling Resolution”	the resolution proposed to be passed by Shareholders at the General Meeting (at which sufficient persons are present to exercise in aggregate at least 25% of all of the voting rights entitled to be exercised in respect of the matter) to approve the Unbundling with the support of at least 75% of the voting rights exercised on that resolution as required in terms of section 112 read with section 115 of the Companies Act;
“Unbundling Shares”	the 27 278 802 Textainer Shares, with Textainer being inward listed on the JSE at such date, less the Textainer Appraisal Right Shares (if any) and less the Retained Shares (if any);
“US”	the United States of America; and
“VWAP”	the volume weighted average traded price.

The terms “acting in concert”, “related”, “inter-related” and “acquiring party” shall bear the meanings in this Circular as ascribed to them in the Companies Act.



TRENCOR LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1955/002869/06)

Share code: TRE ISIN: ZAE000007506

("Trencor" or the "Company")

Directors:

DM Nurek (Chairperson)*#

JE McQueen*

E Oblowitz*#

RA Sieni (Financial)

RJA Sparks*#

HR van der Merwe (Chief Executive Officer)

H Wessels*#

* non-executive

independent

CIRCULAR TO SHAREHOLDERS

1. INTRODUCTION AND PURPOSE OF THIS CIRCULAR

- 1.1 On Wednesday, 18 September 2019, Trencor announced plans for the Unbundling, in terms of which Trencor will distribute the Unbundling Shares to Shareholders by way of a distribution *in specie*. The Unbundling will constitute a Section 112 Disposal and therefore requires the approval of the Shareholders by way of a special resolution.
- 1.2 Prior to the Unbundling, Trencor wishes to make the Offers to Odd-lot Holders and Specific Holders in order to assist Trencor in reducing on-going administration costs in relation to the large number of shareholders that would hold a relatively small shareholding. The Offers will furthermore assist Textainer in reducing the number of shareholders who hold a small shareholding in Textainer, post the implementation and as a result of the Unbundling. As the Offers do not constitute an affected transaction as defined in section 117(1)(c) of the Companies Act, the Offers will neither be reviewed nor approved by the TRP.
- 1.3 The purpose of this Circular is to:
 - 1.3.1 furnish Shareholders with all the relevant information relating to the Odd-lot Offer, the Specific Offer and the Unbundling in accordance with the Companies Act and the Listings Requirements so as to enable Shareholders to make an informed decision in respect of the resolutions set out in the Notice of a General Meeting; and
 - 1.3.2 convene the General Meeting in order for Shareholders to consider and, if deemed fit, approve the resolutions in terms of the Notice of a General Meeting.

2. GENERAL MEETING AND VOTING

- 2.1 The General Meeting will be held at Trencor, 13th Floor, The Towers South, Heerengracht, Cape Town on Friday, 18 October 2019 at 14:00, to consider and, if deemed fit, to pass, with or without modification, the requisite resolutions required to give effect to the Offers and the Unbundling.

- 2.2 At the General Meeting, Shareholders will be requested to consider and approve the following resolutions:
- 2.2.1 as a special resolution, specific authority for Trencor to repurchase Shares from the Odd-lot Holders in terms of the Odd-lot Offer;
 - 2.2.2 as a special resolution, specific authority for Trencor to repurchase Shares from the Specific Holders in terms of the Specific Offer;
 - 2.2.3 as a special resolution, approval for Trencor to dispose of the greater part of its assets or undertaking in terms of section 112 read with section 115 of the Companies Act;
 - 2.2.4 as an ordinary resolution, authority for the Directors to make and implement the Odd-lot Offer, specifically the repurchase of the Odd-lot Holdings from the Odd-lot Holders who do not make an election; and
 - 2.2.5 as an ordinary resolution, authority for the Directors to do all such things, sign all such documents and procure the doing of all such things and the signature of all such documents as may be necessary or incidental to give effect to the resolutions set out in the Notice of a General Meeting.
- 2.3 The Offers are conditional upon the respective Offer Resolutions, as contained in paragraphs 2.2.1, 2.2.2, 2.2.4 and 2.2.5, being passed at the General Meeting and the Directors satisfying themselves that the solvency and liquidity requirements of section 4 of the Companies Act as envisaged in section 46(1) read with section 48 of the Companies Act will be met in respect of the proposed Offers, and that since the solvency and liquidity test contemplated in section 4 of the Companies Act was performed, there have been no material changes to the financial position of Trencor.
- 2.4 It is noted that in terms of section 115(4) of the Companies Act, 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 will not be taken into account for purposes of calculating the percentage of voting rights:
- 2.4.1 required to be present or actually present in determining whether the quorum requirements for the Unbundling Resolution approving the Unbundling have been satisfied; or
 - 2.4.2 required to be voted in support of the Unbundling Resolution approving the Unbundling or actually voted in respect thereof.
- Since there is no third party acquiring party in relation to the Unbundling, all Shareholders are entitled to vote with regard to the Unbundling Resolution approving the Unbundling and shall be considered toward the quorum requirements if present in person or represented by proxy.
- 2.5 The Company will only be permitted to give effect to the Offers and the Unbundling if the respective resolutions contained in the Notice of a General Meeting are supported by at least 75% of the votes cast by the Shareholders, present in person or represented by proxy at the General Meeting, being cast in favour thereof in the case of the special resolutions and by more than 50% of the votes cast by the Shareholders, present in person or represented by proxy at the General Meeting, being cast in favour thereof in the case of the ordinary resolutions.
- 2.6 Full details of the actions required by Shareholders are set out in the "Actions required by Shareholders" section of this Circular.

3. THE OFFERS

3.1 Introduction to the Offers

- 3.1.1 An analysis of the Register as at the Last Practicable Date reveals that:
 - 3.1.1.1 Trencor has approximately 3 119 Shareholders;
 - 3.1.1.2 approximately 1 061 Shareholders (i.e. 34,02% of all Shareholders by number) hold fewer than 100 Shares; and
 - 3.1.1.3 approximately 647 Shareholders (i.e. 20,74% of all Shareholders by number) hold 100 Shares or more but equal to or fewer than 635 Shares.

- 3.1.2 Should the Unbundling become unconditional and be implemented, Textainer would have approximately an additional 2 790 shareholders, as 329 shareholders would not receive the minimum of one Textainer Share. Of such additional 2 790 shareholders, 732 would hold up to 15 Textainer Shares, 647 would hold more than 15 but fewer than 100 Textainer Shares and 1 411 would hold 100 or more Textainer Shares, based upon the illustrative Entitlement Ratio utilised in **Annexure 5**.
- 3.1.3 The implementation of the Offers would reduce the number of smaller Shareholders and thus limit the costs incurred by Trenchor in South Africa (and by Textainer in the US, post the Unbundling) in administering such Shareholders' shareholding. The annual cost of servicing such a large additional shareholder base is significant.
- 3.1.4 Accordingly, Trenchor has decided to undertake an Odd-lot Offer and Specific Offer to rationalise its Shareholder base and to reduce the number of additional shareholders Textainer would have post the Unbundling.
- 3.1.5 Additionally, the Offers will facilitate an inexpensive method for Odd-lot Holders and Specific Holders to realise their investment whereby they receive an Offer Price, which includes a 10% premium as referred to in the Offer Price definition, without having to incur transaction costs (apart from Dividends Tax, if any).

3.2 Terms of the Offers

- 3.2.1 In terms of the Odd-lot Offer, Odd-lot Holders are offered the opportunity to either elect to:
 - 3.2.1.1 sell their entire Odd-lot Holding for the Offer Consideration; or
 - 3.2.1.2 retain their entire Odd-lot Holding.
- 3.2.2 If Odd-lot Holders elect to retain their entire Odd-lot Holding, Certificated Odd-lot Holders will have to indicate their election by completing the attached Form of Election and Surrender for the Odd-lot Offer (*blue*) and return it to the Transfer Secretaries to be received by no later than 12:00 on Friday, 8 November 2019. Dematerialised Odd-lot Holders should instruct their CSDP or Broker as to what election they wish to make.
- 3.2.3 **Odd-lot Holders who do not make an election, within the stipulated time period in the Form of Election and Surrender for the Odd-lot Offer (*blue*), will automatically be regarded as having elected to sell their entire Odd-lot Holding for the Offer Consideration.**
- 3.2.4 In the case of Specific Holders, Trenchor is extending a Specific Offer to acquire their entire Specific Holding in Trenchor for the Offer Consideration. Those Specific Holders who do not make an election will retain their entire Specific Holding in Trenchor. If Specific Holders wish to participate in the Specific Offer, Certificated Specific Holders must complete the attached Form of Election and Surrender for the Specific Offer (*pink*) and return it to the Transfer Secretaries to be received by no later than 12:00 on Friday, 8 November 2019. Dematerialised Specific Holders should instruct their CSDP or Broker as to the election they wish to make.
- 3.2.5 The Shares repurchased in terms of the Offers will be cancelled, delisted from the main board of the JSE and reinstated as authorised but unissued shares of Trenchor.
- 3.2.6 The Offers do not constitute an affected transaction as defined in section 117(1)(c) of the Companies Act and accordingly will neither be reviewed nor approved by the TRP.

3.3 Record date

- 3.3.1 The record date for the Offers is the close of business on Friday, 8 November 2019. If a Shareholder holds fewer than 100 Shares on the record date for the Offers, such Shareholder is an Odd-lot Holder and, as such, is entitled to take part in the Odd-lot Offer.
- 3.3.2 A Shareholder with a holding of 100 Shares or more but equal to or fewer than 635 Shares on the record date for the Offers is a Specific Holder and as such is entitled to take part in the Specific Offer.
- 3.3.3 Shareholders will not be advised individually as to whether they are entitled to take part in the Offers, and accordingly each Shareholder must determine this on their own. No further documentation will be sent to Shareholders in this regard.

3.4 **Last day to trade**

- 3.4.1 Shareholders are advised that the last date to trade in order to take part in the Offers will be Tuesday, 5 November 2019.
- 3.4.2 Any Shareholder who sells down to fewer than 100 Shares after Tuesday, 5 November 2019 will not be treated as an Odd-lot Holder for the purposes of the Odd-lot Offer. If an Odd-lot Holder acquires additional Shares by close of business on Tuesday, 5 November 2019 and the Odd-lot Holder's shareholding at the close of business on Friday, 8 November 2019 is 100 Shares or more but equal to or fewer than 635 Shares as a result of such acquisition, then the Shareholder will be entitled to participate in the Specific Offer.

3.5 **Offer Price**

The Offer Price will be calculated using the VWAP of a Share on the JSE over the 10 trading days up to the close of business on the day immediately preceding the finalisation date in relation to the Offers, plus a 10% premium. The Offer Price will be announced on SENS on Tuesday, 29 October 2019. Shareholders who accept the Odd-lot or Specific Offer, or are regarded as having accepted the Odd-lot Offer, will receive the Cash Consideration, being the product of the Offer Price multiplied by the number of Trenchor Shares held by them on the record date for the Offers (i.e. the Offer Consideration), less such amount of Dividends Tax as is required to be withheld in accordance with the Dividends Tax status of the respective Odd-lot Holder or Specific Holder, as the case may be.

3.6 **Conditions Precedent**

The implementation of the Offers is subject to the fulfilment of the following conditions precedent:

- 3.6.1 the Offer Resolutions relating to the Odd-lot Offer and the Specific Offer respectively, contained in the Notice of a General Meeting, having been duly approved; and
- 3.6.2 subsequent to fulfilment of the condition precedent in paragraph 3.6.1 above, the Board having authorised and approved the repurchase of the Odd-lot Holdings and Specific Holdings, as the case may be, in accordance with the provisions of section 46(1) read with sections 4 and 48 of the Companies Act.

3.7 **Compulsory sale of Odd-lot Holdings**

Odd-lot Holders who do not make an election in terms of the Form of Election and Surrender for Odd-lots (blue) will be regarded as having accepted the Odd-lot Offer and Trenchor will accordingly purchase their entire Odd-lot Holding in exchange for the Offer Consideration.

3.8 **Transaction costs**

- 3.8.1 Save as set out in paragraph 3.8.5 below, Odd-lot Holders and Specific Holders will not have to bear any transaction costs.
- 3.8.2 The transfer costs of Odd-lot Holders and Specific Holders, who elect to sell their respective holdings to Trenchor, will be borne by Trenchor.
- 3.8.3 Trenchor, by proposing the Offers, is therefore making it possible for the Odd-lot Holders and Specific Holders who wish to dispose of their respective holdings to do so in a cost-effective manner.
- 3.8.4 The Offer Consideration accepted by the respective Odd-lot Holders and Specific Holders, or regarded as having been accepted by the Odd-lot Holders, as the case may be, will constitute a "dividend" as defined in section 1 of the Income Tax Act.
- 3.8.5 In the event that any Odd-lot Holder or Specific Holder does not qualify for an exemption from the Dividends Tax, the Regulated Intermediary will withhold the relevant portion of Dividends Tax (including any reduced amount of Dividends Tax applicable to the Odd-lot Holder or Specific Holder pursuant to the application of any DTA) from the Offer Consideration in relation to a particular Shareholder in order to make payment of such liability for Dividends Tax, resulting in the net receipt of the Cash Consideration by the Odd-lot Holder or Specific Holder.

3.9 Mechanism

- 3.9.1 The Offers will be open for acceptance from 09:00 on Tuesday, 22 October 2019 and will close at 12:00 on Friday, 8 November 2019. All Shareholders who hold fewer than 100 Shares as at the record date for the Offers will be entitled to participate in the Odd-lot Offer; and Shareholders with shareholdings of 100 Shares or more but equal to or fewer than 635 Shares as at such record date will be entitled to take part in the Specific Offer (which shall exclude Directors or prescribed officers of the Company, their associates and any other related parties and their associates, as defined in sections 10.1 to 10.3 of the Listings Requirements). The procedure on how such Shareholders must make their election is set out in paragraph 3.10 below.
- 3.9.2 The Odd-lot Holding of those Odd-lot Holders who do not make an election or who elect to accept the Odd-lot Offer will be repurchased by Trencor at the Offer Price in accordance with the terms of the Odd-lot Offer. Any such repurchase will be regarded as a specific repurchase of shares in terms of the Companies Act and the Listings Requirements.
- 3.9.3 The Specific Holding of those Specific Holders who elect to accept the Specific Offer will be repurchased by Trencor at the Offer Price in accordance with the terms of the Specific Offer. Any such repurchase will be regarded as a specific repurchase in terms of the Companies Act and the Listings Requirements.
- 3.9.4 Odd-lot Holders who do not make an election should note that their entire Odd-lot Holding will automatically be repurchased by Trencor, without any further action on their part or any further notice to them.
- 3.9.5 Specific Holders who do not make an election as contemplated in the Form of Election and Surrender for the Specific Offer (*pink*) will retain their entire Specific Holding.

3.10 Election and surrender procedure

- 3.10.1 Odd-lot Holders may elect to either:
 - 3.10.1.1 accept the Odd-lot Offer and sell their entire Odd-lot Holding to Trencor at the Offer Price; or
 - 3.10.1.2 retain their entire Odd-lot Holding. If such Odd-lot Holders want to retain their entire Odd-lot Holding they have to make this election. Those Odd-lot Holders who do not make an election will automatically be regarded as having elected to accept the Odd-lot Offer and to sell their entire Odd-lot Holding to Trencor at the Offer Price.
- 3.10.2 Specific Holders may elect to sell their entire Specific Holding to Trencor at the Offer Price. Those Specific Holders who do not make an election will retain their entire Specific Holding.
- 3.10.3 The election made by Odd-lot Holders and Specific Holders is final and may not be withdrawn once made.
- 3.10.4 Certificated Odd-lot Holders must complete the attached Form of Election and Surrender for the Odd-lot Offer (*blue*) and return it to the Transfer Secretaries, to be received by no later than 12:00 on Friday, 8 November 2019. Certificated Specific Holders must complete the attached Form of Election and Surrender for the Specific Offer (*pink*) and return it to the Transfer Secretaries, to be received by no later than 12:00 on Friday, 8 November 2019.
- 3.10.5 Dematerialised Odd-lot Holders and Dematerialised Specific Holders should instruct their CSDP or Broker as to what action they wish to take in the time and manner stipulated in the agreement entered into between them and their CSDP or Broker. Dematerialised Odd-lot Holders and Specific Holders must NOT return their respective forms to the Transfer Secretaries.
- 3.10.6 If any Documents of Title of Certificated Odd-lot Holders or Specific Holders have been lost or destroyed and the Odd-lot Holder or Specific Holder concerned produces evidence to this effect to the satisfaction of the Transfer Secretaries and Trencor, then the Transfer Secretaries, subject to obtaining Trencor's consent, may dispense with the surrender of such existing Documents of Title against provision of an acceptable indemnity.
- 3.10.7 Receipts for the surrender of Documents of Title of Certificated Odd-lot Holders and Specific Holders will be issued only on request. In compliance with the Listings Requirements, lodging agents are requested to prepare special transaction receipts, if required.

- 3.10.8 In the event of an Odd-lot Holder not making an election as contemplated in the Form of Election and Surrender for the Odd-lot Offer (*blue*), to retain their entire Odd-lot Holding, it must be drawn to such Odd-lot Holder's attention that their share certificates will no longer be good for delivery after the last day to trade in respect of the Offers, other than to receive the proceeds of the sale of such Odd-lot Holding (at the Offer Price), upon surrender.
- 3.10.9 Subject to the implementation of the Offers, it will be necessary for Certificated Odd-lot Holders and Certificated Specific Holders who have elected to sell their entire Odd-lot Holding or Specific Holding (as the case may be), either by completing the relevant option set out in the appropriate form of election and surrender (*blue or pink*) or, in the case of Odd-lot Holders by not responding, to submit all existing Documents of Title under cover of the appropriate form of election and surrender to the Transfer Secretaries.
- 3.10.10 STT, if any, on the transfer of any Odd-lot Holding or Specific Holding pursuant to the Offer will be paid by the CSDPs to SARS.
- 3.10.11 A nominee company will be treated as a single Shareholder, but should a nominee company elect to dispose of Odd-lot Holdings and/or Specific Holdings on behalf of principals whose shareholdings constitute Odd-lot Holdings or Specific Holdings, it may do so by applying in writing to the Transfer Secretaries, giving details of the number of Shares involved, such application to be received by no later than 12:00 on Friday, 8 November 2019.
- 3.10.12 Odd-lot Holders and Specific Holders who accept the respective Offers and accordingly elect to receive the Cash Consideration should note that all forms of election and surrender received by the Transfer Secretaries by no later than 12:00 on Friday, 8 November 2019, will be processed and payment of the Cash Consideration, will be made by electronic funds transfers into their respective bank accounts on or about Monday, 11 November 2019, if such Odd-lot Holders or Specific Holders, as the case may be, have provided the banking details on the appropriate form of election and surrender (*blue or pink*). No cheques or other forms of tender will be utilised or posted.
- 3.10.13 In respect of Dematerialised Odd-lot Holders and Specific Holders who elect to participate in the Offers, or in the case of Dematerialised Odd-lot Holders who fail to make an election, their accounts held at their CSDP or Broker will be credited with the Cash Consideration on or about Monday, 11 November 2019.

3.11 **Financial effect and source of funds**

- 3.11.1 The repurchase of the Odd-lot Holdings and the Specific Holdings, as the case may be, pursuant to the Offers, will have no material effect on any of Trencor's earnings per share, headline earnings per share, net asset value per share or tangible net asset value per share.
- 3.11.2 Assuming the maximum number of approximately 207 472 Shares are repurchased in terms of the Offers and assuming an Offer Price of R25,63 per Share, which is based on the VWAP of a Share on the JSE over the 10 trading days immediately before the Last Practicable Date of R23,30, plus a 10% premium, the financial cost is expected to be approximately R6,2 million⁴ (which includes expenses in relation to the Offers of R0,9 million, as reflected in paragraph 3.16 below).
- 3.11.3 Trencor's existing cash resources will be utilised to satisfy all cash requirements arising out of the Offers.

3.12 **Directors statement on working capital**

Having considered the possible effects of repurchasing the Odd-lot Holdings and the Specific Holdings in terms of the Offers (i.e. a maximum outflow of approximately R6,2 million as described in paragraph 3.11.2 above), the Directors are of the opinion that:

- 3.12.1 Trencor will be able in the ordinary course of business to pay its debts for a period of 12 months after the date of the approval of the Circular;
- 3.12.2 the assets of Trencor will be in excess of the liabilities of Trencor for a period of 12 months after the date of the approval of the Circular. For this purpose, assets and liabilities will be recognised and measured in accordance with, *inter alia*, the accounting policies used in the latest audited annual financial statements;

⁴ 207 472 Shares x R25,63 Offer Price per Share = R5,3 million + R0,9 million in costs = R6,2 million.

- 3.12.3 the share capital and reserves of Trencor will be adequate for ordinary business purposes for a period of 12 months after the date of the approval of the Circular; and
- 3.12.4 the working capital of Trencor will be adequate for ordinary business purposes for a period of 12 months after the date of the approval of the Circular.

3.13 **South African Exchange Control Regulations**

The following is a non-exhaustive summary of the Exchange Control Regulations insofar as they may have application to Odd-lot Holders in respect of their Odd-lot Holdings and the Specific Holders in respect of their Specific Holdings. This summary is not comprehensive and is intended as a guide only. Odd-lot Holders and Specific Holders are advised to consult their professional advisors as regards their respective obligations under the Exchange Control Regulations without delay.

3.13.1 Emigrants from the Common Monetary Area

- 3.13.1.1 The Cash Consideration is not freely transferable from South Africa and must be dealt with in terms of the Exchange Control Regulations.
- 3.13.1.2 The Cash Consideration due to an Odd-lot Holder having elected, or regarded as having elected, to sell its entire Odd-lot Holding or a Specific Holder having elected to sell its entire Specific Holding, who is an emigrant from South Africa, 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 in an emigrant capital account with the Odd-lot Holder or Specific Holder's Authorised Dealer in foreign exchange in South Africa (controlling the Odd-lot Holder or Specific Holder's blocked assets in accordance with his instructions), against delivery of the relevant Documents of Title.
- 3.13.1.3 The Authorised Dealer releasing the relevant Documents of Title in terms of the Offers must countersign the relevant attached forms of election and surrender thereby indicating that the Cash Consideration will be placed directly in its control.
- 3.13.1.4 The attached forms of election and surrender make provision for the details of the Authorised Dealer concerned to be provided.

3.13.2 All other non-residents of the Common Monetary Area

- 3.13.2.1 The Cash Consideration due to an "own-name" Odd-lot Holder or Specific Holder 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 Odd-lot Holder or Specific Holder. It will be incumbent on the Odd-lot Holder or Specific Holder concerned to instruct the nominated Authorised Dealer as regards the Cash Consideration against delivery of the relevant Documents of Title.
- 3.13.2.2 The relevant forms of election and surrender attached to this Circular make provision for the nomination required in terms of paragraph 3.13.2.1 above. If the information regarding the Authorised Dealer is not given in terms of paragraph 3.13.2.1 above, the Cash Consideration will be held in trust by Trencor for the Odd-lot Holders or Specific Holders concerned pending receipt of the necessary information or instruction.
- 3.13.2.3 All CSDPs and Brokers with whom Shares have been Dematerialised should note that they are required to comply with the Exchange Control Regulations set out above.

3.14 **Material South African tax consequences of the Offers**

The following is a general description of certain aspects of South African tax law relating to the Odd-lot Holders and Specific Holders. It is not intended to be, nor should it be considered as, legal or taxation advice. Tax legislation is subject to frequent change and accordingly the comments as set out below may be subject to change, possibly with retrospective effect. Odd-lot Holders and Specific Holders should consult their own professional advisors with regard to the tax implications arising in respect of the acceptance or deemed acceptance of an Offer. Trencor and its advisors make no representation and give no warranty or undertaking, express or implied, and accept no responsibility for the accuracy or completeness of the information contained in this section.

3.14.1 **Income tax**

- 3.14.1.1 Since Trencor will be the purchaser of the Repurchase Shares, the Offer Consideration will constitute a “dividend” as defined in the Income Tax Act. Such dividend will be subject to South African income tax in the hands of each Odd-lot Holder or Specific Holder, unless the dividend is exempt from South African income tax in terms of section 10(l)(k)(i) of the Income Tax Act. In terms of section 10(l)(k)(i) of the Income Tax Act, a “dividend” as defined in section 1 of the Income Tax Act which is received by or accrues to any shareholder during any year of assessment is exempt from income tax, subject to certain exclusions.
- 3.14.1.2 To the extent that the Repurchase Shares are held by Odd-lot Holders or Specific Holders on capital account, the Share Repurchase will also constitute a disposal for purposes of the CGT provisions contained in the Eighth Schedule. Accordingly, Odd-lot Holders or Specific Holders may, subject to potential exemptions and/or loss limitation rules, be required to account for the capital gain or capital loss arising from such disposal. A capital gain or loss will generally be determined with reference to the proceeds received by or accrued to the Odd-lot Holder or Specific Holder in respect of the disposal and the base cost at which such Odd-lot Holder or Specific Holder held the Repurchase Shares. Generally, the proceeds taken into account on a disposal by a taxpayer are reduced by any amount (including a “dividend”) that must be or was included in the “gross income” of that taxpayer. Subject to the applicable rules of the Eighth Schedule, the proceeds of an Odd-lot Holder or Specific Holder on disposal of the Repurchase Shares may accordingly be reduced to zero for CGT purposes.
- 3.14.1.3 Since the Share Repurchase will not be effected by way of a return of capital, the Share Repurchase should not have an impact on the “base cost” (as such term is defined in the Eighth Schedule) of the Odd-lot Holding or Specific Holding respectively held by an Odd-lot Holder or Specific Holder.
- 3.14.1.4 Odd-lot Holders and Specific Holders are advised to consult their own professional advisors to ascertain whether the abovementioned provisions or any other provisions of the Income Tax Act may apply in relation to the Share Repurchase.
- 3.14.1.5 Odd-lot Holders or Specific Holders who do not constitute a “resident” as defined in the Income Tax Act are advised to consult their own professional advisors to ascertain the South African tax treatment and the tax treatment of the Share Repurchase in their country of tax residence, having regard *inter alia* to any applicable DTA between South Africa and their country of tax residence.

3.14.2 **STT**

- 3.14.2.1 STT will be payable on the transfer of the Repurchase Shares from Odd-lot Holders or Specific Holders to Trencor pursuant to the Share Repurchase in terms of the STT Act. The amount of STT to be imposed will be calculated as 0,25% of the consideration for the Repurchase Shares declared by Trencor as the person who acquires the Repurchase Shares.
- 3.14.2.2 The CSDP of the relevant Shareholder will be liable for payment to SARS of the STT payable in respect of the transfer of the Repurchase Shares acquired pursuant to the Share Repurchase.
- 3.14.2.3 However, in terms of the STT Act the CSDP of the relevant Shareholder is entitled to recover the amount of STT payable to SARS from Trencor, being the person to whom Repurchase Shares are transferred pursuant to the Share Repurchase.
- 3.14.2.4 Accordingly, Trencor will be liable to the CSDPs, and will pay, the STT payable on the transfer of the Repurchase Shares from Odd-lot Holders or Specific Holders to Trencor.

3.14.3 **Dividends Tax**

- 3.14.3.1 The Offer Consideration will constitute a “dividend” as such term is used for purposes of the Dividends Tax provisions contained in the Income Tax Act. The Share Repurchase will give rise to a liability for Dividends Tax at the full rate in accordance with the Income Tax Act in the event that any Odd-lot Holder or Specific Holder does not qualify for an

exemption from the Dividends Tax, and to the extent that the Odd-lot Holder or Specific Holder does not qualify for a reduced rate of Dividends Tax in terms of an applicable DTA entered into by South Africa.

3.14.3.2 The Offer Consideration will be exempt from Dividends Tax, or subject to a reduced rate of Dividends Tax as a result of the application of a DTA entered into by South Africa, in the event that the beneficial owner of an Odd-lot Holding or Specific Holding has, by date of distribution of the Offer Consideration, submitted to its Regulated Intermediary both the required declaration and written undertaking, in such form as may be prescribed by the Commissioner for SARS.

3.14.3.3 In the event that any Odd-lot Holder or Specific Holder does not qualify for an exemption from Dividends Tax or reduction in the rate of Dividends Tax, or does not timeously submit to the Regulated Intermediary of such Odd-lot Holder or Specific Holder the required declaration and written undertaking, the Regulated Intermediary will withhold the full amount of Dividends Tax from the Offer Consideration in order to enable it to make payment of such Dividends Tax.

3.15 **MOI**

Trencor's MOI specifically provides the Directors with the authority to make and implement the Odd-lot Offer, the Specific Offer and the repurchase of its own Shares in accordance with the Listings Requirements.

3.16 **Expenses in relation to Offers**

Trencor's preliminary expenses relating to the Offers, which have been incurred or which are expected to be incurred, including the fees payable to professional advisers and any reimbursement of STT, are anticipated to amount to approximately R877 000, excluding VAT, and include the following:

Nature of Expense	Payable to	R'000
Financial Advisor & Transaction Sponsor fees	Investec	300
Legal fees	Edward Nathan Sonnenbergs	300
Documentation inspection fees	JSE	32
Transfer Secretaries fees	Computershare Investor Services	120
Strate fees	Strate	10
Printing, publication & distribution	Ince	100
STT	CSDPs	15
Estimated Total		877

4. **THE UNBUNDLING**

4.1 **Overview**

4.1.1 On Wednesday, 18 September 2019, Trencor announced plans for the Unbundling, in terms of which Trencor will distribute the Unbundling Shares to Shareholders by way of a distribution *in specie*. The Unbundling will constitute a Section 112 Disposal and therefore requires the approval of the Shareholders by way of a special resolution.

4.1.2 As at the Unbundling Record Date, Trencor will hold 27 278 802 Textainer Shares.

4.1.3 Trencor intends to distribute the Unbundling Shares to Shareholders in accordance with the Entitlement Ratio. Although it is the intention of Trencor to distribute its entire shareholding in Textainer to Shareholders, the Board, in accordance with their duties, retain the discretion to withhold an amount of Retained Shares should such retention be prudent. The final Entitlement Ratio will be communicated to Shareholders in the finalisation announcement for the Unbundling, after taking into account the results of the Offers and the Retained Shares (if any).

4.1.4 Appraisal rights of Shareholders in terms of section 164 of the Companies Act are applicable in connection with the Unbundling. Shareholders are referred to **Annexure 7** for further information.

4.1.5 The Unbundling is subject to the satisfaction, or the Board's waiver (as the case may be and, in the case of a waiver, to the extent permissible at law), of certain conditions contemplated in paragraph 4.5 below, including that the Inward Listing has been implemented in accordance with its terms.

- 4.1.6 Given that Textainer is listed on the NYSE, all relevant disclosures on Textainer are available in the public domain. Refer to the Textainer company website (www.textainer.com) for further information in this regard. The Unbundling Shares are subject to the bye-laws of Textainer and Shareholders are referred to **Annexure 6** for further information in this regard. There are no expected material changes to the Textainer information already available to Shareholders in the public domain.
- 4.1.7 Trenchor's statement of financial position for the year ended 31 December 2018 is included on page 32 of Trenchor's published Integrated Annual Report for the year ended 31 December 2018 that is available on Trenchor's website (www.trenchor.net), which reflects that Trenchor's material assets, post the Unbundling, will be the Excluded Assets.
- 4.1.8 The Unbundling by Trenchor to Shareholders will give rise to a liability for Dividends Tax in accordance with the Income Tax Act, except to the extent that the beneficial owner of Unbundling Shares would qualify for an exemption from, or reduction (as a result of the application of a DTA) of, the Dividends Tax. Trenchor itself will make payment of any Dividends Tax to SARS. Shareholders are referred to paragraph 1 of the actions required by Shareholders for the Unbundling and paragraph 4.13.3.3.
- 4.1.9 The Unbundling by Trenchor to Shareholders may give rise to reporting obligations by Shareholders to *inter alia* regulatory institutions. Such regulatory institutions may (without limitation) include the JSE and/or the NYSE. Shareholders themselves will be responsible for determining, and duly fulfilling, reporting obligations applicable to their circumstances.
- 4.1.10 The Unbundling will be settled in full without regard to any lien, right of set-off or counterclaim or other analogous right.

4.2 **Rationale for the Unbundling**

- 4.2.1 Trenchor's equity interest in Textainer accounts for the majority of Trenchor's net assets and as a result, Shareholders are already substantially exposed to the performance of Textainer by virtue of their shareholding in Trenchor. The Unbundling will enable Shareholders to obtain direct exposure to Textainer as opposed to indirect exposure through Trenchor's shareholding, and will result in a simpler and ultimately more efficient shareholding structure for Shareholders.
- 4.2.2 The Inward Listing and Unbundling are expected to afford Shareholders direct exposure to Textainer, being a foreign asset, without utilising their permissible foreign investment allowances.
- 4.2.3 The Unbundling is expected to lead to a deeper and wider spread in Textainer's shareholder base (i.e. free float), to improve liquidity and potentially to enhance Textainer's weighting in stock market indices.

4.3 **The Inward Listing**

- 4.3.1 The JSE has granted Textainer approval for a secondary inward listing under the 'Industrial – Transportation Services' sector on the main board of the JSE, under share code: TXT, ISIN: BMG8766EI093 and the abbreviated name 'Textainer', with effect from the commencement of business on Wednesday, 11 December 2019.
- 4.3.2 Further details in relation to the Inward Listing will be included in the pre-listing announcement to be released by Textainer on SENS in due course, post the required Shareholder approval, but prior to the implementation, of the Unbundling.

4.4 **The business of Trenchor and Textainer post the Unbundling**

- 4.4.1 Business of Trenchor:
 - 4.4.1.1 Post the Unbundling, Trenchor Shareholders will directly hold Textainer Shares, as well as Shares in Trenchor.
 - 4.4.1.2 Post the disposal by Trenchor of any of the Textainer Appraisal Right Shares and/or any of the Retained Shares, and settlement of taxes and other costs associated with the Unbundling, Trenchor will hold the Excluded Assets. Refer to paragraph 4.12 for further details on Trenchor post the Unbundling.
 - 4.4.1.3 Further details in relation to the businesses of Trenchor and TAC are included on pages 3 and 10 of Trenchor's published Integrated Annual Report for the year ended 31 December 2018, available on Trenchor's website (www.trenchor.net/financial-reports/2018-reports/).

- 4.4.2 Business of Textainer:
- 4.4.2.1 Textainer will continue its business operations of owning, leasing, managing and trading marine cargo containers worldwide and will retain its primary listing on the NYSE post the secondary inward listing on the main board of the JSE and the implementation of the Unbundling.
- 4.4.2.2 Refer to the Textainer company website for further information on Textainer (www.textainer.com), including Textainer's latest annual report.

4.5 **Unbundling Conditions**

The implementation of the Unbundling is subject to the fulfilment or waiver (as the case may be and, in the case of a waiver, to the extent permissible at law) of the following conditions precedent:

- 4.5.1 the Unbundling shall have been approved in terms of sections 112 and 115 of the Companies Act by the requisite majority of Shareholders at the General Meeting voting in favour of the Unbundling Resolution;
- 4.5.2 Shareholders holding, in aggregate, greater than 1% of the issued Shares (or such higher percentage as the Board may determine and notify to Shareholders), shall not have voted against the Unbundling Resolution and shall not have exercised their appraisal rights by giving notice objecting to the Unbundling Resolution in accordance with section 164(3) of the Companies Act and delivered valid demands in accordance with section 164(5) of the Companies Act;
- 4.5.3 the Inward Listing shall have been approved by the JSE on terms and subject to conditions acceptable to the Textainer board, and the Inward Listing shall have been implemented in accordance with its terms, save to the extent that such terms and conditions involve the Unbundling itself;
- 4.5.4 Shareholders holding, in aggregate, that number of Shares comprising 97% of the issued Shares (or such lower percentage as the Board may determine, but not less than 80% of the issued Shares), shall have provided Trenchor with their required dividends tax declarations and undertakings as further contemplated in paragraphs 4.13.3.3.2 and 4.13.3.3.3, in the relevant Form of Declaration and Undertaking attached to this Circular;
- 4.5.5 subject to the fulfilment and/or waiver, as the case may be (and, in the case of a waiver, to the extent permissible at law), of the conditions precedent set out in paragraphs 4.5.1 to 4.5.4 above and at any time prior to the implementation of the Unbundling, the Board shall have authorised and approved the Unbundling in accordance with section 46(1) of the Companies Act; and
- 4.5.6 the TRP shall have issued a compliance certificate, in accordance with section 121(b) of the Companies Act, to Trenchor in respect of the Unbundling.

4.6 **Fractional Shares**

- 4.6.1 In accordance with the Listings Requirements and the JSE rounding convention for share transfer purposes, the number of Textainer Shares to which a Shareholder will be entitled in accordance with the Entitlement Ratio will be rounded down to the nearest whole number of Unbundling Shares, and the Fractional Share, to which a Shareholder would otherwise be entitled, will not be transferred to such Shareholder, but will be transferred to an agent to deal with for the Shareholder's benefit as set out below.
- 4.6.2 The Fractional Shares will be aggregated and purchased by Trenchor from the Shareholders' agent for a cash value as mandated by the JSE in terms of the Listings Requirements. This cash value must be determined with reference to the VWAP of a Textainer Share traded on a recognised exchange on the first business day after the last day to trade in order to participate in the Unbundling (being the day on which Shares commence trading "ex" the entitlement to participate in the Unbundling), reduced by 10%. An announcement of this cash value will be released on SENS on Thursday, 12 December 2019, by 11:00.
- 4.6.3 The accounts of each registered Shareholder entitled to a Fractional Share will be credited with the cash value due to them by Trenchor pursuant to the cash value announcement on the first business day post the Unbundling Completion Date. In relation to Shareholders holding Shares through a bank, Broker or other nominee, such Shareholders' bank, Broker or nominee will receive, on their behalf, their cash value.

4.6.4 Subsequent to the Unbundling, the Fractional Shares will be aggregated and realised in the open market by Trencor, or by its appointed agent, and any difference between the net proceeds on such realisation and the aggregate cash value, as prescribed in accordance with paragraph 4.6.2, will not impact the required cash value received by Shareholders in respect of their Fractional Share.

4.7 **The implementation date of the Unbundling**

The Unbundling will be implemented after the Unbundling Conditions are fulfilled or waived (as the case may be) on the Unbundling Completion Date, which is anticipated to be in mid-December 2019.

4.8 **Classification of the Unbundling**

The Unbundling will constitute a disposal of the greater part of the assets or undertaking of Trencor in terms of section 112 of the Companies Act. As a result, the Unbundling requires the approval of the Shareholders by way of a special resolution in compliance with the provisions of section 115 of the Companies Act. Refer to **Annexure 7** for a copy of section 115.

4.9 **Shareholders' appraisal rights**

Shareholders who wish to exercise their rights in terms of section 164 of the Companies Act in relation to the Unbundling are referred to the requirements and time periods stipulated in **Annexure 7** of this Circular, read with the note thereon in the Notice of a General Meeting.

4.10 **Implementation of Unbundling**

4.10.1 Shareholders holding Shares in certificated form should pay special attention to the provisions of the following paragraph since Trencor will not issue any individual Textainer Share certificates in relation to the Unbundling. In order to receive Unbundling Shares in dematerialised form, Shareholders will be required to move into a dematerialised environment. If Shareholders do not wish to receive Unbundling Shares in dematerialised form, they will receive a statement of allocation from the Transfer Secretaries in respect of their Unbundling Shares. If Shareholders are in any doubt as to what action they should take, they should consult their Broker, CSDP, banker, attorney or other professional advisor.

4.10.2 For the purposes of the Unbundling, Shareholders will receive their respective Unbundling Shares in dematerialised form only. Accordingly, all Certificated Shareholders who wish to receive their Unbundling Shares must appoint a CSDP in terms of the Financial Markets Act, directly or through a Broker, to receive the Unbundling Shares on their behalf. Should a Certificated Shareholder not appoint a CSDP in terms of the Financial Markets Act, directly or through a Broker, to receive Unbundling Shares on their behalf, they will be issued with a statement of allocation representing their Unbundling Shares by the Transfer Secretaries. Such Shareholders can instruct the Transfer Secretaries to transfer their Unbundling Shares represented by the statement of allocation to their appointed CSDP.

4.11 Financial information

4.11.1 Historical financial information of Trenchor

The audited annual financial statements of Trenchor for the three financial years ended 31 December 2018, 2017 and 2016 are incorporated herein by reference and can be accessed on Trenchor's website (www.trenchor.net) and will also be available for inspection by Shareholders during normal business hours at the registered office of Trenchor and at the Johannesburg office of the Transaction Sponsor from Wednesday, 18 September 2019 until Friday, 18 October 2019 (both days inclusive). Trenchor will provide Shareholders with electronic copies of such information should a Shareholder request same. Furthermore, refer to **Annexure 4** for the most relevant historical financial information in the form of the published audited Consolidated Statement of Financial Position and Consolidated Statement of Profit or Loss and Other Comprehensive Income of Trenchor prior to the Unbundling for the financial years ended 31 December 2018, 2017 and 2016.

4.11.2 *Pro forma* financial information of Trenchor in relation to the Unbundling

4.11.2.1 The *pro forma* financial effects of the Unbundling, as set out below, are the responsibility of the Board. The *pro forma* financial effects are presented in a manner consistent with the basis on which the historical financial information of Trenchor has been prepared and in terms of Trenchor's accounting policies. The *pro forma* financial effects have been presented for illustrative purposes only to assist Shareholders in assessing the impact of the Unbundling and because of its nature, may not fairly present Trenchor's consolidated financial position and results of operations post the implementation of the Unbundling.

4.11.2.2 The *pro forma* financial information of Trenchor has been prepared based on its published audited Consolidated Statement of Financial Position at 31 December 2018 and Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2018, in accordance with IFRS, the Listings Requirements and the basis of preparation paragraph of **Annexure 2**. As stated in such basis of preparation paragraph, it is assumed that the Unbundling took place on 1 January 2018 for *pro forma* Consolidated Statement of Profit or Loss and Other Comprehensive Income purposes and on 31 December 2018 for *pro forma* Consolidated Statement of Financial Position purposes. Furthermore, the repurchase of the Odd-lot Holdings and the Specific Holdings, as the case may be, pursuant to the Offers, will have no material effect on Trenchor's basic earnings per share, diluted basic earnings per share, headline earnings per share, diluted headline earnings per share, net asset value per share or net tangible asset value per share, and the effects thereof (refer to paragraph 3.11.2) have accordingly not been included in the *pro forma* financial information in **Annexure 2** or the table below.

4.11.2.3 The *pro forma* financial effects set out below should be read in conjunction with the *pro forma* Statement of Financial Position and the *pro forma* Statement of Profit or Loss and Other Comprehensive Income as set out in **Annexure 2**, together with the assumptions upon which the financial effects are based, as indicated in the notes thereto in **Annexure 2**.

4.11.2.4 The report of the Independent Reporting Accountant in respect of the *pro forma* financial information of Trenchor appears in **Annexure 3**.

SUMMARY OF PRO FORMA FINANCIAL EFFECTS

	Group			Change %
	Audited financial information prior to the Unbundling ⁽¹⁾ Cents	Pro forma adjustment for Textainer Unbundling ⁽³⁾ Cents	Pro forma financial information post the Unbundling ⁽⁴⁾ Cents	
Basic earnings per share	1 610	1 873	3 483	116
Headline (loss)/earnings per share	(1 818)	1 874	56	(103)
Net asset value per share (cents)	3 587	(2 269)	1 318	(63)
Net tangible asset value per share (cents)	3 587	(2 269)	1 318	(63)
	Million	Million	Million	
Number of shares in issue	173,7	173,7	173,7	–
Weighted average number of shares in issue	176,9	176,9	176,9	–

	Group			Change %
	Unaudited financial information prior to the Unbundling ⁽²⁾ Cents	Pro forma adjustment for Textainer Unbundling ⁽³⁾ Cents	Pro forma financial information post the Unbundling ⁽⁴⁾ Cents	
Net asset value (“NAV”) per share:				
Based on the relevant spot exchange rate and the listed share price of Textainer, the NAV of Trencor at 31 December 2018 was as follows:				
Textainer	2 251	(2 251) ⁽⁵⁾	–	(100)
TAC (US GAAP NAV)	981	–	981	–
TAC (IFRS adjustments)	(164)	–	(164)	–
Cash (excluding Textainer and TAC)	526	–	526	–
Other net liabilities	(7)	(18) ⁽⁶⁾	(25)	257
	3 587	(2 269)	1 318	(63)

Pro forma adjustment notes to “Summary of Pro Forma Financial Effects”:

- (1) The “Audited financial information prior to the Unbundling” column has been based on the published audited annual financial statements of Trencor for the year ended 31 December 2018, as released on 30 April 2019.
- (2) The “Unaudited financial information prior to the Unbundling” column has been based on the more detailed financial information included in the “Financial Summary” on page I (i.e. not covered by the Independent Auditor’s Report) of the Integrated Annual Report for the year ended 31 December 2018.
- (3) The “Pro forma adjustment for Textainer Unbundling” column relates to the following: Trencor will distribute 27 278 802 Unbundling Shares in Textainer to Shareholders by way of a distribution *in specie*. The Unbundling Shares will be distributed to Shareholders in accordance with the Entitlement Ratio.
- (4) The “Pro forma financial information post the Unbundling” column indicates the *pro forma* financial information post the Unbundling.
- (5) Trencor’s NAV per share relating to Textainer was 2 251 cents at 31 December 2018. On the assumption that the Unbundling Shares were distributed on 31 December 2018, Trencor’s NAV per share relating to Textainer would no longer be included in Trencor’s NAV per share (as same would be directly held by the Trencor Shareholders post the Unbundling).
- (6) The estimated Dividends Tax and other costs associated with the Unbundling should reduce Trencor’s NAV per share and net tangible asset value per share by 18 cents.

4.12 **Trencor post the Unbundling**

- 4.12.1 Post the Unbundling, Trencor's material assets will be the Excluded Assets.
- 4.12.2 Trencor will meet the entry criteria in terms of paragraph 4.28 of the Listings Requirements post the implementation of the Unbundling.
- 4.12.3 In relation to TAC, Trencor is contemplating potential solutions that will enable a subsequent distribution of TAC or its value to Trencor's Shareholders. Shareholders will be updated further on the Board's intention regarding TAC, at the latest, immediately prior to the implementation of the Unbundling. Refer to the disclosures in relation to TAC included on pages 5, 10, 22, 23 and 64 of Trencor's published Integrated Annual Report for the year ended 31 December 2018, which is available on Trencor's website (www.trencor.net).
- 4.12.4 In relation to cash, it is the intention of the Board to distribute such cash to Shareholders as soon as circumstances permit. In this regard Trencor advised on page 5 of its published Integrated Annual Report for the year ended 31 December 2018, that the Board is of the view that Trencor should earmark mainly its cash resources for purposes of the indemnity referred to therein. Disclosures in relation to the indemnity are included on pages 23 and 77 of Trencor's published Integrated Annual Report for the year ended 31 December 2018, which is available on Trencor's website (www.trencor.net), as well as in the announcement released on SENS on 22 February 2018 in relation to such indemnity. Whilst the indemnity expires in 2024, Trencor is exploring ways of possibly substituting any potential exposure with other cover, subject to same being acceptable to the indemnitees (being third parties, independent of Trencor and its subsidiaries). If successful in these efforts, Trencor may be able to distribute its available cash to Shareholders at an earlier stage, before the indemnity expiry date in 2024.
- 4.12.5 In relation to any Textainer Appraisal Right Shares and any Retained Shares that remain post the Unbundling, such shares may be realised, or may be held for future distribution to Shareholders as soon as circumstances permit.
- 4.12.6 Textainer and Halco entered into a Voting Limitation Deed ("VLD") on 1 January 2018, whereby Halco agreed to limit or restrict certain of its shareholder voting rights in Textainer. In this regard, refer to the disclosures included on pages 23, 29, 49, 50 and 77 of Trencor's published Integrated Annual Report for the year ended 31 December 2018, which is available on Trencor's website (www.trencor.net), as well as the announcements released on SENS on 2 January 2018, 15 May 2018 and 6 July 2018. The VLD, which is currently in place only between Textainer and Trencor (and not the Shareholders), will have no effect on Trencor or its Shareholders in relation to the Unbundling Shares post the Unbundling.

4.13 **South African tax considerations of the Unbundling**

- 4.13.1 The following is a general description of certain aspects of South African tax law relating to the Unbundling (other than the consequences of any of the Shareholders' appraisal rights) as at the Last Practicable Date. It is not intended to be, nor should it be considered as, legal or taxation advice. Tax legislation is subject to frequent change and accordingly the comments as set out below may be subject to change, possibly with retrospective effect. Shareholders should consult their own professional advisors with regard to the tax implications arising in respect of the Unbundling. Trencor and its advisors make no representation and give no warranty or undertaking, express or implied, and accept no responsibility for the accuracy or completeness of the information contained in this section.
- 4.13.2 The Unbundling will constitute a distribution *in specie* by Trencor of the Unbundling Shares to its Shareholders in accordance with the Entitlement Ratio.
- 4.13.3 Material South African tax consequences of the Unbundling
 - 4.13.3.1 **Income tax**
 - 4.13.3.1.1 The distribution of the Unbundling Shares by Trencor to its Shareholders, including the distribution of any Fractional Shares, will constitute a "dividend" as defined in the Income Tax Act. Such dividend will be subject to South African income tax in the hands of each Shareholder, unless the dividend is exempt from South African income tax in terms of section 10(1)(k)(i) of the Income Tax Act. In terms of section 10(1)(k)(i) of the Income Tax Act, a "dividend" as defined in section 1 of the Income Tax Act which is received by

or accrues to any Shareholder during any year of assessment is exempt from income tax, subject to certain exclusions.

- 4.13.3.1.2 To the extent that the Shares are held by Shareholders on capital account, the Unbundling Shares would typically also constitute assets held on capital account, and for purposes of the CGT provisions contained in the Eighth Schedule, Shareholders will be deemed to have acquired the Unbundling Shares for an amount of expenditure equal to the market value of such shares on the date of the Unbundling for purposes of determining the "base cost" (as such term is defined in the Eighth Schedule) of the relevant Unbundling Shares.
- 4.13.3.1.3 To the extent that the Shares are held by Shareholders on revenue account, the Unbundling Shares would typically also constitute assets held on revenue account, and accordingly, should the Unbundling Shares be held over a tax year-end, Shareholders will be deemed, in such subsequent tax year, to have acquired the Unbundling Shares, for purposes of section 22(2) of the Income Tax Act, at a cost equal to the market price of such shares on the date of the *in specie* distribution of such shares for purposes of the trading stock provisions (i.e. section 22(4) of the Income Tax Act).
- 4.13.3.1.4 As the Unbundling will not constitute a return of capital, the Unbundling should not have an impact on the "base cost" (as such term is defined in the Eighth Schedule) of the Shares held by Shareholders.
- 4.13.3.1.5 The sale of Fractional Shares to Trenchor by Shareholders entitled to such Fractional Shares for a consideration equal to the cash value may give rise to a tax event separate to those triggered on the immediate Unbundling. In this regard, to the extent that Fractional Shares are held by Shareholders on revenue account, the gross cash value which accrues to or is received by such Shareholders pursuant to the sale of their Fractional Shares to Trenchor may be included in their gross income (subject to permissible deductions in terms of the Income Tax Act). To the extent that Fractional Shares are held by Shareholders on capital account, the sale of the Fractional Shares to Trenchor will give rise to a disposal for CGT purposes and such Shareholders may be required to account for a capital gain or loss in respect of the disposal. Generally, a capital gain or loss is determined with reference to the gross "proceeds" received by or accrued to a taxpayer less the "base cost" of the "asset" (as such terms are defined in the Eighth Schedule). By way of high-level overview, in either circumstance (i.e. whether Fractional Shares are held on revenue account or capital account), the sale of the Fractional Shares to Trenchor by Shareholders may give rise to tax on the difference (if any) between the gross cash value (less certain permissible costs), and the market value of the Fractional Shares on date of implementation of the Unbundling. The cash value, net of costs (if any), realised by Shareholders will be contained in the SENS announcement in respect of the cash value of Fractional Shares, to be released on Thursday, 12 December 2019, by 11:00.
- 4.13.3.1.6 Shareholders are advised to consult their own professional advisors to ascertain whether the abovementioned provisions or any other provisions of the Income Tax Act will apply in relation to the Unbundling.
- 4.13.3.1.7 Shareholders are advised to seek independent advice in relation to the potential tax implications regarding their future holding and/or disposal of their Unbundling Shares, with reference to their relevant circumstances and applicable legislation at the time.
- 4.13.3.1.8 Shareholders who are not a "resident" as defined in the Income Tax Act are advised to consult their own professional advisors to ascertain the South African tax treatment and the tax treatment of the Unbundling in their country of tax residence, having regard *inter alia* to any applicable DTA between South Africa and their country of tax residence.

4.13.3.2 **STT**

- 4.13.3.2.1 STT will be payable on the transfer of any Unbundling Shares (including Fractional Shares) to Shareholders pursuant to the Unbundling in terms of the STT Act. The amount of STT to be imposed will be calculated as 0,25% of the closing price of the Unbundling Shares on the Unbundling Record Date.
- 4.13.3.2.2 The CSDP of the relevant Shareholder will be liable for the STT payable in respect of the transfer of the Unbundling Shares distributed pursuant to the Unbundling.
- 4.13.3.2.3 In terms of the STT Act, the CSDP of the relevant Shareholder is, however, entitled to recover the amount of STT payable from the Shareholder to whom Unbundling Shares are distributed pursuant to the Unbundling.
- 4.13.3.2.4 Accordingly, the STT payable on the transfer of the Unbundling Shares distributed to a Shareholder pursuant to the Unbundling, will be automatically debited by such Shareholder's CSDP to such Shareholder's banking account maintained with such Shareholder's CSDP. Against such debit being made:
- 4.13.3.2.4.1 the CSDP will credit the securities account of such Shareholder with the Unbundling Shares received by such Shareholder pursuant to the Unbundling; and
- 4.13.3.2.4.2 the CSDP will pay the STT concerned to the Transfer Secretaries who will in turn pay the STT concerned to SARS on behalf of the CSDP of the relevant Shareholder.
- 4.13.3.2.5 Should any transfer of Unbundling Shares to a Shareholder pursuant to the Unbundling qualify for an exemption from STT in terms of the STT Act, such Shareholder must contact the Transfer Secretaries or their CSDP before the Unbundling in line with the timetable to be communicated in order to ensure that there will be no debit in respect of STT to such Shareholder's banking account in accordance with paragraph 4.13.3.2.
- 4.13.3.2.6 The sale of Fractional Shares to Trencor by Shareholders entitled to a Fractional Share for a consideration equal to the cash value will give rise to STT on the transfer of the Fractional Shares to Trencor pursuant to such sale. The CSDP of the relevant Shareholder will be liable for the STT in respect of the transfer of the Fractional Shares to Trencor. However, in terms of the STT Act, the CSDP of the relevant Shareholder is entitled to recover the amount of STT payable from Trencor as the person to whom Fractional Shares are transferred.

4.13.3.3 **Dividends Tax**

- 4.13.3.3.1 The distribution of the Unbundling Shares will constitute a "distribution of an asset *in specie*" as such term is used for purposes of the Dividends Tax provisions contained in the Income Tax Act. The Unbundling will give rise to a liability for Dividends Tax at the full rate in accordance with the Income Tax Act to the extent that any beneficial owner of Shares does not qualify for an exemption from the Dividends Tax, and to the extent that the beneficial owner of Shares does not qualify for a reduced rate of Dividends Tax in terms of an applicable DTA entered into by South Africa. In terms of section 64EA(b) of the Income Tax Act, on the basis that Trencor, a South African resident company, is declaring and paying a dividend which consists of the distribution of an asset *in specie*, Trencor itself will be liable for any Dividends Tax levied in respect of the distribution of the Unbundling Shares.
- 4.13.3.3.2 The distribution of the Unbundling Shares will be exempt from Dividends Tax, or subject to a reduced rate of Dividends Tax with reference to the application of an applicable DTA entered into by South Africa, in the event that the beneficial owner of Shares, by date of distribution of the Unbundling Shares, has submitted to Trencor both the required declaration and written undertaking, in such form as may be prescribed by the Commissioner for SARS.

4.13.3.3 To the extent that any beneficial owner of the Shares would not qualify for an exemption from, or reduction of, the Dividends Tax, Trencor itself will be liable for and make payment of such Dividends Tax. It is accordingly imperative that Trencor timeously be provided with the required declarations and undertakings by the Shareholders of Shares in order that Trencor may, with accuracy, determine its fair liability for Dividends Tax on the Unbundling, and establish this primary liability for Dividends Tax congruently with the profile of the Trencor Shareholder base. To the extent that Trencor is not timeously provided with the written declarations and undertakings by beneficial owners, liability for Dividends Tax will be triggered on the value of the Unbundling to such beneficial owners. Trencor is dependent on the co-operation of Shareholders to enable it to accurately quantify, and to mitigate as far as lawfully and practically possible, the amount of Dividends Tax payable by Trencor on the Unbundling.

4.13.3.4 Shareholders are advised to complete the relevant required Form of Declaration and Undertaking attached to this Circular and submit same to Trencor for administrative purposes, before 23:59 on Tuesday, 26 November 2019. In the event that Shareholders holding, in aggregate, that number of Shares comprising 97% of the issued Shares (or such lower percentage as determined by the Board in accordance with paragraph 4.5.4), do not submit the required declarations and undertakings, the condition precedent set out in paragraph 4.5.4 may not be fulfilled, and the Unbundling may not proceed.

4.14 **The views of the Independent Board in relation to the Unbundling**

4.14.1 In accordance with the Companies Regulations, the Board has constituted the Independent Board comprising of independent non-executive directors of Trencor. The Independent Board has retained the Independent Expert to compile a report on the Unbundling.

4.14.2 The Independent Board, after due consideration of the Independent Expert Report on the Unbundling, has determined that it will place reliance on the valuations performed by the Independent Expert for the purposes of reaching its own opinion regarding the Unbundling, as contemplated in regulation 110(3)(b) of the Companies Regulations. The Independent Board has formed a view of the fair value range of the shares in Textainer, which accords with the range contained in the Independent Expert Report, in considering its opinion and recommendation.

4.14.3 The Independent Board is not aware of any factors which are difficult to quantify or are unquantifiable (as contemplated in Companies Regulation 110(6)), and has not taken any such factors into account in forming its opinion.

4.14.4 The Independent Board, taking into account the report of the Independent Expert in relation to the Unbundling, has considered the terms and conditions of the Unbundling and the members of the Independent Board are unanimously of the opinion that the terms and conditions thereof are fair and reasonable to Shareholders and, accordingly, recommend that Shareholders vote in favour of the resolutions to be proposed at the General Meeting relating to the approval of the Unbundling.

4.15 **Independent Board's responsibility statement**

The Independent Board accepts responsibility for the information contained in this Circular and confirms that, to the best of its knowledge and belief, such information is true and this Circular does not omit anything likely to affect the import of such information.

4.16 **The Independent Expert Report**

4.16.1 The Independent Expert Report on the Unbundling, prepared in accordance with the provisions of the Companies Act and the Companies Regulations, is reproduced in **Annexure I** to this Circular.

4.16.2 Having considered the terms and conditions of the Unbundling and based on the conditions set out in the Independent Expert Report on the Unbundling, the Independent Expert has concluded that the terms and conditions of the Unbundling are both fair and reasonable to Shareholders, as each of these terms is defined in the Companies Regulations.

4.17 South African Exchange Control Regulations

The following is a non-exhaustive summary of the Exchange Control Regulations insofar as they may have application to the Shareholders in terms of the Unbundling. This summary is not comprehensive and is intended as a guide only. Shareholders are advised to consult their professional advisors as regards their respective obligations under the Exchange Control Regulations without delay.

4.17.1 Residents of the Common Monetary Area

In the case of:

4.17.1.1 Certificated Shareholders whose registered addresses in the Register are within the Common Monetary Area and whose Document(s) of Title are not restrictively endorsed in terms of the Exchange Control Regulations, Unbundling Shares will be transferred to a nominee account with the Transfer Secretaries and will receive a statement of allocation from the Transfer Secretaries in respect of their Textainer Ordinary Shares; or

4.17.1.2 Dematerialised Shareholders whose registered addresses in the Register are within the Common Monetary Area and who have not been restrictively endorsed in terms of the Exchange Control Regulations, Unbundling Shares will be transferred directly to the accounts nominated for the relevant Shareholders by their duly appointed CSDP or Broker in terms of the provisions of the custody agreement with their CSDP or Broker.

4.17.2 Emigrants from the Common Monetary Area

In the case of Shareholders who are emigrants from the Common Monetary Area and whose registered addresses are outside the Common Monetary Area, the Unbundling Shares distributed will:

4.17.2.1 in the case of Certificated Shareholders whose Document(s) of Title have been restrictively endorsed under the Exchange Control Regulations, be endorsed "non-resident" and deposited with the Authorised Dealer in foreign exchange in South Africa controlling such Certificated Shareholders' blocked assets in terms of the Exchange Control Regulations. It will be incumbent on the Certificated Shareholder concerned to approach the Authorised Dealer controlling such Certificated Shareholders' blocked assets and instruct the Authorised Dealer accordingly; or

4.17.2.2 in the case of Dematerialised Shareholders, be transferred to the emigrant blocked accounts of the Shareholders held at the CSDP of the Authorised Dealer controlling the particular emigrants' blocked assets, or the CSDP contracted by such an Authorised Dealer, under the auspices of the controlling Authorised Dealer. The CSDP or Broker must ensure that all requirements of the Exchange Control Regulations are adhered to in respect of their clients falling into this category of investor, whether their Unbundling Shares are held in certificated or dematerialised form.

4.17.3 All other non-residents of the Common Monetary Area

The Unbundling Shares accruing to a non-resident Shareholder (for purposes of this section 4.17, a non-resident Shareholder means a Shareholder who is not resident in South Africa for purposes of the South African exchange control laws and regulations) whose registered addresses are outside the Common Monetary Area and who is not an emigrant from the Common Monetary Area will:

4.17.3.1 in the case of a Certificated Shareholder, whose Document(s) of Title have been restrictively endorsed under the Exchange Control Regulations, be deposited with an Authorised Dealer nominated by such non-resident Shareholder. It will be incumbent on the non-resident Shareholder concerned to nominate an Authorised Dealer and instruct such Authorised Dealer accordingly; or

4.17.3.2 in the case of a Dematerialised Shareholder, be credited by their duly appointed CSDP or Broker directly to the accounts nominated by the non-resident Shareholder in terms of the provisions of the custody agreement with his/her/its CSDP or Broker.

4.17.4 Information not provided

If the information regarding the Authorised Dealer is not given or instructions are not given as required, the Unbundling Shares distributed will be held by the Transfer Secretaries for the benefit of those Shareholders concerned, pending receipt of the necessary information or instructions.

5. MAJOR SHAREHOLDERS

As far as the Directors are aware, the following persons, other than Directors, are beneficially interested, directly or indirectly, in 5% or more of the Shares in issue (based on original information, contained on page 80 of Trenchor's published Integrated Annual Report for the year ended 31 December 2018, having been updated for subsequent known shareholding changes):

Name of Shareholder	Number of Shares⁵	% of Shares in issue prior to the Offers	% of Shares in issue post the Odd-lot Offer (^)	% of Shares in issue post the Odd-lot and Specific Offers (*)
Government Employees Pension Fund	23 113 931	13,31%	13,31%	13,32%
Old Mutual Symmetry Satellite Equity Fund No 3	10 341 431	5,95%	5,96%	5,96%
Jowell family	9 617 073	5,54%	5,54%	5,54%
Coronation Balanced Plus Fund	9 469 431	5,45%	5,45%	5,46%

^ Assuming the maximum amount of 26 852 Shares is repurchased in terms of the Odd-lot Offer.

* Assuming the maximum amount of 207 472 Shares is repurchased in terms of the Odd-lot Offer and Specific Offer.

6. LITIGATION

There are no legal or arbitration proceedings (including any such proceedings that are pending or threatened) of which Trenchor is aware, which may have, or have during the 12 months preceding the Last Practicable Date had, a material effect on the financial position of the Trenchor group.

7. SHARE CAPITAL

7.1 Trenchor's authorised share and issued share capital prior to the Offers and Unbundling (as at the Last Practicable Date) is set out below

	Number of Shares	R
Prior to Offers and Unbundling		
Authorised		
Ordinary shares of 0,5 cent each	200 000 000	1 000 000
Issued		
Ordinary shares of 0,5 cent each	173 677 833	868 389

7.2 Effect of the Offers and the Unbundling on Trenchor's share capital

The maximum number of Shares which potentially could be repurchased by Trenchor if all Odd-lot Holders and Specific Holders sell their respective holdings to Trenchor will not exceed approximately 207 472 Shares and will therefore not have a material impact on the authorised and issued share capital of Trenchor, as demonstrated in the table below.

No change in the authorised or issued share capital of Trenchor will occur as a result of the implementation of the Unbundling.

⁵ Latest quarterly Nasdaq Report with a register date of 28 June 2019.

	Number of Shares	R
Post Offers and Unbundling		
Authorised		
Ordinary shares of 0,5 cent each	200 000 000	1 000 000
Issued		
Ordinary shares of 0,5 cent each	173 470 361	867 352

8. MATERIAL CONTRACTS

- 8.1 No material contracts exist at the date of this Circular.
- 8.2 No material contracts exist between Trenchor or any person acting in concert with it and:
- 8.2.1 any director of Trenchor or persons who were directors of Trenchor within the preceding 12 months; or
- 8.2.2 holders of Trenchor securities or persons who were holders thereof within the preceding 12 months.
- 8.3 The Unbundling does not contemplate the entering into of any financing arrangements or leveraging by Trenchor as described in the Companies Regulations.

9. INFORMATION RELATING TO THE DIRECTORS

9.1 Directors' interests in Shares

The table below sets out the direct and indirect beneficial interests of the Directors (and their associates), including any Directors who may have resigned during the last 18 months, in Shares, as at the Last Practicable Date:

Director	Direct Beneficial	Indirect Beneficial	Associate	Total	% of Shares held	% of Shares held post the Odd-lot Offer ([^])	% of Shares held post the Odd-lot and Specific Offers ([*])
DM Nurek	–	–	10 000	10 000	0,01%	0,01%	0,01%
JE McQueen	49 649	–	102 133	151 782	0,09%	0,09%	0,09%
E Oblowitz	10 000	–	–	10 000	0,01%	0,01%	0,01%
RA Sieni	–	–	–	–	–	–	–
RJA Sparks	–	–	4 000	4 000	0,00%	0,00%	0,00%
HR van der Merwe	–	–	–	–	–	–	–
H Wessels	–	–	27 859	27 859	0,02%	0,02%	0,02%
Total	59 649	–	143 992	203 641	0,12%	0,12%	0,12%

[^] Assuming the maximum amount of 26 852 Shares is repurchased in terms of the Odd-lot Offer.

^{*} Assuming the maximum amount of 207 472 Shares is repurchased in terms of the Odd-lot Offer and Specific Offer.

9.2 Directors' dealings in Shares

No Directors have traded in Trencor Shares within the six months preceding the Last Practicable Date.

9.3 Directors' remuneration

The remuneration of the Directors will not be affected by the Unbundling. Director remuneration is reviewed periodically in the ordinary course and the Board will continue to do so following the Unbundling.

9.4 Directors' information

Full name	Age	Capacity	Company and other directorships	Business address
Hendrik (Hennie) Roux van der Merwe	72	Executive Chief Executive Officer	Textainer, TAC, Leased Assets Pool Company Limited, Bell Equipment Limited, Master Drilling Group Limited and various Trencor group and other companies	Trencor 13th Floor The Towers South Heerengracht Cape Town 8001
Ricardo (Ric) Antonio Sieni	65	Executive Financial Director	TAC (alternate), Leased Assets Pool Company Limited (alternate) and various other Trencor group companies	Trencor 13th Floor The Towers South Heerengracht Cape Town 8001
James (Jimmy) Ernest McQueen	75	Non-executive	Mobile Acceptances Proprietary Limited	26 Riverton Road Rondebosch 7700
David Morris Nurek	69	Independent non-executive	Textainer, Clicks Group Limited and various other companies	C/o 506 The Point 66 Regent Road Sea Point 8005
Edwin (Eddy) Oblowitz	62	Independent non-executive	The Foschini Group Limited and various other companies	C/o Trencor 13th Floor The Towers South Heerengracht Cape Town 8001
Roderick (Roddy) John Alwyn Sparks	60	Independent non-executive	Imperial Logistics Limited, Truworths International Limited and various other companies	C/o Trencor 13th Floor The Towers South Heerengracht Cape Town 8001
Herman Wessels	75	Independent non-executive	Naspers Beleggings Limited, Swiss Re Life and Health Africa Limited and various other companies	16 Rugby Road Oranjezicht Cape Town 8001

9.5 Directors' voting intentions

The Directors, in their personal capacities, intend to vote the Shares beneficially owned by them, if any, in favour of the resolutions to be proposed at the General Meeting to approve the Offers and Unbundling.

10. BOARD'S RESPONSIBILITY STATEMENT

The Board accepts responsibility for the information contained in this Circular and confirms that, to the best of its knowledge and belief, such information is true and this Circular does not omit anything likely to affect the importance of such information.

11. EXPERTS'/ADVISORS' CONSENTS

Each of the experts and/or advisors, whose name appears in the "Corporate information" section of this Circular, has consented in writing to act in the capacities stated and to the inclusion of its names and, where applicable, to the inclusion of its reports in this Circular in the form and context in which they appear and has not withdrawn its consent prior to the publication of this Circular.

12. DISCLOSURE OF CONFLICTS OF INTEREST

12.1 Shareholders are advised that Investec has been appointed as Financial Advisor and Transaction Sponsor in relation to the Offers and Unbundling.

12.2 Investec holds, mainly in capacity as agent appointed on behalf of third party clients, the following interests in Trencor Shares:

Name of company	Nature of holding	Holding (number of shares and %)
Investec	Ordinary shares	12 583 179 (7,25%)

12.3 In its capacity as Financial Advisor and Transaction Sponsor, Investec has confirmed to the JSE and Trencor that there is no matter that would impact on its ability to exercise reasonable care and judgment to achieve and maintain independence and objectivity in professional dealings in relation to Trencor, and that would impact on its ability to act within the Code of Conduct as set out in the Listings Requirements.

12.4 Investec has various internal procedures in place to ensure that its ability to act independently as Transaction Sponsor is not compromised. Pursuant to these internal procedures, Investec has a compliance control room function that identifies and manages conflict risks and ensures that strict "corporate walls" are maintained to ensure that, as Transaction Sponsor, it is able to act independently from other divisions within Investec. Investec enforces and implements physical and logical access restrictions to information, which is limited to deal teams for whom the information is relevant, for the purpose of fulfilling the client mandate.

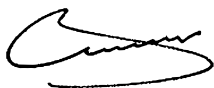
13. MATERIAL CHANGES

The Directors report that between the period of publication of the audited annual financial statements for the financial year ended 31 December 2018, being the last published information and the Last Practicable Date, there have been no material changes.

14. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection by Shareholders during normal business hours at the registered office of Trenchor and at the Johannesburg office of the Transaction Sponsor from Wednesday, 18 September 2019, until Friday, 18 October 2019 (both days inclusive):

- 14.1 the MOI of Trenchor;
- 14.2 the full historical financial information of Trenchor for the financial years ended 31 December 2016, 2017 and 2018;
- 14.3 the Independent Expert Report, as reproduced in **Annexure 1**;
- 14.4 the written consents from each of the advisors referred to in paragraph 11 of this Circular;
- 14.5 the approval letter issued by the TRP in respect of the Circular;
- 14.6 the Independent Reporting Accountant's assurance report on the compilation of the *pro forma* financial information of Trenchor for the financial year ended 31 December 2018 as reproduced in **Annexure 3** read with *pro forma* financial information of Trenchor as set out in **Annexure 2**; and
- 14.7 a signed copy of this Circular and all annexures hereto.



DM Nurek

Duly authorised on behalf of the Board of Trenchor



RJA Sparks

Duly authorised on behalf of the Independent Board of Trenchor

Cape Town
18 September 2019

INDEPENDENT EXPERT REPORT ON THE UNBUNDLING

The Independent Board
Trencor Limited
13th Floor
The Towers South
Heerengracht
Cape Town 8001

28 August 2019

Dear Sirs/Mesdames

REPORT OF THE INDEPENDENT EXPERT ON THE PROPOSED UNBUNDLING IN TERMS OF WHICH TRENCOR WILL DISTRIBUTE THE UNBUNDLING SHARES TO SHAREHOLDERS BY WAY OF A DISTRIBUTION *IN SPECIE*

Introduction

The definitions and interpretations commencing on page 10 of the Circular to which this letter is attached apply, *mutatis mutandis*, to this independent expert's report.

In terms of the announcement published by Trencor Limited ("Trencor" or the "Company") on the JSE Limited ("JSE") on 18 September 2019, registered holders of ordinary shares in the issued share capital of Trencor ("Shares") ("Shareholders") were advised that the board of directors of Trencor ("Directors" or "Board") is proposing a distribution *in specie* of the 27 278 802 Textainer Group Holdings Limited ("Textainer") common shares ("Unbundling Shares") held by Trencor in the issued share capital, at US\$0,01 par value, of Textainer ("Textainer Shares") to the Shareholders.

Prior to the Unbundling, Trencor wishes to make

- an Odd-lot Offer to Shareholders holding fewer than 100 Shares in the share capital of Trencor ("Odd-lot Holders") at the 10-day volume weighted average traded price ("VWAP") of a Share on the JSE at the close of business on Monday, 28 October 2019, plus a 10% premium ("Offer Price") ("Odd-lot Offer"); or
- a Specific Offer to repurchase Shares from Shareholders holding 100 Shares or more but equal to or fewer than 635 Shares ("Specific Holders") ("Specific Offer") at the Offer Price.

The Odd-lot Offer and the Specific Offer are collectively referred to as the ("Offers").

Trencor wishes to make the Offers to Odd-lot Holders and Specific Holders in order to assist Trencor in reducing ongoing administration costs in relation to the large number of Shareholders that would hold a relatively small shareholding. The Offers will furthermore assist Textainer in reducing the number of Shareholders who hold a small shareholding in Textainer, post the implementation and as a result of the Unbundling.

Trencor intends to distribute the Unbundling Shares to Shareholders in accordance with the Entitlement Ratio as defined, expected to be between 15,70655 and 15,72534 Textainer shares as at the date of the unbundling ("Unbundling").

The Unbundling will be implemented in terms of section 46(1) of the Companies Act (No. 71 of 2008) as amended ("Companies Act") read together with section 112 of the Companies Act, which will constitute the disposal of a greater part of the assets or undertaking of Trencor and therefore requires the approval of the Shareholders by way of a special resolution in compliance with the provisions of section 115 of the Companies Act.

As at the last practicable date prior to the finalisation of this report, being Wednesday, 28 August 2019 (the "Last Practicable Date"), the authorised share capital and issued share capital of Trecor comprise the following:

	Number of Shares	R
Authorised		
Ordinary shares of 0,5 cent each	200 000 000	1 000 000
Issued		
Ordinary shares of 0,5 cent each	173 677 833	868 389

Trecor's equity interest in Textainer accounts for the majority of Trecor's assets and as a result, Shareholders are already substantially exposed to the performance of Textainer by virtue of their shareholding in Trecor. The Unbundling will enable Shareholders to obtain direct exposure to Textainer as opposed to indirect exposure through Trecor's shareholding and will result in a simpler and ultimately more efficient shareholding structure for Shareholders. The proposed listing of Textainer, which has a primary listing on the New York Stock Exchange ("NYSE"), on the main board of the JSE by way of a secondary inward listing ("Inward Listing") and subsequent Unbundling is expected to afford Shareholders direct exposure to Textainer, being a foreign asset, without utilising their permissible foreign investment allowances. The Unbundling is expected to lead to a deeper and wider spread in Textainer's shareholder base (i.e. free float), to improve liquidity and to potentially enhance Textainer's weighting in stock market indices.

Post the Unbundling, Shareholders will directly hold Textainer Shares in accordance with the Entitlement Ratio, as well as Trecor Shares.

The Unbundling by Trecor to Shareholders will give rise to a liability for Dividends Tax in accordance with the Income Tax Act, 1962 (Act No. 58 of 1962) of South Africa, as amended ("Income Tax Act") to the extent that any beneficial owner of Unbundling Shares does not qualify for an exemption from, or reduction of, the Dividends Tax. Trecor itself will make payment of such Dividends Tax to SARS.

Post the disposal by Trecor of any of the Textainer Appraisal Right Shares and/or Retained Shares, as defined in this Circular, and settlement of taxes and other costs associated with the Unbundling, Trecor will hold the Excluded Assets. Textainer will continue its business operations and will retain its primary listing on the NYSE post the Inward Listing on the main board of the JSE and the implementation of the Unbundling.

Full details of the Unbundling are contained in the Circular to be dated Wednesday, 18 September 2019, which will include a copy of this letter.

As at the Last Practicable Date, Directors held the following direct and indirect beneficial interests in Trecor Shares:

Director	Direct beneficial	Indirect beneficial	Associate	Total	% of Shares held
DM Nurek	–	–	10 000	10 000	0,01%
JE McQueen	49 649	–	102 133	151 782	0,09%
E Oblowitz	10 000	–	–	10 000	0,01%
RA Sieni	–	–	–	–	–
RJA Sparks	–	–	4 000	4 000	0,00%
HR van der Merwe	–	–	–	–	–
H Wessels	–	–	27 859	27 859	0,02%
Total	59 649	–	143 992	203 641	0,12%

A copy of section 115 and section 164 of the Companies Act is set out in **Annexure 7** of the Circular.

Fair and reasonable opinion required in terms of the Companies Act

The Unbundling constitutes the disposal of a greater part of the assets or undertaking of the Company in terms of the Companies Act. The Unbundling constitutes an affected transaction as defined in section 117(1)(c)(i) of the Companies Act, which is subject to the provisions of the Companies Act Regulations, 2011 promulgated under the Companies Act ("the Companies Regulations"). In terms of regulation 90(1)(a) of the Companies Regulations (as read with section 114(2) and section 114(3) of the Companies Act), the independent directors for this Unbundling ("Independent Board") is required to obtain appropriate external advice as to how the Unbundling affects all holders of securities in Trecor and whether the proposed terms and conditions of the Unbundling are fair and reasonable insofar as Shareholders are concerned (the "Fair and Reasonable Opinion" or "Opinion").

BDO Corporate Finance Proprietary Limited (“BDO Corporate Finance”) has been appointed as the independent expert by the Company, acting through the Independent Board, to assess the terms and conditions of the Unbundling as well as the Entitlement Ratio as required in terms of section 114 of the Companies Act and regulations 90 and 110 of the Companies Regulations which will be provided for the sole purpose of assisting the Board and Independent Board in forming and expressing an opinion on the Unbundling and the Entitlement Ratio for the benefit of the Shareholders, and for distribution of the Opinion to Shareholders pursuant to the requirements of the Companies Act.

Responsibility

Compliance with the Companies Act and the Companies Regulations is the responsibility of the Board and Independent Board. Our responsibility is to report to the Independent Board on whether the terms and conditions of the proposed Unbundling are fair and reasonable to the Shareholders and to advise in relation to the matters specified in section 114(3) of the Companies Act and regulations 90 and 110 of the Companies Regulations.

Definition of the terms “fair” and “reasonable” applicable in the context of the Unbundling

The “fairness” of a transaction is primarily based on quantitative issues. A transaction will generally be considered to be fair to a company’s shareholders if the benefits received, as a result of the transaction, are equal to or greater than the value given up.

The Unbundling may be said to be fair if the fair value attributable to Shareholders after the Unbundling is equal to or more than the fair value attributable to Shareholders before the Unbundling, save for the effects of transaction costs and taxes.

An assessment of reasonableness is generally based on factors other than quantitative considerations.

Details and sources of information

In arriving at our opinion, we have relied upon the following principal sources of information:

Information secured from directors and/or management of Tencor:

- the terms and conditions of the Unbundling, as set out in the Circular;
- the rationale for the Unbundling;
- other conditions which may affect the underlying value of Textainer;

Information secured from third party sources, including information related to publicly available economic, market and other data which we considered applicable to, or potentially influencing, Textainer:

- the Annual Reports of Textainer for the years ended 31 December 2017 and 31 December 2018;
- the First-Quarter 2019 Results for Textainer;
- the consensus analysts’ forecasts for Textainer for the years ending 31 December 2019 and 31 December 2020;
- the market research on appropriate discounts and premia to be applied in our analysis;
- the publicly available information relating to the relevant sector in general; and
- the publicly available information relating to Tencor and Textainer that we deemed to be relevant, including announcements and media articles.

Procedures

In arriving at our opinion, we have undertaken the following procedures and taken into account the following factors in evaluating the fairness and reasonableness of the Unbundling:

- reviewed the terms and conditions of the Unbundling;
- reviewed the audited and unaudited financial information related to Textainer, as detailed above;
- performed such other studies and analyses as we considered appropriate and have taken into account our assessment of general economic, market and financial conditions and our experience in other transactions, as well as our experience in securities valuation and knowledge of the relevant sector generally;
- held discussions with directors and/or management of Tencor regarding the tax and accounting implications of the Unbundling;
- assessed the long-term potential of Textainer and its underlying operations;
- evaluated the relative risks associated with Textainer and the relevant sector; and
- reviewed certain publicly available information relating to Textainer and the relevant sector that we deemed to be relevant, including announcements and media articles and available analyst coverage.

Assumptions

We arrived at our opinion based on the following assumptions:

- that all documents intended to have binding force that have been or will be issued or adopted in terms of the Unbundling are or will be legally enforceable as against the relevant parties thereto; that the Unbundling will have the legal, accounting and taxation consequences described in the Circular and discussions with, and materials furnished to us by representatives and advisors of Trenchor; and
- that reliance can be placed on the financial information of Textainer.

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:

- placing reliance on audit reports in the annual financial statements of Textainer; and
- determining the extent to which representations (if any) from directors and/or management of Trenchor were confirmed by documentary and audited financial evidence as well as our understanding of Textainer and the economic environment in which Textainer operates.

Limiting conditions

This opinion is provided in connection with and for the purposes of the Unbundling. The opinion does not purport to cater for each individual Shareholder's perspective, but rather that of the general body of such Shareholders. Should such a Shareholder be in doubt as to what action to take, he or she should consult an independent adviser.

Individual Shareholders' decisions regarding the Unbundling may be influenced by such Shareholders' particular circumstances and accordingly such individual Shareholders should consult an independent advisor if in any doubt as to the merits or otherwise of the Unbundling.

The nature of the Unbundling does not require us to express, and nor do we express, a view on the future growth prospects, earnings potential or value of a Textainer ordinary share. We do not express any view as to the price at which Textainer Shares may trade nor on the future value, financial performance or condition of Textainer.

We have also assumed that the Unbundling will have the legal consequences described in the Circular and in discussions with, and materials furnished to us by representatives of Trenchor and we express no opinion on such consequences.

Our opinion is based on current economic, regulatory and market as well as other conditions. Subsequent developments may affect the opinion, and we are under no obligation to update, review or re-affirm our opinion based on such developments.

Independence, competence and fees

We confirm that neither we nor any person related to us (as contemplated in the Companies Act) have a direct or indirect interest in the Unbundling, nor have or have had within the immediately preceding two years, any relationship as contemplated in section 114(2)(b) of the Companies Act, and specifically declare, as required by regulations 90(6)(i) and 90(3)(a) of the Companies Regulations, that we are independent in relation to the Unbundling and will reasonably be perceived to be independent. We also confirm that we have the necessary competence to provide the Fair and Reasonable Opinion and meet the criteria set out in section 114(2)(a) of the Companies Act.

Furthermore, we confirm that our professional fees of R200 000 (excluding VAT) are not contingent upon the success of the Unbundling. Our fees are payable in cash and not payable in shares.

Approach to fairness and reasonableness of the Unbundling

In assessing the fairness and reasonableness of the Unbundling, BDO Corporate Finance considered the following:

- The context in which the Unbundling has been proposed; and
- The net benefits that accrue to each Shareholder as a result of the Unbundling.

We reviewed and considered the terms and conditions and consequences of the Unbundling.

Valuation approach and results

We performed a valuation of a Textainer Share by applying the discounted cash flow ("DCF") methodology as our primary approach. In addition, we considered the market approach (based on financial data for comparable publicly traded companies and for recent transactions in significant equity interests in comparable companies) as a secondary methodology to support the results of the DCF valuation.

The valuation was performed taking cognisance of risk and other market and industry factors affecting Textainer. All financial information used in the valuation of Textainer is based on consensus analysts' forecasts and information available in the public domain. Neither Textainer nor Trecor directors and/or management have provided any forward-looking financial information for the purposes of this valuation.

In performing our valuation analysis of Textainer Shares we considered the sensitivity of the valuations to changes in assumptions around key value drivers. We found that the key internal value drivers of the valuation of the Textainer Shares are estimates of revenue growth, projected profit margins and capital expenditure requirements.

External value drivers, including: steel prices, global economic conditions, expected lease rates for containers and utilisation rates in the industry were considered in assessing the forecast cash flows and risk profile of Textainer.

Given the nature of the Unbundling we note that the value attributable to a Shareholder is the same before and after the Unbundling (other than the effect of Dividends Tax and transaction costs). We assessed the value of a Textainer Share, on a minority interest basis, as between USD9,16 (ZAR140,63)¹ and USD11,47 (ZAR176,09)¹ per Textainer Share. For the purposes of this opinion we consider the core value to be USD10,33 (ZAR158,60)². The valuation ranges above are provided solely in respect of this Independent Expert Report and should not be used for any other purposes.

Note 1: Prevailing exchange rate of 1USD/ZAR15,353 as at the Last Practicable Date

Note 2: Prevailing exchange rate of 1USD/ZAR15,353 as at the Last Practicable Date

Opinion

The rationale for the Unbundling in relation to the business and prospects of Trecor is set out in paragraph 4.2 of the Circular.

BDO Corporate Finance has considered the terms and conditions of the Unbundling and, based on and subject to the conditions set out herein, is of the opinion that the terms and conditions of the Unbundling, based on quantitative considerations, are fair to the Shareholders.

Based on qualitative factors, we are of the opinion that the terms and conditions of the Unbundling are reasonable from the perspective of Shareholders.

Our Opinion is necessarily based upon the information available to us up to Wednesday, 28 August 2019, including in respect of the financial information as well as other conditions and circumstances existing and disclosed to us. We have assumed that all conditions precedent, including any material regulatory and other approvals or consents required in connection with the Unbundling have been fulfilled or obtained.

Accordingly, it should be understood that subsequent developments may affect this Opinion, which we are under no obligation to update, revise or re-affirm but BDO Corporate Finance reserves its rights to do so should any such developments arise.

Consent

We hereby consent to the inclusion of this opinion, in whole or in part, and references thereto in the Circular and any other announcement or document pertaining to the Unbundling, in the form and context in which they appear.

Yours faithfully



N Lazanakis

Director

BDO Corporate Finance Proprietary Limited

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PRO FORMA FINANCIAL INFORMATION OF TRENCOR IN RELATION TO THE UNBUNDLING FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

Basis of preparation

The definitions and interpretations commencing on page 10 of the Circular have been used throughout this **Annexure 2**. The *pro forma* financial information should be read in conjunction with paragraph 4.11.2 of the Circular.

The *pro forma* financial information has been prepared for illustrative purposes only to assist Shareholders in assessing the impact of the Unbundling and because of its nature, may not fairly present Tencor's consolidated financial position and results of operations post the implementation of the Unbundling.

The *pro forma* financial information is based on the published audited Consolidated Statement of Financial Position at 31 December 2018 and Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2018 of Tencor prior to the Unbundling.

The *pro forma* Consolidated Statement of Profit or Loss and Other Comprehensive Income has been prepared on the assumption that the Unbundling took place on 1 January 2018. The *pro forma* Consolidated Statement of Financial Position has been prepared on the assumption that the Unbundling took place on 31 December 2018. As a result of such different assumption dates being utilised, as prescribed, these two *pro forma* statements do not align.

The repurchase of the Odd-lot Holdings and the Specific Holdings, as the case may be, pursuant to the Offers, will have no material effect on Tencor's basic earnings per share, diluted basic earnings per share, headline earnings per share, diluted headline earnings per share, net asset value per share or net tangible asset value per share, and the effects thereof have accordingly not been included in the *pro forma* financial information in either **Annexure 2** or paragraph 4.11.2 of the Circular. Assuming the maximum number of approximately 207 472 Shares is repurchased in terms of the Offers and assuming an Offer Price of R25,63 per Share which is based on the VWAP of a Share on the JSE over the 10 trading days immediately before the Last Practicable Date of R23,30, plus a 10% premium, the financial cost is expected to be approximately R6,2 million (which includes expenses in relation to the Offers of R0,9 million).

The *pro forma* financial information of Tencor has been prepared using the accounting policies of Tencor which comply with IFRS and are consistent with those applied in the published audited 2018 Annual Financial Statements.

There are no other post-balance sheet events which require adjustment in the *pro forma* financial effects.

The *pro forma* financial information is the responsibility of the Directors.

The Independent Reporting Accountant's assurance report on the compilation of the *pro forma* financial information of Tencor is reproduced in **Annexure 3** to this Circular.

TRENCOR LIMITED AND SUBSIDIARIES

Pro forma Statement of Financial Position

at 31 December 2018

	Audited financial information prior to the Unbundling ⁽¹⁾⁽³⁾ Rm	Group	
		Pro forma adjustment for Textainer Unbundling ⁽⁴⁾ Rm	Pro forma financial information post the Unbundling ⁽⁵⁾ Rm
Assets			
Property, plant and equipment	3 058	–	3 058
Investment in equity shares	3 910	(3 910) ⁽⁶⁾	–
Derivative financial instruments	9	–	9
Deferred tax assets	2	–	2
Total non-current assets	6 979	(3 910)	3 069
Inventories	19	–	19
Trade and other receivables	127	–	127
Cash and cash equivalents	1 280	–	1 280
Total current assets	1 426	–	1 426
Total assets	8 405	(3 910)	4 495
Equity			
Issued capital	1	–	1
Reserves	6 230	(3 941)	2 289
Equity attributable to equity holders of the company	6 231	(3 941)	2 290
Liabilities			
Interest-bearing borrowings	1 622	–	1 622
Total non-current liabilities	1 622	–	1 622
Trade and other payables	29	10 ⁽¹⁰⁾	39
Current tax liabilities	11	21 ⁽⁹⁾	32
Current portion of interest-bearing borrowings	512	–	512
Total current liabilities	552	31	583
Total liabilities	2 174	31	2 205
Total equity and liabilities	8 405	(3 910)	4 495
Net asset value per share (cents)	3 587	(2 269) ⁽¹¹⁾	1 318
Net tangible asset value per share (cents)	3 587	(2 269) ⁽¹¹⁾	1 318
Reconciliation of movement in reserves:			
Reserves at 31 December 2018 prior to the Unbundling	6 230	–	6 230
(Loss)/Profit for the year (Other associated costs)	–	(10) ⁽¹⁰⁾	(10)
(Loss)/Profit for the year (Dividends Tax)	–	(21) ⁽⁹⁾	(21)
Distribution <i>in specie</i>	–	(3 910) ⁽⁶⁾	(3 910)
Reserves at 31 December 2018 post the Unbundling	6 230	(3 941)	2 289

TRENCOR LIMITED AND SUBSIDIARIES

Pro forma Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2018

	Audited financial information prior to the Unbundling⁽²⁾⁽³⁾ Rm	Group Pro forma adjustment for Textainer Unbundling⁽⁴⁾ Rm	Pro forma financial information post the Unbundling⁽⁵⁾ Rm
Revenue	543	–	543
Other operating income	18	–	18
Gain on deconsolidation of subsidiary	5 767	– ⁽⁷⁾	5 767
Accumulated foreign currency translation gains recycled to profit or loss on liquidation of subsidiaries	526	–	526
Cost of containers sold	(151)	–	(151)
Employee benefits expense	(23)	–	(23)
Depreciation	(103)	–	(103)
Impairment of property, plant and equipment	(108)	–	(108)
Impairment of goodwill	(137)	–	(137)
Other operating expenses	(108)	(10) ⁽¹⁰⁾	(118)
Fair value adjustment of investment in equity shares	(3 345)	3 345 ⁽⁸⁾	–
Operating profit before net finance expenses	2 879	3 335	6 214
Net finance expenses	(22)	–	(22)
Finance expenses: Interest expense	(88)	–	(88)
Realised and unrealised gains on derivative financial instruments	4	–	4
Finance income: Interest income	62	–	62
Profit before tax	2 857	3 335	6 192
Income tax expense	9	21 ⁽⁹⁾	30
Profit for the year attributable to the equity holders of the company	2 848	3 314	6 162
Other comprehensive loss			
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences	237	–	237
Accumulated foreign currency translation gains recycled from other comprehensive income on deconsolidation and liquidation of subsidiaries	(3 714)	– ⁽⁷⁾	(3 714)
Total comprehensive (loss)/income for the year attributable to the equity holders of the company	(629)	3 314	2 685
Basic earnings per share (cents)	1 610	1 873	3 483
Diluted basic earnings per share (cents)	1 610	1 873	3 483

	Audited financial information prior to the Unbundling⁽²⁾⁽³⁾ Rm	Group Pro forma adjustment for Textainer Unbundling⁽⁴⁾ Rm	Pro forma financial information post the Unbundling⁽⁵⁾ Rm
Headline (loss)/earnings:			
Profit attributable to the equity holders of the company	2 848	3 314	6 162
Impairment of property, plant and equipment	108	–	108
Gain on deconsolidation of subsidiary	(5 767)	– ⁽⁷⁾	(5 767)
Accumulated foreign currency translation gains recycled to profit or loss on liquidation of subsidiaries	(526)	–	(526)
Impairment of goodwill	137	–	137
Profit on sale of property, plant and equipment	(18)	–	(18)
Total tax effects of adjustments	3	–	3
Headline (loss)/earnings	(3 215)	3 314	99
Headline (loss)/earnings per share (cents)	(1 818)	1 874	56
Diluted headline (loss)/earnings per share (cents)	(1 818)	1 874	56
Weighted average number of shares in issue (million)	176,9	176,9	176,9

Pro forma adjustment notes to the pro forma financial statements presented herein:

- (1) The *pro forma* Consolidated Statements of Financial Position ("*Pro forma* SOFP") figures have been based on the assumption that the Unbundling took place on 31 December 2018.
- (2) The *pro forma* Consolidated Statements of Profit or Loss and Comprehensive Income ("*Pro forma* SOCI") figures have been prepared on the assumption that the Unbundling took place on 1 January 2018.
- (3) The *Pro forma* SOCI and *Pro forma* SOFP ("*Audited financial information prior to the Unbundling*" column) have been based on the published audited annual financial statements of Trenchor for the year ended 31 December 2018, as released on 30 April 2019.
- (4) The "*Pro forma* adjustment for Textainer Unbundling" column relates to the following: Trenchor will distribute 27 278 802 Unbundling Shares in Textainer to Shareholders by way of a distribution *in specie*. The Unbundling Shares will be distributed to Shareholders in accordance with the Entitlement Ratio.
- (5) The "*Pro forma* financial information post the Unbundling" column indicates the *pro forma* financial information post the Unbundling.
- (6) The fair value of the investment in Textainer amounted to R3 910 million at 31 December 2018 prior to the Unbundling. On the assumption that 27 278 802 Textainer equity shares (i.e. Unbundling Shares) were unbundled on 31 December 2018, the value of the investment in equity shares would have amounted to Rnil post Unbundling. On this date, the Unbundling Shares are assumed to be declared as a distribution or dividend *in specie* that would have reduced the retained earnings in the *Pro forma* SOFP by R3 910 million.
- (7) On the assumption that the Textainer equity shares (i.e. Unbundling Shares) were unbundled on 1 January 2018 as the first transaction, the original deconsolidation of Textainer in terms of the Voting Limitation Deed ("*VLD*") would not have occurred. Instead the Unbundling Shares would have been declared as a distribution or dividend *in specie* at fair value, still resulting in a gain on deconsolidation of subsidiary which comprises the gain of R5 767 million and the accumulated foreign currency translation gain of R3 188 million transferred from Other Comprehensive Income ("*OCI*") to Profit or Loss ("*P/L*") having been recognised in the *Pro forma* SOCI and hence, such Textainer related transactions have not been reversed by the *pro forma* adjustments.
- (8) On the assumption that the Unbundling Shares were unbundled on 1 January 2018, the Textainer equity shares would not have been fair valued between 1 January 2018 and 31 December 2018 and therefore, the fair value adjustment of investment in equity shares of R3 345 million would not have been recognised in the *Pro forma* SOCI.
- (9) Estimated Dividends Tax associated with the Unbundling (being a distribution to owners) should amount to approximately R21 million and has been based on 20% Dividends Tax being calculated with reference to Trenchor Shareholders (being not exempt from Dividends Tax) with an estimated 2,7% interest in Trenchor.
- (10) Estimated other costs associated with the Unbundling should amount to approximately R10 million and have been based on legal, transactional sponsor and professional advisors fees of R8,3 million, regulatory fees of R0,3 million, transfer secretaries fees of R0,4 million, independent expert fees of R0,2 million, independent reporting accountant fees of R0,1 million and printing, publishing and other costs of R0,7 million.
- (11) Trenchor's net asset value per share and net tangible asset value per share relating to Textainer was 2 251 cents at 31 December 2018. On the assumption that the Unbundling Shares were distributed on 31 December 2018, Trenchor's net asset value per share and net tangible asset value per share relating to Textainer would no longer be included in Trenchor's net asset value per share and net tangible asset value per share (as same would be directly held by the Trenchor Shareholders post the Unbundling). Furthermore, the estimated Dividends Tax and other costs associated with the Unbundling (as described in 9 and 10 above) should reduce Trenchor's net asset value per share and net tangible asset value per share by 18 cents.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF THE *PRO FORMA* FINANCIAL INFORMATION OF TRENCOR IN RELATION TO THE UNBUNDLING FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

The Directors
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INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF THE *PRO FORMA* FINANCIAL INFORMATION OF TRENCOR LIMITED IN RELATION TO THE UNBUNDLING

To the directors of Trencor Limited

Introduction

The definitions and interpretations commencing on page 10 of the Circular to which this letter is attached apply, *mutatis mutandis*, to this independent reporting accountant's assurance report on the compilation of the *pro forma* financial information of the Trencor Limited ("**Report**").

We have completed our assurance engagement to report on the compilation of the *pro forma* financial information of Trencor Limited and its subsidiaries (collectively "**Group**"), by the directors of Trencor Limited ("**Directors**"). The *pro forma* financial information set out in the "Summary of *Pro forma* Financial Effects" section of paragraph 4.11.2 of the Circular and in **Annexure 2** to the Circular consists of:

- the *pro forma* net asset value per share of the Group, including a breakdown of the *pro forma* net asset value per share of the Group, the net tangible asset value per share of the Group, the *pro forma* statement of financial position of the Group, including a reconciliation showing the *pro forma* adjustments to reserves of the Group, and the related notes (collectively "**Pro forma SOFP**"), as if the distribution of the Unbundling Shares ("**Transaction**") had taken place on 31 December 2018; and
- the *pro forma* basic earnings and diluted basic earnings, headline and diluted headline earnings per share of the Group, the *pro forma* statement of profit or loss and other comprehensive income of the Group, and the related notes (collectively "**Pro forma SOCI**"), as if the Transaction detailed below had taken place on 1 January 2018.

The *Pro forma* SOFP and the *Pro forma* SOCI are collectively referred to as the *Pro forma* Financial Information of the Group for purposes of this Report. The applicable criteria on the basis of which the Directors have compiled the *Pro forma* Financial Information of the Group is specified in the Listings Requirements of the JSE Limited ("**JSE Listings Requirements**"), the South African Companies Act, Act 71 of 2008 ("**Act**") and described in the Basis of Preparation paragraph of **Annexure 2** of the Circular.

The purpose of the *Pro forma* Financial Information of the Group included in the Circular is solely to illustrate the impact of the Transaction on the unadjusted Published Financial Information (as defined below) as if the Transaction had been undertaken on 1 January 2018 for purposes of the *Pro forma* SOCI and on 31 December 2018 for purposes of the *Pro forma* SOFP. Accordingly, we do not provide any assurance that the actual outcome of the Transaction, subsequent to its implementation, will be as presented in the *Pro forma* Financial Information of the Group.

As part of this process, the audited basic earnings, diluted basic earnings, headline earnings and diluted headline earnings per share, statement of profit or loss and other comprehensive income and statement of financial position of the Group have been extracted by the Directors from Trencor Limited's published audited year-end financial information as at and for the year ended 31 December 2018. In addition, the unaudited net asset value and net tangible asset value per share and unaudited breakdown of the net asset value per share of the Group have been extracted from the Financial Summary included in the 2018 Integrated Annual Report of the Group (collectively "**Published Financial Information**").

Directors' Responsibility for the Pro forma Financial Information of the Group

The Directors are responsible for compiling the *Pro forma* Financial Information of the Group on the basis of the applicable criteria specified in the JSE Listings Requirements and described in the Basis of Preparation paragraph of **Annexure 2** of the Circular ("**Applicable Criteria**").

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

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

Independent Reporting Accountant's responsibilities

Our responsibility is to express an opinion, based on our procedures performed, about whether the *Pro forma* Financial Information of the Group has been compiled, in all material respects, by the Directors on the basis specified in the JSE Listings Requirements and the Act.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* which is applicable to an engagement of this nature, issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the *Pro forma* Financial Information of the Group has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements and the Act.

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

The purpose of the *Pro forma* Financial Information of the Group included in the Circular is solely to illustrate the impact of the Transaction on the unadjusted Published Financial Information as if the Transaction had been undertaken on 1 January 2018 for purposes of the *Pro forma* SOCI and on 31 December 2018 for purposes of the *Pro forma* SOFP. Accordingly, we do not provide any assurance that the actual outcome of the Transaction, subsequent to its implementation, will be as presented in the *Pro forma* Financial Information of the Group.

A reasonable assurance engagement to report on whether the *Pro forma* Financial Information of the Group has been properly compiled, in all material respects, on the basis of the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the Directors in the compilation of the *Pro forma* Financial Information of the Group provide a reasonable basis for presenting the significant effects directly attributable to the Transaction and to obtain sufficient appropriate evidence about whether:

- The related *pro forma* adjustments give appropriate effect to the Applicable Criteria; and
- The *Pro forma* Financial Information of the Group reflects the proper application of those *pro forma* adjustments to the unadjusted Published Financial Information.

Our procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the Transaction in respect of which the *Pro forma* Financial Information of the Group has been compiled and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *Pro forma* Financial Information of the Group.

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

Opinion

In our opinion, the *Pro forma* Financial Information of the Group has been compiled, in all material respects, on the basis of the Applicable Criteria.

Restriction on use

This Report has been prepared for the purpose of satisfying the requirements of the JSE Listings Requirements and the Act, and for no other purpose.

KPMG Inc.

Registered Auditor

A handwritten signature in black ink, appearing to read 'H du Plessis', with a horizontal line underneath the name.

Per: **H du Plessis**

Chartered Accountant (SA)

Registered Auditor

Director

28 August 2019

The Halyard

4 Christiaan Barnard Street

Cape Town City Centre 8000

HISTORICAL FINANCIAL INFORMATION OF TRENCOR FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2018, 31 DECEMBER 2017 AND 31 DECEMBER 2016

The definitions and interpretations commencing on page 10 of this Circular apply to this Annexure 4.

The audited annual financial statements of Tencor for the three financial years ended 31 December 2018, 2017 and 2016 are incorporated herein by reference and can be accessed on Tencor's website (www.tencor.net) and will be available for inspection by Shareholders during normal business hours at the registered office of Tencor and at the Johannesburg office of the Transaction Sponsor from Wednesday, 18 September 2019 until Friday, 18 October 2019 (both days inclusive). Furthermore, Tencor will provide Shareholders with electronic copies of such information should a Shareholder request same.

Furthermore, the published audited Consolidated Statement of Financial Position and Consolidated Statement of Profit or Loss and Other Comprehensive Income of Tencor prior to the Unbundling have been included herein specifically as most relevant historical financial information of Tencor for the financial years ended 31 December 2018, 2017 and 2016.

TRENCOR LIMITED AND SUBSIDIARIES
Statements of Financial Position
at 31 December 2018

	Notes	Group		Company	
		2018 Rm	2017 Rm	2018 Rm	2017 Rm
Assets					
Property, plant and equipment	4	3 058	44 793	–	–
Intangible assets and goodwill	5	–	282	–	–
Investment in equity accounted investee	6	–	114	–	–
Investment in subsidiaries	7	–	–	2 462	1 070
Investment in equity shares	8	3 910	–	3 910	–
Net investment in finance leases	9	–	496	–	–
Derivative financial instruments	10	9	100	–	–
Deferred tax assets	11	2	19	–	–
Restricted cash	12	–	1 105	–	–
Total non-current assets		6 979	46 909	6 372	1 070
Inventories	13	19	403	–	–
Trade and other receivables	14	127	1 440	1	–
Current portion of net investment in finance leases	9	–	427	–	–
Cash and cash equivalents	16	1 280	3 134	–	–
Total current assets		1 426	5 404	1	–
Total assets		8 405	52 313	6 373	1 070
Equity					
Issued capital	17	1	1	1	1
Share premium		–	43	–	43
Reserves	17	6 230	7 004	5 500	183
Equity attributable to equity holders of the company		6 231	7 048	5 501	227
Non-controlling interests		–	5 387	–	–
Total equity		6 231	12 435	5 501	227
Liabilities					
Interest-bearing borrowings	18	1 622	35 008	–	–
Amount due to subsidiary	7	–	–	862	824
Deferred revenue		–	25	–	–
Deferred tax liabilities	11	–	28	–	–
Total non-current liabilities		1 622	35 061	862	824
Trade and other payables	19	29	2 080	10	18
Current tax liabilities	15	11	123	–	1
Current portion of interest-bearing borrowings	18	512	2 611	–	–
Current portion of deferred revenue		–	3	–	–
Total current liabilities		552	4 817	10	19
Total liabilities		2 174	39 878	872	843
Total equity and liabilities		8 405	52 313	6 373	1 070

TRENCOR LIMITED AND SUBSIDIARIES
Statements of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2018

	Notes	Group		Company	
		2018 Rm	2017 Restated Rm	2018 Rm	2017 Rm
Revenue	20, 28	543	9 625	7 078	400
Other operating income		18	2	–	–
Gain on deconsolidation of subsidiary	7	5 767	–	–	–
Accumulated foreign currency translation gains recycled to profit or loss on liquidation of subsidiaries		526	–	–	–
Cost of containers sold		(151)	(1 489)	–	–
Direct leasing expenses		–	(794)	–	–
Distributions to managed fleet owners		–	(1 281)	–	–
Employee benefits expense		(23)	(369)	–	–
Depreciation		(103)	(3 048)	–	–
Impairment of property, plant and equipment		(108)	(1 222)	–	–
Impairment of goodwill		(137)	–	–	–
Other operating expenses		(108)	(407)	(48)	(129)
Net long-term receivables fair value adjustment		–	(15)	–	–
Fair value adjustment of investment in equity shares	8	(3 345)	–	(1 567)	–
Operating profit before net finance expenses	20	2 879	1 002	5 463	271
Net finance expenses	21	(22)	(1 586)	–	–
Finance expenses: Interest expense		(88)	(1 704)	–	–
Realised and unrealised gains on derivative financial instruments		4	50	–	–
Finance income: Interest income		62	68	–	–
Share of profit of equity accounted investee (net of tax)		–	4	–	–
Profit/(Loss) before tax		2 857	(580)	5 463	271
Income tax expense	22	9	30	1	2
Profit/(Loss) for the year		2 848	(610)	5 462	269
Other comprehensive loss					
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences		237	(1 239)	–	–
Accumulated foreign currency translation gains recycled from other comprehensive income on deconsolidation and liquidation of subsidiaries		(3 714)	–	–	–
Total comprehensive (loss)/income for the year		(629)	(1 849)	5 462	269
Total comprehensive (loss)/income for the year attributable to:					
Equity holders of the company		(629)	(983)	5 462	269
Non-controlling interests		–	(866)	–	–
		(629)	(1 849)	5 462	269
Profit/(Loss) for the year attributable to:					
Equity holders of the company		2 848	(321)	5 462	269
Non-controlling interests		–	(289)	–	–
		2 848	(610)	5 462	269
Basic earnings/(loss) per share (cents)	23	1 610	(182)		
Diluted earnings/(loss) per share (cents)	23	1 610	(182)		

TRENCOR LIMITED AND SUBSIDIARIES
Statements of Financial Position
at 31 December 2017

	Notes	Group		Company	
		2017 Rm	2016 Rm	2017 Rm	2016 Rm
Assets					
Property, plant and equipment	4	44 793	49 060	–	–
Intangible assets and goodwill	5	282	367	–	–
Investment in equity accounted investee	6	114	121	–	–
Investment in subsidiaries	7	–	–	1 070	1 070
Net investment in finance leases	8	496	983	–	–
Derivative financial instruments	9	100	63	–	–
Deferred tax assets	10	19	18	–	–
Restricted cash	11	1 105	737	–	–
Total non-current assets		46 909	51 349	1 070	1 070
Inventories	12	403	434	–	–
Trade and other receivables	13	1 440	2 017	–	–
Current portion of net investment in finance leases	8	427	467	–	–
Current tax asset	14	–	18	–	–
Cash and cash equivalents	15	3 134	2 837	–	–
Total current assets		5 404	5 773	–	–
Total assets		52 313	57 122	1 070	1 070
Equity					
Issued capital	16	1	1	1	1
Share premium		43	43	43	43
Reserves	16	7 004	8 155	183	91
Equity attributable to equity holders of the company		7 048	8 199	227	135
Non-controlling interests		5 387	6 218	–	–
Total equity		12 435	14 417	227	135
Liabilities					
Interest-bearing borrowings	17	35 008	4 913	–	–
Amount due to subsidiary	7	–	–	824	916
Derivative financial instruments	9	–	17	–	–
Deferred revenue	18	25	30	–	–
Deferred tax liabilities	10	28	66	–	–
Total non-current liabilities		35 061	5 026	824	916
Trade and other payables	19	2 080	719	18	19
Current tax liabilities	14	123	136	1	–
Current portion of interest-bearing borrowings	17	2 611	36 755	–	–
Current portion of amounts attributable to third parties in respect of long-term receivables		–	65	–	–
Current portion of deferred revenue	18	3	4	–	–
Total current liabilities		4 817	37 679	19	19
Total liabilities		39 878	42 705	843	935
Total equity and liabilities		52 313	57 122	1 070	1 070

TRENCOR LIMITED AND SUBSIDIARIES
Statements of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2017

	Notes	Group		Company	
		2017 Rm	2016 Rm	2017 Rm	2016 Rm
Revenue	20,28	8 344	9 373	400	525
Other operating income		2	345	–	12
Changes in inventories		(1 489)	(2 772)	–	–
Direct leasing expenses		(794)	(966)	–	–
Employee benefits expense		(369)	(376)	–	–
Depreciation		(3 048)	(4 861)	–	–
Impairment of property, plant and equipment		(1 222)	(2 460)	–	–
Other operating expenses		(407)	(970)	(129)	(89)
Net long-term receivables fair value adjustment		(15)	330	–	–
Operating profit/(loss) before net finance expenses	20	1 002	(2 357)	271	448
Net finance expenses	21	(1 586)	(1 394)	–	–
Finance expenses: Interest expense		(1 704)	(1 406)	–	–
Realised and unrealised gains/(losses) on derivative financial instruments		50	(45)	–	–
Finance income: Interest income		68	57	–	–
Share of profit/(loss) of equity accounted investee (net of tax)		4	(6)	–	–
(Loss)/Profit before tax		(580)	(3 757)	271	448
Income tax expense/(credit)	22	30	(11)	2	4
(Loss)/Profit for the year		(610)	(3 746)	269	444
Other comprehensive loss					
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences		(1 239)	(2 370)	–	–
Change in fair value of available-for-sale financial asset		–	(9)	–	–
Available-for-sale financial asset – reclassification to profit and loss		–	(33)	–	–
Related income tax		–	7	–	–
Total comprehensive (loss)/profit for the year		(1 849)	(6 151)	269	444
Total comprehensive (loss)/profit for the year attributable to:					
Equity holders of the company		(983)	(3 055)	269	444
Non-controlling interests		(866)	(3 096)	–	–
		(1 849)	(6 151)	269	444
(Loss)/Profit for the year attributable to:					
Equity holders of the company		(321)	(1 743)	269	444
Non-controlling interests		(289)	(2 003)	–	–
		(610)	(3 746)	269	444
Basic loss per share (cents)	23	(181,5)	(984,4)		
Diluted loss per share (cents)	23	(181,5)	(984,4)		

TABLE OF ENTITLEMENTS

The definitions and interpretations commencing on page 10 of this Circular apply to this Annexure 5.

The following table sets out the illustrative number of Textainer Shares to which a Shareholder could be entitled in terms of the Unbundling (rounded down to nearest whole Textainer Share) in accordance with the Entitlement Ratio, should the maximum number of Shares be repurchased by Tencor in the event that all Odd-lot Holders and Specific Holders sell their respective holdings to Tencor (such holdings amounting to 207 472 Shares as at the Last Practicable Date) and with such illustrative Entitlement Ratio amounting to 15,72534 as calculated in terms of the Entitlement Ratio definition:

Number of Tencor Shares held	Number of Textainer Shares entitled to receive	Number of Tencor Shares held	Number of Textainer Shares entitled to receive	Number of Tencor Shares held	Number of Textainer Shares entitled to receive
100	15	7 000	1 100	400 000	62 901
200	31	8 000	1 258	500 000	78 626
300	47	9 000	1 415	600 000	94 352
400	62	10 000	1 572	700 000	110 077
500	78	20 000	3 145	800 000	125 802
600	94	30 000	4 717	900 000	141 528
700	110	40 000	6 290	1 000 000	157 253
800	125	50 000	7 862	2 000 000	314 506
900	141	60 000	9 435	3 000 000	471 760
1 000	157	70 000	11 007	4 000 000	629 013
2 000	314	80 000	12 580	5 000 000	786 267
3 000	471	90 000	14 152	6 000 000	943 520
4 000	629	100 000	15 725	7 000 000	1 100 773
5 000	786	200 000	31 450	8 000 000	1 258 027
6 000	943	300 000	47 175	9 000 000	1 415 280

INFORMATION REGARDING TEXTAINER'S BYE-LAWS

The definitions and interpretations commencing on page 10 of this Circular apply to this Annexure 6.

Shareholders will receive Unbundling Shares in Textainer subject to Textainer's current bye-laws (www.sec.gov/Archives/edgar/data/1413159/000119312507207391/dex32.htm), which are compliant with the requirements of the NYSE.

Shareholders' attention is drawn to the fact that Bermuda Law permits, and Textainer's bye-laws contain, provisions that may make it difficult and/or expensive for a third party to pursue a tender offer, change in control or takeover attempt that is opposed by Textainer's board of directors. These include provisions (summarised at the request of the JSE from page 32 of Textainer's 2018 Annual Report ([//investor.textainer.com/annual-reports](http://investor.textainer.com/annual-reports)), which page forms part of the section relating to Textainer's "Common Shares" on pages 28 to 31 of the same Annual Report) which:

- require the approval of not less than 66% of the issued Textainer shares for certain merger or amalgamation transactions that have not been approved by Textainer's board of directors;
- prohibit Textainer from engaging in a business combination with an interested Textainer shareholder for a period of three years after the date on which the person becomes an interested Textainer shareholder, unless certain conditions are met. Interested Textainer shareholders include Textainer shareholders holding more than 15% of the issued Textainer shares;
- authorise Textainer's board of directors to issue preference shares without Textainer shareholder approval. There are currently 10 million authorised preference shares which can be issued by the board of directors of Textainer. Any issue of more than 10 million preference shares would require the approval of Textainer shareholders;
- establish a classified board with staggered three-year terms;
- authorise the removal of directors (i) for cause by the affirmative vote of the holders of a majority of the votes cast at a meeting of Textainer shareholders, or (ii) without cause by the affirmative vote of the holders of 66% of the issued Textainer shares entitled to vote on the resolution; and
- establish advance notice requirements for nominations for election to Textainer's board of directors.

SHAREHOLDERS' APPRAISAL RIGHTS IN TERMS OF SECTION 115 AND SECTION 164 OF THE COMPANIES ACT

“SECTION 115: REQUIRED APPROVAL FOR TRANSACTIONS CONTEMPLATED IN PART A

- (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 Companies 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."

"SECTION 164: DISSENTING SHAREHOLDERS APPRAISAL RIGHTS

- (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 section 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 fulfils 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”.



TRENCOR LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1955/002869/06)

Share code: TRE ISIN: ZAE000007506

("Trencor" or the "Company")

NOTICE OF A GENERAL MEETING

All terms defined in the Circular to which this Notice of a General Meeting is attached, shall bear the same meanings where used in this Notice of a General Meeting.

NOTICE IS HEREBY GIVEN that a General Meeting of Shareholders will be held at 14:00 on Friday, 18 October 2019 at Trencor, 13th Floor, The Towers South, Heerengracht, Cape Town, to consider and, if deemed fit, pass, with or without modification, the resolutions set out hereunder:

Notes:

- For special resolutions 1, 2 and 3 to be approved by Shareholders, they must be supported by at least 75% of the voting rights exercised on such resolution in terms of section 65(9) of the Companies Act and the MOI.
- For ordinary resolutions 1 and 2 to be approved by Shareholders, they must be supported by more than 50% of the voting rights exercised on such resolution by Shareholders in terms of section 65(7) of the Companies Act and the MOI.

1. SPECIAL RESOLUTION NUMBER 1 – AUTHORITY TO REPURCHASE SHARES FROM THE ODD-LOT HOLDERS

"RESOLVED AS A SPECIAL RESOLUTION in terms of section 48 of the Companies Act, the MOI and the Listings Requirements that, subject to approval of the Odd-lot Offer by the Board in terms of section 46(1) of the Companies Act, the Company is authorised to acquire its own Shares by way of implementation of the Odd-lot Offer."

Reason and effect

The reason for special resolution number 1 is to obtain the approval of Shareholders in terms of section 48 of the Companies Act, the MOI and the Listings Requirements for the acquisition by the Company of its own Shares by way of implementation of an Odd-lot Offer. The effect of special resolution number 1 is that the Company will be authorised to acquire its own Shares in terms of the Odd-lot Offer.

2. SPECIAL RESOLUTION NUMBER 2 – AUTHORITY TO REPURCHASE SHARES FROM THE SPECIFIC HOLDERS

"RESOLVED AS A SPECIAL RESOLUTION in terms of section 48 of the Companies Act, the MOI and the Listings Requirements that, subject to approval of the Specific Offer by the Board in terms of section 46(1) of the Companies Act, the Company is authorised to acquire its own Shares by way of implementation of the Specific Offer."

Reason and effect

The reason for special resolution number 2 is to obtain the approval of Shareholders in terms of section 48 of the Companies Act, the MOI and the Listings Requirements for the acquisition by the Company of its own Shares by way of implementation of the Specific Offer. The effect of special resolution number 2 is that the Company will be authorised to acquire its own Shares in terms of the Specific Offer.

3. SPECIAL RESOLUTION NUMBER 3 – DISPOSAL OF ALL OR A GREATER PART OF THE COMPANY'S ASSETS IN TERMS OF SECTION 112 (THE "UNBUNDLING RESOLUTION")

"RESOLVED AS A SPECIAL RESOLUTION in terms of section 112 read with section 115 of the Companies Act that, subject to approval of the distribution of the Unbundling Shares by the Board in terms of section 46(1) of the Companies Act, the Company is authorised to dispose of the greater part of its assets or undertaking by way of implementation of the Unbundling."

Reason and effect

The reason for special resolution number 3 is that the Unbundling is deemed to constitute the disposal of the greater part of the assets or undertaking of Trenchor in terms of section 112 of the Companies Act and therefore requires the approval of the Shareholders in compliance with the provisions of section 115 of the Companies Act. The effect of special resolution number 3, if passed, will be to grant the necessary approval of the Unbundling in terms of section 112 read with section 115 of the Companies Act.

4. ORDINARY RESOLUTION NUMBER 1 – IMPLEMENTATION OF THE ODD-LOT OFFER, SPECIFICALLY THE REPURCHASE OF THE ODD-LOT HOLDINGS FROM THE ODD-LOT HOLDERS WHO DO NOT MAKE AN ELECTION

“RESOLVED AS AN ORDINARY RESOLUTION that, subject to the passing of special resolution number 1, the Board is authorised to make and implement the Odd-lot Offer to Shareholders holding fewer than 100 Shares in the Company at the close of business on Friday, 8 November 2019 (or such other date as approved by the JSE) according to the terms and conditions of the Odd-lot Offer contained in the Circular; thereby specifically allowing Trenchor to repurchase the Odd-lot Holdings of Odd-lot Holders who do not make an election in terms of the Odd-lot Offer.”

Reason and effect

The reason for ordinary resolution number 1 is to obtain the authority of Shareholders in order for the Company to make and implement the Odd-lot Offer, and specifically to repurchase the Odd-lot Holdings from the Odd-lot Holders who do not make an election. The effect of ordinary resolution number 1 is that the Company will be authorised to make and implement the Odd-lot Offer.

5. ORDINARY RESOLUTION NUMBER 2 – DIRECTORS’ AUTHORITY

“RESOLVED AS AN ORDINARY RESOLUTION that, subject to the approval of any, or all, of the special resolutions and ordinary resolutions set out in this Notice of a General Meeting, any one Director of Trenchor, is authorised and empowered 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 the resolutions set out in this Notice of a General Meeting, and anything already done in this respect is ratified.”

Reason and effect

The reason for and effect of the ordinary resolution number 2 is to authorise each Director of Trenchor to do all such things and sign all such documents as are deemed necessary or desirable to implement any, or all, of the resolutions set out in this Notice of a General Meeting.

Attendance and voting at the General Meeting

In accordance with section 63(1) of the Companies Act, Shareholders attending the General Meeting will need to present reasonable satisfactory identification such as an identity book, passport or driver’s licence to the person presiding at the meeting and such person must be reasonably satisfied that the right of any person to participate in and vote (whether as Shareholder or as proxy for a Shareholder) has been reasonably verified. If in doubt as to whether any document will be regarded as satisfactory proof of identification, meeting participants should contact the Transfer Secretaries for guidance.

VOTING AND PROXIES

The date on which Shareholders must have been recorded as such in the Register for purposes of being entitled to receive this notice is Friday, 13 September 2019.

The date on which Shareholders must be recorded in the Register for purposes of being entitled to attend and vote at the General Meeting is Friday, 11 October 2019, with the last day to trade being Tuesday, 8 October 2019.

Shareholders entitled to attend and vote at the General Meeting may appoint one or more proxies to attend, speak and vote thereat in their stead. A proxy need not be a Shareholder. A Form of Proxy (grey), which sets out the relevant instructions for its completion, is enclosed for use by Certificated Shareholders or Own-name Registered Dematerialised Shareholders who wish to be represented at the General Meeting. Completion of a Form of Proxy (grey) will not preclude such Shareholder from attending and voting (instead of that Shareholder’s proxy) at the General Meeting.

The instrument appointing a proxy and the authority (if any) under which it is signed must be lodged with or posted to the Transfer Secretaries, at the address given below, to be received by them, for administrative purposes, by no later than 14:00 on Thursday, 17 October 2019 or thereafter handed to the chairperson of the General Meeting or the Transfer Secretaries at the General Meeting, at any time before the proxy exercises any rights of the Shareholder at such General Meeting.

Dematerialised Shareholders, other than Own-name Registered Dematerialised Shareholders, who wish to attend the General Meeting in person, will need to request their CSDP or Broker to provide them with the necessary letter of representation in terms of the custody agreement entered into between such Shareholders and the CSDP or Broker.

Dematerialised Shareholders, other than Own-name Registered Dematerialised Shareholders, who are unable to attend the General Meeting and who wish to be represented thereat, must provide their CSDP or Broker with their voting instructions in terms of the custody agreement entered into between themselves and the CSDP or Broker in the manner and time stipulated therein.

Shareholders present in person, by proxy or by authorised representative shall, on a show of hands, have one vote each and, on a poll, will have one vote in respect of each Share held.

ELECTRONIC PARTICIPATION BY SHAREHOLDERS

In terms of section 61(10) of the Companies Act every shareholders' meeting of a public company must be reasonably accessible within South Africa for electronic participation by Shareholders. Shareholders wishing to participate electronically in the General Meeting are required to deliver written notice to the Company at info@trencor.net at least five business days (excluding Saturdays, Sundays and public holidays) before the General Meeting (i.e. by no later than 14:00 on Friday, 11 October 2019) that they wish to participate via electronic communication at the General Meeting. Voting will not be possible via such facility and Shareholders wishing to exercise their voting rights are required to be represented at the General Meeting in person, by proxy or by letter of representation.

APPRAISAL RIGHTS OF SHAREHOLDERS

Shareholders are hereby advised of their appraisal rights in terms of section 164 of the Companies Act. A Shareholder may, at any time before the Unbundling Resolution as set out in this notice is voted on, provide Trencor with written notice objecting to the Unbundling Resolution.

Within 10 (ten) Business Days after Trencor has adopted the Unbundling Resolution, Trencor must send a notice that the Unbundling Resolution has been adopted to each Shareholder who:

- gave Trencor written notice of objection as contemplated above;
- has not withdrawn that notice; and
- has voted against the Unbundling Resolution.

A Shareholder may, within 20 (twenty) Business Days after receiving the aforementioned notice of the adoption of the Unbundling Resolution, demand that Trencor pay such Shareholder the fair value for all of the Shares held by it if:

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

Any Shareholder who is in doubt as to what action to take should consult their legal or professional advisor in this regard.

The wording of section 164 of the Companies Act is set out in **Annexure 7** to the Circular.

By order of the Board

Trencor Services Proprietary Limited

Secretaries

18 September 2019

Transfer Secretaries

Computershare Investor Services
Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank 2196
(PO Box 61051, Marshalltown 2107)



TRENCOR LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1955/002869/06)

Share code: TRE ISIN: ZAE000007506

("Trencor" or the "Company")

FORM OF PROXY – FOR USE BY CERTIFICATED AND OWN-NAME REGISTERED DEMATERIALISED SHAREHOLDERS ONLY

All terms defined in the Circular, to which this Notice of a General Meeting is attached, shall bear the same meanings when used in this Form of Proxy.

For use only by Shareholders holding Certificated Shares, nominee companies of CSDPs, Brokers' nominee companies and Own-name Registered Dematerialised Shareholders at the General Meeting to be held at Trencor Limited, 13th Floor, The Towers South, Heerengracht, Cape Town on Friday, 18 October 2019 at 14:00.

Dematerialised Shareholders who are not Own-name Registered Dematerialised Shareholders must not complete this Form of Proxy and must provide their CSDP or Broker with their voting instructions, except for Own-name Registered Dematerialised Shareholders recorded in the sub-register through a CSDP or Broker; which Shareholders must complete this Form of Proxy and lodge it with their CSDP or Broker in terms of the custody agreement entered into between them and their CSDP or Broker. Dematerialised Shareholders who are not Own-name Registered Dematerialised Shareholders wishing to attend and vote the General Meeting must inform their CSDP or Broker of such intention and request their CSDP or Broker to issue them with the necessary letter of representation to attend.

I/We (Full name in print)

of (address)

Telephone: (work) ()

Telephone: (home) area code ()

Telephone: (mobile) ()

Email address:

being the holder of Shares, hereby appoint:

1. _____ or failing him/her

2. _____ or failing him/her

3. the chairperson of the General Meeting,

as my/our proxy to attend, speak and vote for me/us at the General Meeting which will be held for purposes of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at any adjournment thereof and to vote for and/or against the resolutions and/or abstain from voting in respect of the Shares registered in my/our name(s), in accordance with the following instruction (refer to notes):

	Number of Shares		
	In favour of	Against	Abstain
Special resolution number 1 Authority to repurchase Shares from the Odd-lot Holders			
Special resolution number 2 Authority to repurchase Shares from the Specific Holders			
Special resolution number 3 Authority to dispose of all or a greater part of the company's assets in terms of section 112 (the "Unbundling Resolution")			
Ordinary resolution number 1 Implementation of the Odd-lot Offer, specifically the repurchase of the Odd-lot Holdings from the Odd-lot Holders who do not make an election			
Ordinary resolution number 2 Directors' authority			

Please indicate your voting instruction by way of inserting the number of Shares or by a cross in the space provided should you wish all your Shares to be voted.

Signed at _____ on this _____ day of _____ 2019

Signature(s)

Assisted by (where applicable) (state capacity and full name)

Each Shareholder is entitled to appoint one or more proxy(ies) (who need not be Shareholder(s) of Trencor) to attend, speak and vote in his/her stead at the General Meeting.

It is recommended that the completed Forms of Proxy be lodged with the Transfer Secretaries by no later than 14:00 on Thursday, 17 October 2019. However, Shareholders are entitled to deliver voting proxies to the chairperson of the General Meeting at any time before the proxy exercises any rights of the Shareholder at such General Meeting.

Please read the notes on the next page hereof.

Notes:

1. A Shareholder entitled to attend, speak and vote at the General Meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. A proxy need not be a registered Shareholder of Tencor.
2. Every Shareholder present in person or by proxy and entitled to vote at the General Meeting shall, on a show of hands, have one vote only, irrespective of the number of Shares such Shareholder holds. In the event of a poll, every Shareholder shall be entitled to that proportion of the total votes in Tencor which the aggregate amount of the nominal value of the Shares held by such Shareholder bears to the aggregate amount of the nominal value of all the Shares.
3. Shareholders who have Dematerialised their Shares with a CSDP or Broker, other than Own-name Registered Dematerialised Shareholders, must arrange with the CSDP or Broker concerned to provide them with the necessary authorisation to attend the General Meeting or the Shareholders concerned must instruct their CSDP or Broker as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between the Shareholder and the CSDP or Broker concerned.

Instructions on signing and lodging the Form of Proxy:

1. A Shareholder may insert the name of a proxy or the names of two alternative proxies of the Shareholder's choice in the space/s provided, with or without deleting "the chairperson of the General Meeting", but any such deletion must be initialled by the Shareholder. Should this space/s be left blank, the proxy will be exercised by the chairperson of the General Meeting. The person whose name appears first on the Form of Proxy and who is present at the General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. A Shareholder's voting instructions to the proxy must be indicated by the insertion of an "X", or the number of votes which that Shareholder wishes to exercise, in the appropriate spaces provided overleaf. Failure to do so will be deemed to authorise the proxy to vote or to abstain from voting at the General Meeting as he/she thinks fit in respect of all the Shareholder's exercisable votes. A Shareholder or his/her proxy is not obliged to use all the votes exercisable by him/her or by his/her proxy, but the total number of votes cast, or those in respect of which abstention is recorded, may not exceed the total number of votes exercisable by the Shareholder or by his/her proxy.
3. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Transfer Secretaries.
4. Where this Form of Proxy has been signed under a power of attorney, such power of attorney must accompany this form of proxy unless it has been previously registered with Tencor or the Transfer Secretaries.
5. To be valid, the completed Form of Proxy must be lodged with or posted to the Transfer Secretaries, at the address set out below, to be received by them, for administrative purposes, by no later than Thursday, 17 October 2019, at 14:00 or thereafter by handing such form to the chairperson of the General Meeting or the Transfer Secretaries at the General Meeting, at any time before the proxy exercises any rights of the Shareholder at such General Meeting.

Transfer Secretaries

Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank 2196
(PO Box 61051, Marshalltown 2107)

6. 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 General Meeting.
7. The completion and lodging of this Form of Proxy will not preclude the relevant Shareholder from attending the General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Shareholder wish to do so.
8. The appointment of a proxy in terms of this Form of Proxy is revocable in terms of the provisions of section 58(4)(c) read with section 58(5) of the Companies Act, and accordingly a Shareholder may revoke the proxy appointment by cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to Tencor.
9. The completion of any blank spaces overleaf need not be initialled. Any alterations or corrections to this Form of Proxy must be initialled by the signatory/ies.
10. The chairperson of the General Meeting may accept any Form of Proxy which is completed other than in accordance with these instructions provided that he/she is satisfied as to the manner in which a Shareholder wishes to vote.



TRENCOR LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1955/002869/06)

Share code: TRE ISIN: ZAE000007506

("Trencor" or the "Company")

FORM OF ELECTION AND SURRENDER FOR THE ODD-LOT OFFER

Unless specifically defined herein, the definitions and interpretations commencing on page 10 of the Circular to which this Form of Election and Surrender forms part of shall apply, *mutatis mutandis*, to this Form of Election and Surrender.

For completion by Certificated Shareholders who hold fewer than 100 Shares ("Odd-lot Holding") as at close of business on Friday, 8 November 2019 ("Odd-lot Holders"). Your share certificate must be submitted along with this form in the event that you do not elect to retain your Odd-lot Holding.

Note: A separate form is required for each Shareholder.

Instructions:

- Part 1 must be completed by all Odd-lot Holders who hold a share certificate in respect of their Odd-lot Holding and who return this form.
- Part 2 must only be completed by Odd-lot Holders who hold a share certificate and who wish to sell their Odd-lot Holding.
- Part 3 must only be completed by Odd-lot Holders who hold a share certificate in respect of their Odd-lot Holding and who are emigrants from or non-residents of the common monetary area, and who wish to sell their Odd-lot Holding.
- Additional forms of election and surrender may be obtained from the Transfer Secretaries at the applicable address set out below.
- All Odd-lot Holders who complete this form of election and surrender (*blue*) must attach a certified copy of their identity document.
- If this form of election and surrender is returned with the relevant Documents of Title before the Odd-lot Offer is implemented, it will be treated as a conditional surrender which is made subject to the Odd-lot Offer (details of which are set out in the Circular to which this form is attached) being implemented. In the event of the Odd-lot Offer not being implemented for any reason whatsoever the Transfer Secretaries will, within five business days of the date upon which it becomes known that the Odd-lot Offer will not be implemented, return the Documents of Title to the Odd-lot Holders concerned, by registered post, at the risk of such Odd-lot Holders.
- All forms of election and surrender must be lodged with the Transfer Secretaries at the address set out below, so as to be received by no later than Friday, 8 November 2019.

To be delivered to:

Transfer Secretaries

Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank 2196

or posted at the risk of the Odd-lot Holder to:

Transfer Secretaries

Computershare Investor Services Proprietary Limited
PO Box 61763
Marshalltown 2107

- Odd-lot Holders who have Dematerialised their Odd-lot Holding must advise their Central Securities Depository Participant ("CSDP") or Broker as to the action they wish to take in terms of the agreement entered into between them and their CSDP or Broker. Such Shareholders must not return this form of election and surrender to the Transfer Secretaries.

ALL CERTIFICATED ODD-LOT HOLDERS WHO WISH TO SELL THEIR ENTIRE ODD-LOT HOLDING MUST COMPLETE THIS SIGNATURE AND CONTACT DETAILS SECTION

Name	
Surname	
Share certificate number/(s)	
ID number/Company registration number	
Assisted by me (if applicable)	
(State full name and capacity)	
Date	
Telephone number (Home)	()
Telephone number (Work)	()
Cellular number	()
Postal address	
Signature of Shareholder	

PART 1 – To be completed by all Certificated Odd-lot Holders who return this form

Odd-lot Holders who hold a share certificate in respect of their Odd-lot Holding and who do not complete and return this form of election and surrender so as to be received by no later than 12:00 on Friday, 8 November 2019 should note that their Odd-lot Holding will be repurchased without any further action on their part and without any further notice to them.

Indicate your election by means of an “X”.

Option A – I would like to sell my entire Odd-lot Holding at the Offer Price.

Option B – I would like to retain my entire Odd-lot Holding.

If Option A is elected, please complete Part 2.

PART 2 – To be completed if you have elected to sell your entire Odd-lot Holding

I have a bank account and would like to sell my entire Odd-lot Holding. Please pay the cash owing to me for purchasing my Odd-lot Holding into the following bank account:

	Banking details
Account holder	
Bank name	
Account number	
Bank branch	
Branch code	

Important Note: In order to comply with FICA requirements, the Transfer Secretaries will be unable to record any changes of address or payment mandates unless a certified true copy of the undermentioned documentation is received from the relevant Shareholder: (i) a copy of an identification document (in respect of change of address and payment mandate) and (ii) a copy of a bank statement (in respect of bank mandate).

PART 3 – To be completed by Odd-lot Holders who are emigrants from or non-residents of the common monetary area who wish to sell their entire Odd-lot Holding

Name of authorised dealer	
Address	
Account number	
Stamp and address of agent lodging this form (if any)	
Signature of Shareholder	

Notes:

1. This form is to be used by Odd-lot Holders who have not Dematerialised their Odd-lot Holding and who wish to sell or retain their entire Odd-lot Holding in terms of the Odd-lot Offer and who are registered as such as at the close of business on Friday, 8 November 2019.
2. Odd-lot Holders who have elected to sell their entire Odd-lot Holding will have payments for the proceeds of the sale of their Odd-lot Holding processed in the manner set out in paragraph 3.10.12 of the Circular, on or about Monday, 11 November 2019.
3. If this form of election and surrender is signed under a power of attorney, then such power of attorney, or a certified copy of the original, must be sent with this form of election and surrender for noting (unless it has already been noted by Trenchor or the Transfer Secretaries).
4. Where the Odd-lot Holder is a company or a close corporation, unless it has already been registered with Trenchor or the Transfer Secretaries, a certified copy of the directors' or members' resolution authorising the signing of this form of election and surrender must be submitted if so requested by Trenchor.
5. Note 4 above does not apply in the event of this form of election and surrender bearing the stamp of a broking member of the JSE.
6. Where there are joint holders of any Odd-lot Holding, only that holder whose name appears first in the register in respect of such Odd-lot Holding need sign this form of election and surrender.
7. No receipts will be issued for documents lodged, unless specifically requested. In compliance with the requirements of the JSE, lodging agents are required to prepare special transaction receipts.
8. The Directors of Trenchor reserve the right to accept or reject any form of election and surrender where the Odd-lot Holder has not completed all the required information or has not delivered all the required documents to the Transfer Secretaries.



TRENCOR LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1955/002869/06)

Share code: TRE ISIN: ZAE000007506

("Trencor" or the "Company")

FORM OF ELECTION AND SURRENDER FOR THE SPECIFIC OFFER

Unless specifically defined herein, the definitions and interpretations commencing on page 10 of the Circular to which this Form of Election and Surrender forms part of, shall apply, *mutatis mutandis*, to this Form of Election and Surrender.

For completion by Certificated Shareholders who hold 100 Shares or more but equal to or fewer than 635 Shares ("Specific Holding") as at close of business on Friday, 8 November 2019 ("Specific Holders"). Your share certificate must be submitted along with this form.

Note: A separate form is required for each Shareholder.

Instructions:

- Part 1 and Part 2 must be completed by all Specific Holders who hold a share certificate in respect of their Specific Holding and who wish to sell all their Specific Holding.
- Part 3 must only be completed by Specific Holders who hold a share certificate, who wish to sell their Specific Holding and who are emigrants from or non-residents of the common monetary area.
- Additional forms of election and surrender may be obtained from the Transfer Secretaries at the applicable address set out below.
- All Specific Holders who complete this form of election and surrender (*pink*) must attach a certified copy of their identity document.
- All forms of election and surrender must be lodged with the Transfer Secretaries at the address set out below, so as to be received by no later than 12:00 on Friday, 8 November 2019.

To be delivered to:

or posted at the risk of the Specific Holder to:

Transfer Secretaries

Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank 2196

Transfer Secretaries

Computershare Investor Services Proprietary Limited
PO Box 61763
Marshalltown 2107

- Specific Holders who have Dematerialised their Specific Holding must advise their Central Securities Depository Participant ("CSDP") or Broker as to the action they wish to take in terms of the agreement entered into between them and their CSDP or Broker. Such Shareholders must not return this form of election and surrender to the Transfer Secretaries.

ALL CERTIFICATED SPECIFIC HOLDERS WHO WISH TO SELL THEIR ENTIRE SPECIFIC HOLDING MUST COMPLETE THIS SIGNATURE AND CONTACT DETAILS SECTION

Name	
Surname	
Share certificate number(s)	
Assisted by me (if applicable)	
(State full name and capacity)	
Date	
Telephone number (Home)	()
Telephone number (Work)	()
Cellular number	()
Postal address	
Signature of Shareholder	

PART 1 – To be completed by all Certificated Specific Holders who wish to sell their entire Specific Holding

Specific Holders who hold a share certificate in respect of their Specific Holding and who elect to sell their entire Specific Holding should note that their entire Specific Holding will be repurchased without any further action on their part and without any further notice to them.

Indicate that you wish to sell your entire Specific Holding by means of an "X".

I would like to sell my entire Specific Holding at the Offer Price.

If you have elected to sell your Specific Holding, please complete PART 2.

PART 2 – To be completed if you have elected to sell your Specific Holding

I have a bank account and would like to sell my entire Specific Holding. Please pay the cash owing to me for purchasing my Specific Holding into the following bank account:

	Banking details
Account holder	
Bank name	
Account number	
Bank branch	
Branch code	

Important Note: In order to comply with FICA requirements, the Transfer Secretaries will be unable to record any changes of address or payment mandates unless a certified true copy of the undermentioned documentation is received from the relevant Shareholder: (i) a copy of an identification document (in respect of change of address and payment mandate) and (ii) a copy of a bank statement (in respect of bank mandate).

PART 3 – To be completed by Specific Holders who are emigrants from or non-residents of the common monetary area who wish to sell their entire Specific Holding

Name of authorised dealer	
Address	
Account number	
Stamp and address of agent lodging this form (if any)	
Signature of Shareholder	

Notes:

1. This form is to be used by Specific Holders who have not Dematerialised their Specific Holding and who wish to sell their Specific Holding in terms of the specific repurchase and who are registered as such as at the close of business on Friday, 8 November 2019.
2. Specific Holders who have elected to sell their Specific Holding will have payments for the proceeds of the sale of their Specific Holding processed in the manner set out in paragraph 3.10.12 of the Circular, on or about Monday, 11 November 2019.
3. If this form of election and surrender is signed under a power of attorney, then such power of attorney, or a certified copy of the original, must be sent with this form of election and surrender for noting (unless it has already been noted by Trencor or the Transfer Secretaries).
4. Where the Specific Holder is a company or a close corporation, unless it has already been registered with Trencor or the Transfer Secretaries, a certified copy of the directors' or members' resolution authorising the signing of this form of election and surrender must be submitted if so requested by Trencor.
5. Note 4 above does not apply in the event of this form of election and surrender bearing the stamp of a broking member of the JSE.
6. Where there are joint holders of any Specific Holding, only that holder whose name appears first in the register in respect of such Specific Holding need sign this form of election and surrender.
7. No receipts will be issued for documents lodged, unless specifically requested. In compliance with the requirements of the JSE, lodging agents are required to prepare special transaction receipts.
8. The Directors of Trencor reserve the right to accept or reject any form of election and surrender where the Specific Holder has not completed all the required information or has not delivered all the required documents to the Transfer Secretaries.



TRENCOR LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1955/002869/06)
Share code:TRE ISIN:ZAE000007506
("Trencor" or the "Company")

**FORM I: REQUIRED DIVIDENDS TAX DECLARATION AND UNDERTAKING
(IF YOU ARE EXEMPT FROM DIVIDENDS TAX)**

Unless specifically defined herein, the definitions and interpretations commencing on page 10 of the Circular shall apply, mutatis mutandis, to this Form I.

For completion by Shareholders who are exempt from Dividends Tax (as indicated under Part C of this Form I).

Note: Do NOT complete this Form I if you are subject to Dividends Tax at a reduced rate (including a reduced rate of 0%).

Instructions:

Deliver this completed Form I to Trencor by 23:59 on Tuesday, 26 November 2019.

To be e-mailed to:
Trencor Limited
forms@trencor.net

or faxed to:
Trencor Limited
+27 21 419 3692

or couriered at the risk of the Shareholder to:
Trencor Limited
13th Floor
The Towers South
Heerengracht
Cape Town 8001

**DIVIDENDS TAX: DECLARATION AND UNDERTAKING MADE BY THE BENEFICIAL OWNERS OF A DIVIDEND
(EXEMPTION FROM DIVIDENDS TAX)**

Date of notice (please insert)

D	D	M	M	Y	Y	Y	Y
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PART A – WITHHOLDING AGENT OR COMPANY DECLARING DIVIDEND

Registered name: Trencor Limited
Company registration number: 1955/002869/06
Dividends tax reference number: 9676002711
Address: 13th Floor, The Towers South, Heerengracht, Cape Town 8001
Contact details: +27 21 421 7310

PART B – BENEFICIAL OWNER

Full names and Surname OR Registered name:	
Nature of person or entity (please tick box):	
<input type="checkbox"/>	Individual
<input type="checkbox"/>	Listed company
<input type="checkbox"/>	Unlisted company
<input type="checkbox"/>	Trust (any type)
<input type="checkbox"/>	South African Government or Provincial Administration or Municipality
<input type="checkbox"/>	Retirement fund (pension or provident or benefit or retirement annuity)
<input type="checkbox"/>	Other (if this box is selected, please provide description of nature of person/entity below):

Identity number/Passport number/Registration number:
Income tax reference number:
Email address:
Telephone number:
Fax number:
Physical address:
Postal address:
Country of residence for tax purposes:
Number of shares held in Trenchor Limited:

PART C – EXEMPTION

Please indicate the reason that the beneficial owner is exempt from the dividends tax as indicated in section 64F of the Income Tax Act (No. 58 of 1962) (the “Act”) (please tick box):

<input type="checkbox"/>	a company which is a resident; or
<input type="checkbox"/>	the government of the Republic in the national, provincial or local sphere; or
<input type="checkbox"/>	a public benefit organisation approved by the Commissioner in terms of section 30(3) of the Act; or
<input type="checkbox"/>	a trust contemplated in section 37A of the Act; or
<input type="checkbox"/>	an institution, board or body contemplated in section 10(1)(cA) of the Act; or
<input type="checkbox"/>	a fund contemplated in section 10(1)(d)(i) or (ii) of the Act; or
<input type="checkbox"/>	a person contemplated in section 10(1)(t) of the Act; or
<input type="checkbox"/>	a holder of shares in a registered micro business, as defined in the Sixth Schedule of the Act, paying that dividend, to the extent that the aggregate amount of dividends paid by that registered micro business to all holders of shares in that registered micro business during the year of assessment in which that dividend is paid does not exceed the amount of R200 000; or
<input type="checkbox"/>	a small business funding entity as contemplated in section 10(1)(cQ) of the Act; or
<input type="checkbox"/>	a person that is not a resident and the dividend is a dividend contemplated in paragraph (b) of the definition of “dividend” in section 64D of the Act; or
<input type="checkbox"/>	any person to the extent that the dividend constitutes income of that person; or
<input type="checkbox"/>	any person to the extent that the dividend was subject to the secondary tax on companies; or
<input type="checkbox"/>	any fidelity or indemnity fund contemplated in section 10(1)(d)(iii) of the Act; or
<input type="checkbox"/>	a natural person or deceased estate or insolvent estate of that person in respect of a dividend paid in respect of a tax free investment as contemplated in section 12T(1) of the Act.

DECLARATION IN TERMS OF SECTION 64FA OF THE ACT

I, (insert full name and surname of the beneficial owner or duly authorised agent of the beneficial owner)

the undersigned, declare that dividends paid to the beneficial owner are exempt, or would have been exempt had such dividend not been a distribution of an asset *in specie*, from the dividends tax in terms of section 64F of the Act as indicated above.

Signature: _____ Date: _____
 (Duly authorised to do so)

Capacity of Signatory (if not the beneficial owner): _____

UNDERTAKING IN TERMS OF SECTION 64FA OF THE ACT

I, (insert full name and surname of the beneficial owner or duly authorised agent of the beneficial owner)

the undersigned, undertake to forthwith inform Trenchor Limited in writing should the circumstances of the beneficial owner referred to in the declaration above change.

Signature: _____ Date: _____
 (Duly authorised to do so)

Capacity of Signatory (if not the beneficial owner): _____



TRENCOR LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1955/002869/06)

Share code: TRE ISIN: ZAE000007506

("Trencor" or the "Company")

FORM II: REQUIRED DIVIDENDS TAX DECLARATION AND UNDERTAKING (IF YOU ARE SUBJECT TO DIVIDENDS TAX AT A REDUCED RATE)

Unless specifically defined herein, the definitions and interpretations commencing on page 10 of the Circular shall apply, *mutatis mutandis*, to this Form II.

For completion by Shareholders who are subject to Dividends Tax at a reduced rate in terms of an agreement for the avoidance of double taxation ("DTA") and only applicable to Shareholders resident outside of South Africa for tax purposes.

Note: Do NOT complete this Form II if you are exempt from Dividends Tax as indicated in section 64F of the Income Tax Act (No. 58 of 1962) (the "Act"), i.e. if you are a taxpayer under Part C of Form I.

Instructions:

Deliver this completed Form II to Trencor by 23:59 on Tuesday, 26 November 2019.

To be e-mailed to:

Trencor Limited

forms@trencor.net

or faxed to:

Trencor Limited

+27 21 419 3692

or couriered at the risk of the Shareholder to:

Trencor Limited

13th Floor
The Towers South
Heerengracht
Cape Town 8001

DIVIDENDS TAX: DECLARATION AND UNDERTAKING MADE BY THE BENEFICIAL OWNERS OF A DIVIDEND (REDUCED RATE OF DIVIDENDS TAX)

(ONLY APPLICABLE TO PERSONS RESIDENT OUTSIDE OF SOUTH AFRICA FOR TAX PURPOSES)

Date of notice (please insert)

D	D	M	M	Y	Y	Y	Y
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PART A – WITHHOLDING AGENT OR COMPANY DECLARING DIVIDEND

Registered name: Trencor Limited

Company registration number: 1955/002869/06

Dividends tax reference number: 9676002711

Address: 13th Floor, The Towers South, Heerengracht, Cape Town 8001

Contact details: +27 21 421 7310

PART B – BENEFICIAL OWNER

Full names and Surname OR Registered name:	
Nature of person or entity (please tick box):	
<input type="checkbox"/>	Individual
<input type="checkbox"/>	Listed company
<input type="checkbox"/>	Unlisted company
<input type="checkbox"/>	Trust (any type)
<input type="checkbox"/>	South African Government or Provincial Administration or Municipality
<input type="checkbox"/>	Retirement fund (pension or provident or benefit or retirement annuity)
<input type="checkbox"/>	Other (if this box is selected, please provide description of nature of person/entity below):

Identity number/Passport number/Registration number:
Income tax reference number:
Email address:
Telephone number:
Fax number:
Physical address:
Postal address:
Country of residence for tax purposes:

PART C – REDUCED RATE

Please insert below the reasons that the beneficial owner (specified above) of (please insert number of shares) _____ shares in Trecor Limited meets the requirements applicable for the reduced rate of dividends tax in terms of a DTA:

DECLARATION IN TERMS OF SECTION 64FA OF THE ACT

I, (insert full name and surname of the beneficial owner or duly authorised agent of the beneficial owner)

the undersigned, declare that all the relevant requirements in terms of Article (please insert) _____ of the DTA in force between the Republic of South Africa and the country of residence for tax purposes of the beneficial owner of shares in Trecor Limited (specified above), as well as the requirements of sections 64FA, 64G or 64H of the Act (whichever is applicable) have been met, and that dividends paid on the shares in Trecor Limited (specified above) are therefore subject to dividends tax at the reduced rate of (please insert) _____%.

Signature: _____ Date: _____
 (Duly authorised to do so)

Capacity of Signatory (if not the beneficial owner): _____

UNDERTAKING IN TERMS OF SECTION 64FA OF THE ACT

I, (insert full name and surname of the beneficial owner or duly authorised agent of the beneficial owner)

the undersigned, undertake to forthwith inform Trecor Limited in writing should the circumstances of the beneficial owner referred to in the declaration above change.

Signature: _____ Date: _____
 (Duly authorised to do so)

Capacity of Signatory (if not the beneficial owner): _____



TRENCOR LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1955/002869/06)
Share code: TRE ISIN: ZAE000007506
("Trencor" or the "Company")

FORM III: REQUIRED DIVIDENDS TAX DECLARATION AND UNDERTAKING (IF YOU ARE NOT EXEMPT FROM DIVIDENDS TAX AND NOT SUBJECT TO DIVIDENDS TAX AT A REDUCED RATE)

Unless specifically defined herein, the definitions and interpretations commencing on page 10 of the Circular shall apply, *mutatis mutandis*, to this Form III.

For completion by Shareholders who are NOT exempt from Dividends Tax or NOT subject to Dividends Tax at a reduced rate in terms of an agreement for the avoidance of double taxation.

Note: Do NOT complete this Form III if you are exempt from Dividends Tax (refer to Form I) or subject to Dividends Tax at a reduced rate (refer to Form II).

Instructions:

Deliver this completed Form III to Trencor by 23:59 on Tuesday, 26 November 2019.

To be **e-mailed** to:

Trencor Limited

forms@trencor.net

or **faxed** to:

Trencor Limited

+27 21 419 3692

or **couriered** at the risk of the Shareholder to:

Trencor Limited

13th Floor
The Towers South
Heerengracht
Cape Town 8001

DIVIDENDS TAX: DECLARATION AND UNDERTAKING MADE BY THE BENEFICIAL OWNERS OF A DIVIDEND (NO EXEMPTION FROM DIVIDENDS TAX OR REDUCED RATE OF DIVIDENDS TAX)

Date of notice (please insert)

D	D	M	M	Y	Y	Y	Y
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PART A – WITHHOLDING AGENT OR COMPANY DECLARING DIVIDEND

Registered name: Trencor Limited

Company registration number: 1955/002869/06

Dividends tax reference number: 9676002711

Address: 13th Floor, The Towers South, Heerengracht, Cape Town 8001

Contact details: +27 21 421 7310

PART B – BENEFICIAL OWNER

Full names and Surname OR Registered name:	
Nature of person or entity (please tick box):	
<input type="checkbox"/>	Individual
<input type="checkbox"/>	Listed company
<input type="checkbox"/>	Unlisted company
<input type="checkbox"/>	Trust (any type)
<input type="checkbox"/>	South African Government or Provincial Administration or Municipality
<input type="checkbox"/>	Retirement fund (pension or provident or benefit or retirement annuity)
<input type="checkbox"/>	Other (if this box is selected, please provide description of nature of person/entity below):

Identity number/Passport number/Registration number:
Income tax reference number:
Email address:
Telephone number:
Fax number:
Physical address:
Postal address:
Country of residence for tax purposes:

DECLARATION: NO EXEMPTION FROM DIVIDENDS TAX AND NO REDUCED RATE OF DIVIDENDS TAX

I, (insert full name and surname of the beneficial owner or duly authorised agent of the beneficial owner)

the undersigned, declare that the (please insert number of shares) _____ shares in Tencor Limited (specified above) owned by the beneficial owner (specified above) are not exempt from dividends tax and are not subject to dividends tax at a reduced rate in terms of any agreement for the avoidance of double taxation. The beneficial owner (specified above) is therefore subject to dividends tax at the full rate of 20% in terms of section 64E of the Income Tax Act (No. 58 of 1962).

Signature:

Date:

(Duly authorised to do so)

Capacity of Signatory (if not the beneficial owner):

UNDERTAKING

I, (insert full name and surname of the beneficial owner or duly authorised agent of the beneficial owner)

the undersigned, undertake to forthwith inform Tencor Limited in writing should the circumstances of the beneficial owner referred to in the declaration above change.

Signature:

Date:

(Duly authorised to do so)

Capacity of Signatory (if not the beneficial owner):

