

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

The definitions and interpretations commencing on page 7 of this Circular apply *mutatis mutandis* throughout this Circular.

Shareholders are referred to page 4 of this Circular which sets out the detailed action required of Certificated and Dematerialised Shareholders.

If you are in any doubt as to the action you should take, please consult your broker, CSDP, attorney, accountant, banker or other professional adviser immediately.

If you have disposed of all of your Shares in Conduit Capital, then this Circular, together with the accompanying Form of Instruction, should be forwarded to the purchaser to whom, or the broker, agent, CSDP or banker through whom you disposed of your Shares.

CONDUIT CAPITAL

CONDUIT CAPITAL LIMITED

Incorporated in the Republic of South Africa
(Registration number 1998/017351/06)
Share code: CND ISIN: ZAE000073128
("Conduit Capital" or "the Company")

CIRCULAR TO SHAREHOLDERS OF CONDUIT CAPITAL

regarding

- a fully subscribed renounceable rights offer of 175 000 000 new ordinary shares at a subscription price of 200 cents per Rights Offer Share, in the ratio of 29.689 Rights Offer Shares for every 100 Shares held at the close of business on the record date for the Rights Offer, being Friday, 24 November 2017;

and enclosing

- a Form of Instruction for use by Certificated Shareholders only.
-

Rights Offer opens at 09:00 on

Monday, 27 November 2017

Rights Offer closes at 12:00 on

Friday, 8 December 2017

All the advisers whose names are included in this Circular have given and have not, prior to publication of this Circular, withdrawn their written consents for the inclusion of their names in the form and context in which they appear.

Corporate Adviser and Sponsor

South African Legal Advisers

Subscriber

Merchantec
capital

CDH
CLIFFE DEKKER HOFMEYR

Riskowitz Value Fund LP

Date of issue: 21 November 2017

Copies of this circular, in its printed format, may be obtained from the registered office of the Company and the Sponsor at the addresses set out in the "Corporate information" section of this Circular during normal business hours from Tuesday, 21 November 2017 up to and including Friday, 8 December 2017 or on the Company's website at www.conduitcapital.co.za. A copy of this Circular, together with the Form of Instruction and other requisite documents referred to in section 99(4)(b) of the Companies Act, were filed and approved by the JSE. This Circular is not an invitation to the public to subscribe for Shares, but is issued in compliance with the Listings Requirements for the purpose of providing information to the public with regard to the Company, and is available in the English language only.

DISCLAIMER

The Rights Offer does not constitute an offer in any area of jurisdiction in which it is unlawful to make such an offer and in such circumstances, this Circular and accompanying Form of Instruction are distributed for information purposes only.

All transactions arising from the provisions of this Circular and the Form of Instruction shall be governed by and be subject to the laws of South Africa. The Rights Offer may be affected by the laws of the relevant jurisdictions of foreign Shareholders. Such foreign Shareholders should inform themselves about and observe any applicable legal requirements of such jurisdictions in relation to all aspects of this Circular that may affect them, including the Rights Offer. It is the responsibility of any foreign Shareholder to satisfy himself as to the full observation of the laws and regulatory requirements of the relevant jurisdiction in connection with the Rights Offer, including the obtaining of any governmental, exchange control or other consent or the making of any filings which may be required, the compliance with other necessary formalities, the payment of any issue, transfer or other taxes or requisite payments due in such jurisdiction. The Rights Offer is further subject to any other applicable laws and regulations, including but not limited to the Companies Act, the Listings Requirements and the Exchange Control Regulations. Any foreign Shareholder who is in doubt as to his position, including without limitation his tax status, should consult an appropriate independent professional adviser in the relevant jurisdiction without delay. The Company and its Directors accept no responsibility for the failure by any Shareholder to inform itself about, or to observe, any applicable legal requirements in any relevant jurisdiction, nor for any failure by the Company to observe the requirements of any jurisdiction.

This Circular has been prepared in accordance with applicable law and regulatory requirements in South Africa and the Listings Requirements, and not in accordance with, or so as to comply with, the laws or regulatory requirements of any other jurisdiction. The information disclosed in this Circular may not be the same as the information that would have been disclosed had this Circular been prepared in accordance with, or so as to comply with, the laws or regulatory requirements of any other jurisdiction.

The Letters of Allocation and the Rights Offer Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("US Securities Act"), or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable state and other securities laws of the United States. There will be no public offer of the Letters of Allocation and the Rights Offer Shares in the United States. The Letters of Allocation and the Rights Offer Shares are being offered and sold in offshore transactions in compliance with Regulation S of the US Securities Act ("Regulation S"). In the United States, persons that are qualified institutional buyers ("QIBs") as defined in Rule 144A of the US Securities Act ("Rule 144A") may exercise Letters of Allocation and acquire Rights Offer Shares pursuant to exemptions from the registration requirements of the US Securities Act. Any person in the United States acquiring Rights Offer Shares must execute and deliver to the Company an investor letter satisfactory to the Company to the effect that such person and any account for which it is acquiring the Rights Offer Shares is a QIB within the meaning of Rule 144A and satisfies certain other requirements. Subject to certain exceptions, this Circular and any other materials relating to the Rights Offer may not be sent to any Shareholder in, or with a registered address in, the United States.

IMPORTANT: You must read the following before continuing. The following applies to the circular to Shareholders following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of the document. In accessing the document, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

You acknowledge that this electronic transmission and the delivery of the attached document is confidential and intended only for you.

THE FOLLOWING DOCUMENT MAY NOT BE FORWARDED OR DISTRIBUTED OTHER THAN AS PROVIDED BELOW AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. THIS DOCUMENT MAY ONLY BE DISTRIBUTED OUTSIDE THE UNITED STATES IN "OFFSHORE TRANSACTIONS" AS DEFINED IN, AND AS PERMITTED BY, REGULATIONS UNDER THE U.S. SECURITIES ACT OF 1933 (THE "US SECURITIES ACT") OR WITHIN THE UNITED STATES TO QUALIFIED INSTITUTIONAL BUYERS ("QIBs") WITHIN THE MEANING OF RULE 144A UNDER THE US SECURITIES ACT ("RULE 144A"). ANY FORWARDING OR DISTRIBUTION, OTHER THAN IN ACCORDANCE WITH THIS PARAGRAPH, OR REPRODUCTION OF THIS DOCUMENT, IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS NOTICE MAY RESULT IN A VIOLATION OF THE US SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES REFERENCED HEREIN (THE "SECURITIES") HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION (OTHER THAN SOUTH AFRICA) AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN TRANSACTIONS EXEMPT FROM REGISTRATION UNDER THE US SECURITIES ACT; OR (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S UNDER THE US SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

Confirmation of your representation: In order to be eligible to view this document or make an investment decision with respect to the securities, you must be (1) a person that is outside the United States or (2) a QIB that is acquiring the securities for its own account or for the account of another QIB. By accepting the e-mail and accessing this document, you shall be deemed to have represented to us that you are outside the United States or that you are a QIB and that you consent to delivery of such document by electronic transmission. You are reminded that this document has been delivered to you on the basis that you are a person into whose possession this document may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this document to any other person. The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. Under no circumstances shall this document constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. Recipients of this document who intend to purchase the securities are reminded that any purchase may only be made on the basis of the information contained in the document.

This document has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of Conduit Capital Limited nor any financial advisors, as named in this document, nor any person who controls the Conduit Capital Limited or a financial advisor nor any director, officer, employee nor agent of it or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the document distributed to you in electronic format and the hard copy version available to you on request from Conduit Capital Limited.

CORPORATE INFORMATION

CONDUIT CAPITAL LIMITED

Date of incorporation: 2 September 1998

Place of incorporation: South Africa

REGISTERED ADDRESS OF CONDUIT CAPITAL

(Registration number 1998/017351/06)

Unit 9

4 Homestead Avenue

Bryanston, 2191

(PO Box 97, Melrose Arch, 2076)

COMPANY SECRETARY

CIS Company Secretaries Proprietary Limited

(Registration number 2006/024994/07)

Rosebank Towers

15 Biermann Avenue

Rosebank, 2196

(PO Box 61051, Marshalltown, 2107)

CORPORATE ADVISOR AND SPONSOR

Merchantec Capital

(Registration number 2008/027362/07)

2nd Floor, North Block

Hyde Park Office Tower

Corner 6th Road and Jan Smuts Avenue

Hyde Park, Johannesburg, 2196

(PO Box 41480, Craighall, 2024)

SOUTH AFRICAN LEGAL ADVISERS

Cliffe Dekker Hofmeyr Incorporated

(Registration number 2008/018923/21)

11 Buitengracht Street

Cape Town, 8001

(PO Box 695, Cape Town, 8000)

TRANSFER SECRETARIES

Computershare Investor Services Proprietary Limited

(Registration number 2004/003647/07)

Rosebank Towers

15 Biermann Avenue

Rosebank, 2196

(PO Box 61051, Marshalltown, 2107)

FORWARD-LOOKING STATEMENT DISCLAIMER

This Circular includes statements about Conduit Capital and/or the Conduit Capital Group that are, or may be deemed to be forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. These forward-looking statements are not based on historical facts, but rather reflect current expectations concerning future results and events and generally may be identified by the use of forward-looking words such as “believe”, “aim”, “expect”, “project”, “anticipate”, “intend”, “foresee”, “forecast”, “likely”, “should”, “planned”, “may”, “will”, “estimated”, “potential” or similar words and phrases.

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

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

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

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ACTION REQUIRED BY SHAREHOLDERS IN RELATION TO THE RIGHTS OFFER

PLEASE TAKE CAREFUL NOTE OF THE FOLLOWING PROVISIONS REGARDING THE ACTION REQUIRED BY CONDUIT CAPITAL SHAREHOLDERS:

1. If you are in any doubt as to what action to take, you should consult your broker, CSDP, attorney, accountant, banker, or other professional adviser immediately.
2. If you have disposed of all of your Shares in Conduit Capital, then this Circular, together with the accompanying Form of Instruction, should be forwarded to the purchaser of such Shares, or to the broker, agent, CSDP or banker through whom you disposed of your Shares, except that this Circular, together with the Form of Instruction, should not be forwarded or transmitted by you to any person in any territory other than South Africa unless the Rights Offer can lawfully be made to such person in such territory.
3. Shares in companies listed on the JSE can no longer be traded on the JSE unless they have been Dematerialised onto the Strate system. It is therefore suggested that Certificated Shareholders Dematerialise their Documents of Title and replace them with electronic records of ownership. In this regard, Shareholders may contact either a CSDP or broker, details of which are available from Strate at liaisondesk@strate.co.za or telephone +27 (0)11 759 5300 or facsimile +27 (0)11 759 5503.
4. Certificated Shareholders wishing to Dematerialise their Shares are advised that the Dematerialisation process can take between 1 (one) and 10 (ten) days, depending on the volumes being processed at the time.

SHAREHOLDERS WHO HAVE DEMATERIALISED THEIR CONDUIT CAPITAL SHARES

Dematerialised Shareholders:

1. will **NOT** receive a "printed" Form of Instruction, but will have their accounts updated with their Rights Offer Entitlement by their CSDP or broker;
2. should timeously instruct their CSDP or broker as to whether they wish to subscribe for all or part of their Rights Offer Entitlement, or sell all or part of their Rights Offer Entitlement or renounce all or part of their Rights Offer Entitlement, in the manner and time stipulated in the Custody Agreement;
3. who do not issue instructions to their CSDP or broker, will result in the CSDP or broker acting in accordance with the Custody Agreement; and
4. should note that Conduit Capital assumes no responsibility and will not be held liable for any failure on the part of their CSDP or broker to notify them of the Rights Offer and to receive instruction in regard thereto.

SHAREHOLDERS WHO HAVE NOT DEMATERIALISED THEIR CONDUIT CAPITAL SHARES

Certificated Shareholders:

1. will have their Letter of Allocation created in electronic form with Computershare Investor Services to ensure that Certificated Shareholders have the same rights and opportunities in respect of the Rights Offer as Dematerialised Shareholders;
2. will receive a printed Form of Instruction in relation to the Letter of Allocation, providing for the sale of all, or part of, the rights embodied in the Form of Instruction, the subscription for Rights Offer Shares in terms thereof, or the renunciation of their rights and must act in accordance with the instructions thereon; and
3. who wish to **subscribe** for all of the Rights Offer Entitlement, must complete **Blocks (5) and (6)** of the Form of Instruction in accordance with the instructions contained therein, attach their cheques, banker's draft or EFT swift reference number for the appropriate amount and lodge same with the Transfer Secretaries as set out below:

Hand deliveries to:

Conduit Capital Limited
c/o Computershare Investor Services
Rosebank Towers, 15 Biermann Avenue
Rosebank, 2196

Emailed to:

(only in the case where payment is by way of EFT)
Conduit Capital Limited
corporate.events@computershare.co.za

Postal deliveries to:

Conduit Capital Limited
c/o Computershare Investor Services
PO Box 61763
Marshalltown, 2107

Emailed to:

(only in the case where payment is by way of EFT)
corporate.events@computershare.co.za

so as to reach the Transfer Secretaries by no later than **12:00** on Friday, 8 December 2017.

Computershare Investor Services will not be responsible for any loss and/or damage whatsoever in relation to or arising from the late or non-receipt of emailed Forms of Instruction or owing to Forms of Instruction being forwarded to any other email address other than those provided above. Forms of Instruction shall be deemed to be received on the date reflected in Computershare's electronic systems. Notwithstanding anything to the contrary, it is the responsibility of a Shareholder to ensure that his Form of Instruction is received by Computershare Investor Services.

4. will receive certificated share certificates in respect of the Rights Offer Shares;
5. will only be able to trade their Rights Offer Shares on the JSE once they have been Dematerialised (this could take between 1 (one) and 10 (ten) days, depending on the volume being processed at the time);
6. who wish to **sell** all or part of the rights allocated to them in terms of the Rights Offer must complete **Form A** on the enclosed Form of Instruction and return it to the Transfer Secretaries in accordance with the instructions contained therein so as to reach the Transfer Secretaries by no later than **12:00** on Tuesday, 5 December 2017. Computershare Investor Services will endeavour to procure the sale of the Rights Offer Entitlement on the JSE on behalf of such certificated rights recipients and will remit the proceeds in accordance with the payment instructions reflected in the Form of Instruction, net of brokerage charges and associated expenses. Neither Computershare Investor Services, nor any broker appointed by it, will have any obligation or be responsible for any loss or damage whatsoever in relation to or arising out of the timing of such sales, the price obtained or any failure to sell such rights; and
7. who wish to **renounce** their Rights Offer Entitlement in favour of any named Renounee must complete **Form B** on the enclosed Form of Instruction and the Renounee must complete **Form C** on the enclosed Form of Instruction and return it to the Transfer Secretaries in accordance with the instructions contained therein so as to reach the Transfer Secretaries by no later than **12:00** on Friday, 8 December 2017, together with a cheque, banker's draft or EFT swift reference number indicating the EFT payment for the appropriate amount.

NON-RESIDENT SHAREHOLDERS

1. Shareholders who are Non-residents are referred to paragraphs 4.10 and 4.11 of this Circular regarding applicable Exchange Control Regulations and other restrictions which may be relevant to them.
2. The Letters of Allocation and the Rights Offer Shares have not been and will not be registered under the US Securities Act, or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable state and other securities laws of the United States. There will be no public offer of the Letters of Allocation and the Rights Offer Shares in the United States. The Letters of Allocation and the Rights Offer Shares are being offered and sold in offshore transactions in compliance with Regulation S. In the United States, persons that are QIBs within the meaning of Rule 144A may exercise Letters of Allocation and acquire Rights Offer Shares pursuant to exemptions from the registration requirements of the US Securities Act. Any person in the United States acquiring the Rights Offer Shares must execute and deliver to the Company an investor letter satisfactory to the Company to the effect that such person and any account for which it is acquiring the Rights Offer Shares is a QIB within the meaning of Rule 144A and satisfies certain other requirements. Subject to certain exceptions, this Circular and any other materials relating to the Rights Offer may not be sent to any Shareholder in, or with a registered address in, the United States.

IMPORTANT DATES AND TIMES IN RELATION TO THE RIGHTS OFFER

The definitions and interpretations commencing on page 7 of this Circular apply *mutatis mutandis* to this section (unless specifically defined where used or the context indicates a contrary intention).

2017

Rights Offer Declaration Data announcement released on SENS	Friday, 20 October
Rights Offer Finalisation announcement released on SENS	Thursday, 16 November
Circular and Form of Instruction posted to Certificated Shareholders	Tuesday, 21 November
Last day to trade in Conduit Capital Shares in order to settle trades by the Record Date for the Rights Offer and to qualify to participate in the Right Offer (<i>cum</i> entitlement) on	Tuesday, 21 November
Listing of and trading in the Letters of Allocation on the JSE commences at 09:00 on the JSE under JSE code "CNDN" and ISIN ZAE000251286	Wednesday, 22 November
Conduit Capital Shares commence trading ex-rights on the JSE at 09:00 on	Wednesday, 22 November
Record date for the Rights Offer for purposes of determining the Conduit Capital Shareholders entitled to participate in the Rights Offer at the close of business on	Friday, 24 November
Rights Offer opens at 09:00 on	Monday, 27 November
Holders of Dematerialised Conduit Capital Shares will have their accounts at their CSDP or broker automatically credited with their Letters of Allocation at 09:00 on	Monday, 27 November
Holders of Certificated Conduit Capital Shares will have their Letters of Allocation credited to an electronic register at the Transfer Secretaries at 09:00 on	Monday, 27 November
Circular distributed to Dematerialised Shareholders, who have elected to receive such documents	Tuesday, 28 November
Last day to trade in Letters of Allocation in order to settle trades by the Record Date for the Letters of Allocation and participate in the Rights Offer at the close of business on	Tuesday, 5 December
Last day for Form of Instruction to be lodged with the Transfer Secretaries by holders of Certificated Conduit Capital Shares wishing to sell all or part of their Rights Offer Entitlement by 12:00 on	Tuesday, 5 December
Listing and trading of Rights Offer Shares commences on the JSE at 09:00 on	Wednesday, 6 December
Last day for Form of Instruction to be lodged with the Transfer Secretaries by holders of Certificated Conduit Capital Shares wishing to subscribe for or renounce all or part of their Rights Offer Entitlement by 12:00 on (see note 2)	Friday, 8 December
Record date for Letters of Allocation	Friday, 8 December
Rights Offer closes at 12:00 and payment to be made on	Friday, 8 December
Rights Offer Shares issued on	Monday, 11 December
CSDP/broker accounts credited with Rights Offer Shares and debited with the payments due in respect of holders of Dematerialised Conduit Capital Shares on	Monday, 11 December
Rights Offer Share certificates in terms of the Rights Offer posted to holders of Certificated Conduit Capital Shares via registered post on or about	Monday, 11 December
Results of Rights Offer announced on SENS on	Monday, 11 December

Notes:

1. All references to dates and times are to local dates and times in South Africa.
2. Holders of Dematerialised Conduit Capital Shares are required to notify their CSDP or broker of the action they wish to take in respect of the Rights Offer in the manner and by the time stipulated in the agreement governing the relationship between the Dematerialised Shareholder and his CSDP or broker.
3. Conduit Capital share certificates may not be Dematerialised or rematerialised between Wednesday, 22 November 2017 and Friday, 24 November 2017, both days inclusive.
4. CSDPs effect payment in respect of holders of Dematerialised Rights Offer Shares on a delivery *versus* payment basis.
5. To the extent that the rights are accepted, Dematerialised Shareholders will have their accounts at their CSDP or broker automatically credited with their rights and Certificated Shareholders will have their rights credited to an account at Computershare Investor Services.
6. Rights Offer share certificates to be issued in terms of the Rights Offer will be posted to persons entitled thereto, by registered post, at the risk of the Certificated Shareholders concerned.

DEFINITIONS AND INTERPRETATIONS

In this Circular and the annexures hereto, unless the context otherwise indicates, references to the singular include the plural and *vice versa*, words denoting one gender include the others, expressions denoting natural persons include juristic persons and associations of persons and *vice versa*, and the words in the first column hereunder have the meaning stated opposite them in the second column, as follows:

“Authorised Dealer”	A person authorised to deal in foreign exchange as contemplated in the Exchange Control Regulations;
“Board” or “Directors”	the board of directors of Conduit Capital at the Last Practicable Date whose details are set out in paragraph 8 of this Circular;
“Business Day”	any day other than a Saturday, Sunday or a public holiday in South Africa;
“Certificated Share”	a Conduit Capital Share that has not been Dematerialised, title to which is evidenced by a Document of Title;
“Certificated Shareholder”	a Conduit Capital Shareholder who holds Certificated Shares;
“Circular”	this bound document, dated Tuesday, 21 November 2017, including the annexures hereto and incorporating a Form of Instruction;
“Common Monetary Area”	South Africa, the Republic of Namibia and Kingdoms of Lesotho and Swaziland;
“Companies Act”	the Companies Act, 2008 (Act 71 of 2008), as amended, and the Companies Regulations 2011, published in terms of the Companies Act;
“Computershare Investor Services” or “Transfer Secretaries”	Computershare Investor Services Proprietary Limited (Registration number 2004/003647/07), a private company duly incorporated in accordance with the laws of South Africa;
“Conduit Capital” or “the Company”	Conduit Capital Limited (Registration number 1998/017351/06), a public company duly registered and incorporated under the laws of South Africa and listed on the main board of the JSE;
“Conduit Capital Shareholders” or “Shareholders”	holders of Conduit Capital Shares;
“Conduit Capital Shares” or “Shares”	ordinary shares of no par value in the authorised and issued share capital of Conduit Capital;
“Constantia”	Constantia Risk and Insurance Holdings Proprietary Limited (Registration number 1981/010851/07), a private company duly incorporated in accordance with the laws of South Africa and an indirect wholly-owned Subsidiary of Conduit Capital;
“CSDP”	a Central Securities Depository Participant, accepted as a participant in terms of the Financial Markets Act, appointed by an individual Shareholder for the purposes of, and in regard to Dematerialisation;
“Custody Agreement”	the agreement which regulates the relationship between the CSDP or broker and each beneficial holder of Dematerialised Shares;
“Dematerialisation”	the process by which Certificated Shares are converted into electronic format as Dematerialised Shares and recorded in Conduit Capital’s Uncertificated Securities Register;
“Dematerialised Share”	a Conduit Capital Share that has been Dematerialised or has been issued in Dematerialised form, and recorded in Conduit Capital’s Uncertificated Securities Register;
“Dematerialised Shareholder”	a Conduit Capital Shareholder who holds Dematerialised Shares;
“Designated Bank Account”	the bank account, the details of which will be provided on request from the corporate actions department of Computershare Investor Services, contactable during ordinary business hours on +27 (0) 86 110 0634;
“Documents of Title”	share certificates, certified transfer deeds, balance receipts and/or any other form of acceptable document of title acceptable to Conduit Capital in respect of Conduit Capital Shares;
“EFT”	Electronic Funds Transfer;
“Exchange Control Regulations”	the Exchange Control Regulations, promulgated in terms of section 9 of the Currency and Exchanges Act, 1933 (Act 9 of 1933), as amended;

“Financial Markets Act”	Financial Markets Act, 2012 (Act 19 of 2012), as amended;
“Form of Instruction”	the enclosed form of instruction in respect of a Letter of Allocation reflecting entitlement of Certificated Shareholders, and on which Certificated Shareholders must indicate to the Transfer Secretaries, whether they wish to take up, renounce or sell all or part of the Rights Offer Entitlement;
“Group” or “Conduit Capital Group”	Conduit Capital and its Subsidiaries;
“IFRS”	International Financial Reporting Standards;
“JSE”	JSE Limited (Registration number 2005/022939/06), a public company duly incorporated in accordance with the laws of South Africa and licensed as an exchange under the Financial Markets Act;
“Last Practicable Date”	Friday, 10 November 2017, being the last practicable date prior to the finalisation of this Circular;
“Letters of Allocation”	the renounceable (nil paid) letters of allocation to be issued by Conduit Capital in electronic form conferring the right to subscribe for Rights Offer Shares pursuant to the Rights Offer;
“Listings Requirements”	the Listings Requirements of the JSE, as amended from time to time by the JSE;
“Merchantec Capital” or “Sponsor”	Merchantec Proprietary Limited (Registration number 2008/027362/07), a private company duly registered and incorporated under the laws of South Africa;
“Midbrook”	Midbrook Lane Proprietary Limited (Registration number 2011/112842/07), a private company duly registered and incorporated in accordance with the laws of South Africa and an indirect wholly owned subsidiary of Conduit Capital;
“Mr S M Riskowitz”	the Chief Executive Officer of Conduit Capital;
“Non-resident”	a person whose registered address is outside the Common Monetary Area;
“Offer Period”	the period of the Rights Offer, which opens at 09:00 on Monday, 27 November 2017 and closes at 12:00 on Friday, 8 December 2017;
“Protea Asset Management”	Protea Asset Management LLC, an investment adviser incorporated in Delaware in the United States, of which Mr S M Riskowitz is the managing member;
“QIB”	Qualified Institutional Buyers, as defined by the Securities and Exchange Commission’s (SEC) Rule 144A under the U.S. Securities Act of 1933, as amended;
“Rand” or “R”	South African Rand, the official currency of South Africa;
“Ratio”	the ratio of 29.689 Rights Offer Shares for every 100 Shares held on the Record Date for the Rights Offer;
“Record Date for the Letters of Allocation”	Friday, 8 December 2017, being the last day for Shareholders to be recorded in the Register in order for Shareholders and/or their Renounees to be entitled to subscribe for the Rights Offer Shares;
“Record Date for the Rights Offer”	close of business on Friday, 24 November 2017, being the last day for Shareholders to be recorded in the Register in order for Shareholders to be entitled to participate in the Rights Offer;
“Register”	Conduit Capital’s securities register, including the Uncertificated Securities Register;
“Renounee”	the person in whose favour a Shareholder, who has received a Letter of Allocation, has renounced their Rights Offer Entitlement;
“Rights Offer”	the fully subscribed renounceable rights offer by Conduit Capital to its Shareholders in terms of which Shareholders obtain the entitlement to subscribe for the Rights Offer Shares at a subscription price of 200 cents per Rights Offer Share in the ratio of 29.689 Rights Offer Shares for every 100 Shares held on the Record Date for the Rights Offer;
“Rights Offer Entitlement”	a Shareholder’s entitlement to subscribe for new Shares in the ratio of 29.689 Rights Offer Shares for every 100 Shares held on the Record Date for the Rights Offer, which entitlement arises as a result of the Rights Offer;
“Rights Offer Shares”	the 175 000 000 new Shares, offered to Shareholders pursuant to the Rights Offer;
“Rights Offer Participant”	a Shareholder entitled to participate in the Rights Offer;
“Riskowitz Capital Management”	Riskowitz Capital Management LLC, the general partner of Riskowitz Value Fund LP formed in Delaware in the United States, of which Mr S M Riskowitz is the founder and managing member;
“Riskowitz Value Fund LP” or “RVF”	Riskowitz Value Fund LP, a private pooled investment partnership formed in Delaware in the United States, of which Mr S M Riskowitz is the founder and managing member;

“SENS”	the Stock Exchange News Service of the JSE;
“Snowball”	Snowball Wealth Proprietary Limited (Registration number 2009/005748/07), a private company duly registered and incorporated in accordance with the laws of South Africa and an indirect wholly owned subsidiary of Conduit Capital;
“South Africa”	the Republic of South Africa;
“Strate”	the settlement and clearing system used by the JSE, managed by Strate Proprietary Limited (Registration number 1998/022242/07), a private company duly incorporated in accordance with the laws of South Africa and which company is a registered Central Securities Depository in terms of the Financial Markets Act;
“Subscription Agreement”	the agreement entered into between Riskowitz Value Fund LP and Conduit Capital on 2 November 2017, in terms of which Riskowitz Value Fund LP, as the subscriber, has irrevocably undertaken to subscribe for all the Rights Offer Shares that are not taken up by Conduit Capital Shareholders and/or their renounees in terms of the Rights Offer;
“Subscription Price”	200 cents per Rights Offer Share, payable on subscription for the Rights Offer Shares;
“Subsidiary”	a subsidiary as defined in the Companies Act;
“Uncertificated Securities Register”	the record of Dematerialised Shares administered and maintained by a CSDP and which forms part of the Register;
“Subscriber”	Riskowitz Value Fund LP, a private pooled investment partnership formed in Delaware in the United States, of which Mr S M Riskowitz is the founder and managing member;
“United States” or “US”	the United States of America;
“US Securities Act”	U.S. Securities Act of 1933, as amended; and
“VWAP”	volume weighted average price.

CONDUIT CAPITAL

CONDUIT CAPITAL LIMITED

Incorporated in the Republic of South Africa
(Registration number 1998/017351/06)
Share code: CND ISIN: ZAE000073128
("Conduit Capital" or "the Company")

DIRECTORS

Executive

S M Riskowitz (*Chief Executive Officer*)
L E Louw (*Financial Director*)

Non-executive

R S Napier[^] (*Chairman*)
L C H Chou
J Mahlangu[^]
A J Maizey
W N Thorndike Jr.[^]
N R Xaba[^]

[^]*Independent*

CIRCULAR TO CONDUIT CAPITAL SHAREHOLDERS

1. INTRODUCTION

On Friday, 20 October 2017, it was announced on SENS that Conduit Capital intends to raise R350 000 000 from its Shareholders by way of a fully subscribed renounceable rights offer, in terms of which Conduit Capital will offer a total of 175 000 000 Rights Offer Shares to Shareholders.

The purpose of this Circular and Form of Instruction is to furnish Conduit Capital Shareholders with the relevant information pertaining to the Rights Offer and the implications thereof in accordance with the Listings Requirements.

In terms of the Rights Offer, Conduit Capital Shareholders recorded in the Register at the close of trade on Friday, 24 November 2017 will be entitled to subscribe for the Rights Offer Shares in the ratio of 29.689 Rights Offer Shares for every 100 Shares held, at a subscription price of 200 cents per Rights Offer Share. Only whole numbers of Shares will be issued and Conduit Capital Shareholders will be entitled to a rounded number of Shares, as set out in paragraph 4.5 below, once the Ratio has been applied.

2. PURPOSE OF THE RIGHTS OFFER

The purpose of the Rights Offer is to provide Conduit Capital with additional capital in the amount of R350 000 000 to enable the Company to:

- capitalise the insurance group to fund, to the extent commercially acceptable, acquisitions and/or organic growth strategies; and/or
- fund non-insurance opportunities that conform to Conduit Capital's investment criteria.

3. NATURE OF THE BUSINESS OF CONDUIT CAPITAL AND PROSPECTS

Conduit Capital is an investment holding company investing primarily in the insurance industry, supported by a value-oriented long-term investment strategy. In addition to driving the strategic direction of the Group, Conduit Capital's main function involves the optimal allocation of capital across the Group. The Group operates through two main segments, namely:

- Insurance and Risk, which houses the Group's insurance interests; and
- Investments, which houses the Group's investment activities.

Conduit Capital's long-term objective is to compound the intrinsic value of the business at a high rate over time by providing strategic support to Subsidiaries and efficiently allocating capital across the Group.

Constantia, an indirect wholly-owned Subsidiary of Conduit Capital, is the holding company of the Group's insurance interests. Constantia's objective is to grow retained income from net underwriting profit, investment income and profit commissions earned on well-balanced, profitable reinsurance arrangements. These elements are essential contributors to Conduit Capital's long-term objective. Furthermore, Constantia's attitude towards insurance has always been to adopt a simplistic and well managed risk approach based on a pure sum insured underwriting and retentions (after reinsurance) model. In essence, it is a quality vs quantity principle. Constantia operates through three insurance licences, held by Subsidiaries:

Constantia Insurance Company Limited ("CICL")

CICL's insurance licence under the Short-Term Insurance Act allows transactions in all classes of short-term insurance business with the focus on select guarantee, motor and heavy commercial vehicle, property, liability and certain types of accident and health products.

CICL is positioned as a niche insurer and deals mainly with and underwrites clients on a direct basis as well as through Underwriting Managers ("UMAs"), each of which focuses on its own niche markets and products. UMAs are effectively an extension of the insurer, mandated to carry out a broad range of responsibilities which may include relationship management with brokers, the issuing of policies, underwriting and administration, premium collection, claims administration, recoveries and salvages on behalf of the insurer. The underwriting model has evolved to accommodate the incorporation of select smaller UMAs as divisions within CICL and a direct broker model that allows CICL to selectively procure business through the channel most appropriate to the opportunity.

Constantia Life Limited ("CLL")

CLL's insurance licence under the Long-Term Insurance Act allows it to enter into assistance (individual funeral) policies.

Constantia Life and Health Assurance Company Limited ("CLAH")

CLAH's insurance licence under the Long-Term Insurance Act allows it to enter into all long-term insurance business other than investment business. Currently, CLAH caters mainly for Group assistance (funeral) policies, with the bulk of the portfolio being managed by UMAs.

Conduit Capital only considers issuing shares when the value that the Group can obtain is greater than the value the Group gives up. It is intended that this capital raising initiative will, over the long-term, translate into significant value for shareholders.

The Rights Offer was priced at a premium to the market price on the announcement date as the directors believe that the market price undervalued the Company. The directors furthermore believe that the balance between dilution, access to long-term sustainable opportunity and fair pricing are critical factors in determining the price of the Rights Offer, all of which have been taken into account.

Conduit is excited about Constantia's future prospects for the following reasons:

- Constantia's business model is evolving under the able guidance of its management team and it aims to be a trusted brand whose responsive teams provide innovative risk and insurance solutions in niche markets;
- Constantia is well on its way to achieving its ambitious targets and previously disclosed key performance metrics, notably a 95% or better combined ratio, a minimum 15% return on capital and growth in investable assets;
- The insurance business is highly cash generative and capable of generating significant levels of float, which can be used for further investment;
- Decisive and intelligent corrective action has been taken in relation to non-performing portfolios. This, together with a more dynamic premium pricing policy and underwriting and risk management approach to new lines of business, is expected to yield positive results in the medium term;
- Sufficient investment has been made in the right human capital, best in class infrastructure and state of the art technology to gear Constantia for considerable future growth; and
- Constantia, driven by an experienced management team, has together with its Board outlined a clear strategy to aggressively expand Constantia into the broader insurance market, both locally and throughout Africa. We intend to grow Constantia's premiums materially but, with a stated combined ratio target of 95% or better.

In line with the above, the majority of the capital raised in the Rights Offer will be invested in Constantia in pursuit of new opportunities already identified in niche market segments and lines of business, as well as an increased presence in traditional lines. This accelerates the growth cycle in the short to medium-term, the ultimate effect of which would be a long-term sustainable increase in the value of the Company. Based on current projections, we believe that the proceeds from the Rights Offer will be enough to satisfy Constantia's increased capital requirements based on organic growth initiatives for the foreseeable future.

The Board is confident that the opportunities which the Group wishes to pursue in terms of this capital raising initiative is in line with the objective of compounding intrinsic value per share at a sustainable high rate over the long-term.

4. PARTICULARS OF THE RIGHTS OFFER

4.1 Terms of the Rights Offer

- 4.1.1 Conduit Capital's Shareholders recorded in the Register at the close of business on Friday, 24 November 2017, are offered Rights Offer Shares at a subscription price of 200 cents per Rights Offer Share in the ratio of 29.689 Rights Offer Shares for every 100 Conduit Capital Shares held, on the terms and conditions as set out herein and in the accompanying Form of Instruction. Only whole numbers of Shares will be issued and Conduit Capital Shareholders will be entitled to rounded numbers of Shares once the Ratio has been applied.
- 4.1.2 The Subscription Price represents a discount of 10.2% to the 30 day VWAP of Conduit Capital Shares as at 16 October 2017, the date on which the Rights Offer was approved by the Board. Conduit Capital will raise a maximum amount of R350 000 000 in terms of the Rights Offer.
- 4.1.3 The Record Date for purposes of determining which Shareholders are entitled to participate in the Rights Offer is Friday, 24 November 2017.
- 4.1.4 Upon their issue, the Rights Offer Shares will rank *pari passu* in all respects with the existing Conduit Capital Shares.
- 4.1.5 The Letters of Allocation in respect of the Rights Offer are negotiable and will be listed on the JSE on Wednesday, 22 November 2017. The Rights Offer Shares cannot be traded before such Shares are listed on the JSE on Wednesday, 6 December 2017.
- 4.1.6 The Rights Offer does not constitute an offer in any area of jurisdiction in which it is unlawful to make such an offer and in such circumstances, this Circular and accompanying Letter of Allocation are distributed for information purposes only.
- 4.1.7 The enclosed Form of Instruction contains details of the rights to which holders of Certificated Shares are entitled, as well as the procedure for acceptance and/or sale and/or renunciation of all or part of those rights. Holders of Dematerialised Shares will be advised of the rights to which they are entitled as well as the procedure for acceptance and/or sale and/or renunciation of all or part of those rights by their CSDP or broker in terms of the Custody Agreement entered into between such Dematerialised Shareholders and their CSDP or broker.
- 4.1.8 The Subscription Price is payable in full, in Rand, by qualifying Shareholders holding Certificated Shares on acceptance of the Rights Offer. CSDPs will make payment, on a delivery *versus* payment basis, in respect of qualifying Shareholders holding Dematerialised Shares who have accepted the Rights Offer. Qualifying Shareholders holding Dematerialised Shares who have accepted the Rights Offer must ensure that the necessary funds are deposited with the relevant CSDP or broker, as the case may be.

4.2 Opening and closing dates of the Rights Offer

The Rights Offer will open at **09:00** on Monday, 27 November 2017 and will close at **12:00** on Friday, 8 December 2017.

4.3 Minimum subscription

The Rights Offer is fully subscribed and is not conditional on a minimum subscription.

4.4 Subscription

- 4.4.1 The Rights Offer has been fully subscribed by the Subscriber, Riskowitz Value Fund LP ("the Partnership"), a privately pooled limited partnership formed in Delaware in the United States. Protea Asset Management LLC ("the Adviser"), a Delaware limited liability company is the investment adviser to the Partnership, with full discretionary authority to invest the assets of the Partnership. The Adviser, which employs a concentrated value investment approach, seeks superior returns and long-term capital appreciation, generally by investing in publicly traded securities, with a primary focus on South African listed securities.
- 4.4.2 In terms of the Subscription Agreement, an amount equal to 1.5% of the quantum of the Rights Offer is payable by Conduit Capital to Riskowitz Value Fund LP in consideration for the commitments provided in terms of the Subscription Agreement.
- 4.4.3 Disinterested members of the Board have made due and careful enquiry to confirm that the Subscriber can meet its subscription commitments in terms of the Subscription Agreement.
- 4.4.4 Details of the Subscriber, as required in terms of the Listings Requirements, are set out in Annexure 3 to this Circular.

4.5 Entitlement

- 4.5.1 Shareholders will have the right to subscribe for 29.689 Rights Offer Shares for every 100 Conduit Capital Shares held on the Record Date for the Rights Offer.

- 4.5.2 The allocation of Rights Offer Shares will be such that Shareholders will not be allocated a fraction of a Rights Offer Share and as such, any Rights Offer Entitlement to receive a fraction of a Rights Offer Share which:
- is less than one-half of a Rights Offer Share, will be rounded down to the nearest whole number; and
 - is equal to or greater than one-half of a Rights Offer Share, but less than a whole Rights Offer Share will be rounded up to the nearest whole number.
- 4.5.3 The entitlement of a Certificated Shareholder as reflected in the appropriate block in the Form of Instruction which accompanies and forms part of this Circular, is dependent on their deemed existing holdings at the close of business on Friday, 24 November 2017.
- 4.5.4 Shareholders are referred to the table of entitlement set out in Annexure 1 to this Circular for their entitlement to the Rights Offer Shares.
- 4.5.5 Certificated Shareholders will have their Rights Offer Entitlement credited to an account in electronic format held at the Company's Transfer Secretaries, which will be administered by the Company's Transfer Secretaries on their behalf. The Enclosed Form of Instruction reflects the Rights Offer Shares for which the Certificated Shareholder is entitled to subscribe. The procedures that these Shareholders should follow for the acceptance, sale or renunciation of their Rights Offer Entitlements are reflected in the Form of Instruction.
- 4.5.6 Dematerialised Shareholders will have their Rights Offer Entitlements credited to their account by their CSDP or broker, in electronic form. The CSDP or broker will advise Dematerialised Shareholders of the procedure they need to follow for the acceptance, sale or renunciation of their Rights Offer Entitlement in accordance with their Custody Agreements.
- 4.5.7 The Letters of Allocation to which the Form of Instruction relates are negotiable and may be traded on the JSE.

4.6 Procedure for acceptance of the Rights Offer

Full details of the procedure for acceptance by Certificated Shareholders are contained in paragraph 3 of the accompanying Form of Instruction or in the case of Dematerialised Shareholders, as advised by their CSDP or broker.

The following should be noted:

- 4.6.1 acceptances are irrevocable and may not be withdrawn;
- 4.6.2 Dematerialised Shareholders must contact their CSDP or broker with regard to the procedure to be followed for acceptance of their Rights Offer Entitlement, and must act in accordance with the instructions received from their CSDP or broker; and
- 4.6.3 Certificated Shareholders should note the following:
- acceptances by Certificated Shareholders may only be made by means of the accompanying Form of Instruction;
 - any instruction to sell or renounce all or parts of the Rights Offer Entitlement must be done in accordance with the requirements set out in paragraph 4.8 below and may only be made by means of the accompanying Form of Instruction;
 - Certificated Shareholders who wish to subscribe for only a portion of their Rights Offer Entitlement must indicate the number of Rights Offer Shares for which they wish to subscribe on the accompanying Form of Instruction;
 - payment of the Rand value of the subscription price may be made:
 - 4.6.3.1 by cheque (crossed "not transferable" and with the words "or bearer" deleted) payable to **"Conduit Capital Limited – Rights Offer"**;
 - 4.6.3.2 by banker's draft (drawn on a registered bank) payable to **"Conduit Capital Limited – Rights Offer"**; or
 - 4.6.3.3 by EFT into the Designated Bank Account (details of which is available from the corporate actions department of Computershare Investor Services, contactable during ordinary business hours on +27 (0) 86 110 0634);
 - properly completed Forms of Instruction together with the cheque, or banker's draft or EFT swift reference number (in accordance with paragraph 4.6.3.4 above) must be received from Certificated Shareholders by the Transfer Securities at the address referred to in paragraph 4.9.2 by not later than **12:00** on Friday, 8 December 2017. Certificated Shareholders are advised to take into consideration postal delivery times when posting their Form of Instruction, as no postal deliveries will be accepted after **12:00** on Friday, 8 December 2017. Each cheque or banker's draft will be deposited immediately upon receipt for collection;
 - payment referred to in paragraph 4.6.3.4 will, when the cheque or banker's draft has been paid and/or the EFT cleared into the Designated Bank Account, constitute an irrevocable acceptance of the Rights Offer upon the terms and conditions set out in this Circular and the accompanying Form of Instruction and may not be withdrawn. Should any cheque or banker's draft be subsequently dishonoured, Conduit Capital may, in its sole discretion, and without prejudice to any rights that the Company may have, regard the Form of Instruction as null and void or take such steps in regard thereto as they deem fit; and

- if any Form of Instruction and cheque, banker's draft or EFT is not received and cleared as set out above, the Rights Offer Entitlement will be deemed to have been declined by the Shareholder to whom the Form of Instruction is addressed and the right to subscribe for the Rights Offer Shares offered to such Shareholder or renounced in favour of his Renounee in terms of such Form of Instruction, will lapse, no matter who then holds it.

PLEASE NOTE THAT SHOULD YOUR CHEQUE, BANKER'S DRAFT OR EFT SWIFT REFERENCE NUMBER NOT ACCOMPANY THAT FORM OF INSTRUCTION, THE TRANSFER SECRETARIES WILL TREAT YOUR APPLICATION AS INVALID.

4.7 Excess applications for Rights Offer Shares

Excess applications will not be permitted.

4.8 Sale or Renunciation of Rights Offer Entitlement

- 4.8.1 Dematerialised Shareholders must contact their CSDP or broker with regard to the procedure to be followed in respect of the sale or renunciation of their Rights Offer Entitlement.
- 4.8.2 Certificated Shareholders who wish to sell all or part of their Rights Offer Entitlement as reflected in the Form of Instruction, must complete **Form A** of the Form of Instruction and return it to the Transfer Secretaries in accordance with the instructions contained therein, to be received by no later than **12:00** on Tuesday, 5 December 2017. The Transfer Secretaries will endeavour to procure the sale of the Rights Offer Entitlement on the JSE on behalf of such Certificated Shareholder and will remit the proceeds in accordance with the payment instructions reflected in the Form of Instruction, net of brokerage charges and associated expenses. Neither the Transfer Secretaries, any broker appointed by them nor Conduit Capital will have any obligation nor will any of these parties be responsible for any loss or damage whatsoever in relation to or arising out of the timing of such sales, the price obtained, or any failure to sell such Rights Offer Entitlement. References in this paragraph to Certificated Shareholders include references to the person or persons executing the Form of Instruction and any person or persons on whose behalf such person or persons executing the Form of Instruction is/are acting and in the event of more than one person executing the Form of Instruction, the provisions of this paragraph shall apply to them, jointly and severally.
- 4.8.3 Certificated Shareholders who wish to sell all or part of their Rights Offer Entitlement will be liable for the costs as set out in **Form A** of the Form of Instruction.
- 4.8.4 Certificated Shareholders who do not wish to sell all or part of their Rights Offer Entitlement as reflected in the Form of Instruction and who do not wish to subscribe for any of the Rights Offer Shares offered in terms of the Form of Instruction, but who wish to renounce their Rights Offer Entitlement, must complete **Form B** of the Form of Instruction and return it to the Transfer Secretaries in accordance with the instructions contained therein to be received by no later than **12:00** on Friday, 8 December 2017.

4.9 Payment

- 4.9.1 Payment of the Rand value of the Subscription Price may be made:
- by cheque (crossed "not transferable" and with the words "or bearer" deleted) payable to "**Conduit Capital Limited – Rights Offer**";
 - by banker's draft (drawn on a registered bank) payable to "**Conduit Capital Limited – Rights Offer**"; or
 - by EFT into the Designated Bank Account (details of which is available from the corporate actions department of Computershare Investor Services, contactable during ordinary business hours on +27 (0) 86 110 0634).
- 4.9.2 A cheque, a banker's draft or EFT swift reference number for the amounts payable in accordance with paragraph 4.9.1 above, together with a properly completed Form of Instruction, must be lodged by Certificated Shareholders with the Transfer Secretaries, as follows:

Hand deliveries to:

Conduit Capital Limited
c/o Computershare Investor Services
Rosebank Towers,
15 Biermann Avenue, Rosebank

Postal deliveries to:

Conduit Capital Limited
c/o Computershare Investor Services
PO Box 61763
Marshalltown, 2107

Emailed to:

(only in the case where payment is by way of EFT)

corporate.events@computershare.co.za

so as to reach the Transfer Secretaries by no later than **12:00** on Friday, 8 December 2017.

Computershare Investor Services will not be responsible for any loss and/or damage whatsoever in relation to or arising from the late or non-receipt of emailed Forms of Instruction or owing to Forms of Instruction being forwarded to any other email address other than those provided above. Forms of Instruction shall be deemed to be received on the date reflected in Computershare's electronic systems. Notwithstanding anything to the contrary, it is the responsibility of a Shareholder to ensure that his Form of Instruction is received by Computershare Investor Services.

- 4.9.3 Please note that the Transfer Secretaries will effect delivery of share certificates against payment and should a cheque, banker's draft or EFT swift reference number not accompany the Form of Instruction, the application will be treated as invalid.
- 4.9.4 No acknowledgement of receipt will be given for a cheque, banker's draft or EFT received in accordance with the Rights Offer.
- 4.9.5 "Blocked Rand" may be used by emigrants and non-residents of the Common Monetary Area for payment in terms of the Rights Offer. In this regard, reference should be made to paragraph 4.10 which deals with Exchange Control Regulations.
- 4.9.6 Dematerialised Shareholders must timeously instruct their CSDP or broker as to the action they must take to enable the CSDP or broker to act on their behalf in terms of the agreement entered into between such Dematerialised Shareholders and the CSDP or broker.

4.10 Exchange Control Regulations

The following guideline is not a comprehensive statement of Exchange Control Regulations. If Shareholders or their Renounees are in any doubt as to the action they must take, they are advised to consult their professional advisers immediately.

In terms of the Exchange Control Regulations of South Africa, Non-residents of the Common Monetary Area:

"will be allowed to:

- take up rights allocated in terms of the offer;
- purchase Letters of Allocation on the JSE Limited;
- subscribe for new ordinary shares arising from Letters of Allocation purchased on the JSE Limited; and
- purchase excess shares which have been applied for in terms of the offer (if applicable)*,

provided that payment is received in foreign currency or in Rand from a Non-Resident Account.

All applications by Non-residents for the above purposes must be made through an Authorised Dealer in foreign exchange. Shares subsequently re-materialised and issued in certificated form, will be endorsed "Non-Resident".

Where a right in terms of the offer falls due to a former resident of the Common Monetary Area, which right is based on Shares controlled in terms of the Exchange Control Regulations, only emigrant's blocked funds may be used to take up this right. In addition, emigrant's blocked funds may also be used to:

- purchase Letters of Allocation on the JSE Limited; and
- subscribe for new ordinary shares arising from the Letters of Allocation purchased on the JSE Limited; and
- purchase excess shares which have been applied for in terms of the offer (if applicable)*.

Applications by emigrants using emigrant's blocked funds for the above purposes must be made through the Authorised Dealer in foreign exchange controlling their blocked assets. Any shares issued pursuant to the use of emigrant blocked funds will be credited to their blocked share accounts at the Central Securities Depository Participant controlling their blocked portfolios. The sale proceeds of Letters of Allocation, if applicable, will be returned to the authorised dealer in foreign exchange for credit to such emigrants' blocked accounts."

** The right to apply for Rights Offer Shares in excess of qualifying Shareholders' entitlements will not apply.*

4.11 Restricted jurisdictions

- 4.11.1 Shareholders should note that the Rights Offer does not constitute an offer in any jurisdiction in which it is unlawful to make such an offer and in such circumstances, this Circular and Form of Instruction should not be forwarded or transmitted by you to any person in any territory other than where it is lawful to make such an offer.
- 4.11.2 Shareholders should consult their professional advisers to determine whether any governmental or other consents are required or other formalities need to be observed to allow them to take up the Rights Offer, or trade their entitlement. To the extent that foreign Shareholders are not entitled to participate in the Rights Offer, such foreign Shareholders should not take up their Rights Offer Entitlement or trade in their Rights Offer Entitlement and should allow their rights in terms of the Rights Offer to lapse.

- 4.11.3 Without prejudice to the generality of the foregoing, the Rights Offer Shares have not been and will not be registered with the U.S. Securities and Exchange Commission under the U.S. Securities Act or any U.S. state securities laws. Accordingly, the Rights Offer Shares may not be offered, sold, taken up, exercised, resold, renounced delivered or transferred, directly or indirectly, in or into the United States or to, or for the account or benefit of, United States persons, except pursuant to exemptions from the U.S. Securities Act (described below in 4.11.4). This Circular and the accompanying documents are not being, and must not be, mailed or otherwise distributed or sent in, into or from the United States. This Circular does not constitute an offer of any securities for sale in the United States or to United States persons.
- 4.11.4 Notwithstanding the foregoing, the securities mentioned herein may be made available under the transactions to shareholders that are, or who are acting on behalf of, or for the account of benefit of a QIB as such terms is defined in rule 144A under the U.S. Securities Act pursuant to an available exemption from registration under the U.S. Securities Act or, in the sole discretion of the Company, to others who may be offered the securities mentioned herein pursuant to an available exemption from such registration. Any person in the United States acquiring or exercising the Rights Offer Shares must execute and deliver to the Company an investor letter satisfactory to the Company to the effect that such person and any account for which it is acquiring the Rights Offer Shares is a QIB within the meaning of Rule 144A and satisfies certain other requirements. This Circular does not constitute nor will it constitute an offer or an invitation to apply for, or an offer or an invitation to acquire, any Letters of Allocation or Rights Offer Shares in the United States. Subject to certain exceptions, this Circular and any other materials relating to the Rights Offer may not be sent to any Shareholder in, or with a registered address in, the United States.
- 4.11.5 Subject to certain exceptions, any person who acquires Letters of Allocation or Rights Offer Shares will be deemed to have declared, warranted and agreed, by accepting delivery of this Circular, exercising their rights, selling or renouncing their Letters of Allocation or accepting delivery of the Letters of Allocation or the Rights Offer Shares that it is not, and that at the time of acquiring the Letters of Allocation or the Rights Offer Shares it will not be, in the United States or acting on behalf of, or for the account or benefit of, a person on a non-discretionary basis in the United States or any state of the United States.
- 4.11.6 In addition, until 40 days after the commencement of the Rights Offer, an offer, sale or transfer of the Rights Offer Shares or the Letters of Allocation within the United States by a dealer (whether or not participating in the Rights Offer) may violate the registration requirements of the U.S. Securities Act.

4.12 South African law

All transactions arising from the provisions of this Circular and the accompanying Form of Instruction shall be governed by and be subject to the laws of South Africa.

4.13 Tax consequences

Shareholders are advised to consult their professional advisers regarding the tax implications of the Rights Offer.

4.14 Documents of Title

- 4.14.1 Share certificates to be issued to Certificated Shareholders pursuant to the Rights Offer will be posted to persons entitled thereto by registered post, at the risk of the Shareholders concerned, on or about Monday, 11 December 2017.
- 4.14.2 Certificated Shareholders receiving new Certificated Shares must note that they will not be able to trade such Shares on the JSE until these Shares have been Dematerialised, which could take between 1 (one) and 10 (ten) days, depending on the volumes being processed at the time.
- 4.14.3 Dematerialised Shareholders will have their accounts updated at their CSDP or broker in respect of the Rights Offer Shares to be issued to them on or about Monday, 11 December 2017.
- 4.14.4 CSDPs will effect payment on a “delivery *versus* payment method” in respect of the holders of Dematerialised Conduit Capital Shares.

5. JSE LISTINGS

The JSE has granted listings for:

- 5.1 Nil paid Letters of Allocation in respect of 175 000 000 Rights Offer Shares from the commencement of trade on Wednesday, 22 November 2017, to the close of trade on Tuesday, 5 December 2017, both days inclusive; and
- 5.2 175 000 000 Rights Offer Shares from the commencement of trade on Wednesday, 6 December 2017.

6. INTENDED USE OF FUNDS

The proceeds of the Rights Offer will provide the Company with additional capital in the amount of R350 000 000 that will enable the Company to:

- capitalise the insurance group to fund, to the extent commercially acceptable, acquisitions and/or organic growth strategies; and/or
- fund non-insurance opportunities that conform to Conduit Capital’s investment criteria.

7. SHARE CAPITAL

7.1 Authorised and issued share capital

The authorised and issued share capital of Conduit Capital before and after the Rights Offer is set out in the table below.

Before the Rights Offer	R'000
Authorised share capital	
1 500 000 000 ordinary Shares	
Issued share capital	
589 443 900 ordinary Shares	846 603
Total issued share capital	846 603
Note: Conduit Capital has 50 814 331 treasury shares in issue held by Conduit Management Services Proprietary Limited, Midbrook and Snowball, and depending on the market, may sell their nil paid Letters of Allocation.	
After the Rights Offer	R'000
Authorised share capital	
1 500 000 000 ordinary Shares	
Issued share capital	
764 443 900 ordinary Shares	1 196 603
Total issued share capital	1 196 603

Following the Rights Offer, Conduit Capital will have 50 814 331 treasury shares in issue held by Conduit Management Services Proprietary Limited, Midbrook and Snowball.

8. DIRECTORS

8.1 Directors' information

The executive and non-executive Directors of Conduit Capital, and the directors and management of Conduit Capital's major Subsidiaries (being Constantia Insurance Company Limited, and Snowball), whose details are set out below, will not change as a result of the Rights Offer:

Directors of Conduit Capital	Capacity
S M Riskowitz	Chief Executive Officer
L E Louw	Financial Director
R S Napier	Independent Non-executive Director and Chairman
J Mahlangu	Independent Non-executive Director
N R Xaba	Independent Non-executive Director
A J Maizey	Non-executive Director
L C H Chou	Non-executive Director
W N Thorndike Jr.	Independent Non-executive Director
Directors of major Subsidiaries	Capacity
L E Louw	Non-executive director
S R Bruyns	Independent Non-executive director
J Mahlangu	Independent Non-executive director
T C Moodley	Non-executive director and Chief Executive Officer
N R Xaba	Independent Non-executive director
V E C Von Widdern	Chief Executive Officer
P Todd	Non-executive director
D Harpur	Independent Non-executive director
R Kok	Executive Director
B Yan	Executive Director

8.2 Directors' interests in securities

As at the Last Practicable Date, the following Directors (and their associates as detailed in Notes 1 and 3 below), held, directly or indirectly, approximately 25.64% of the total issued share capital of Conduit Capital as follows:

8.2.1 Directors and associates

Director	Beneficial		Total shares	Total %
	Direct	Indirect		
Executive Director				
S M Riskowitz ¹	5 557 745	–	5 557 745	0.94
L E Louw	4 125 000	–	4 125 000	0.70
Non-executive Director				
R S Napier	–	–	–	–
J Mahlangu	–	–	–	–
N R Xaba	11 500	–	11 500	0.00
A J Maizey ¹	102 352	4 995 419	5 097 771	0.86
L C H Chou	73 157 606	33 378 630	106 536 236	18.07
W N Thorndike Jr.	29 825 860	–	29 825 860	5.06
	112 780 063	38 374 049	151 154 112	25.64

Notes:

- In addition to their personal direct or indirect beneficial interest in Conduit Capital Shares, Messrs Sean Riskowitz and Adrian Maizey control Protea Asset Management and Riskowitz Capital Management. Protea Asset Management and Riskowitz Capital Management are not Shareholders, but Protea Asset Management is the Investment Advisor and Riskowitz Capital Management is the General Partner to Ithuba Investments LP and Riskowitz Value Fund LP, both investment partnerships which directly own Conduit Capital Shares. Through Protea Asset Management and Riskowitz Capital Management, Messrs Riskowitz and Maizey control and have an additional indirect beneficial interest in an aggregate of 95 582 816 Conduit Capital Shares.
- Save as set out in paragraph 8.2.2 below, there has been no change in the aforementioned interests of the Directors and their associates between the preceding financial year, being 30 June 2017, and the Last Practicable Date.
- Of the 161 124 483 Shares (which, in applying the Ratio, equates to 47 836 248 rights) held by Directors (and their associates, excluding the Riskowitz Value Fund LP, which acts as the Subscriber) as at Friday, 10 November 2017, being the Last Practicable Date of the Rights Offer, 31.36% (being 15 000 404 rights) in respect thereof, indicated an intention to follow their rights, while 68.64% (being 32 835 844 rights) in respect thereof indicated an intention to sell or lapse their rights in terms of the Rights Offer as follows:

Director/Associates	Rights to be followed	Rights to be sold/lapsed
S M Riskowitz	1 650 039	–
L E Louw	18 370	1 206 301
N R Xaba	3 414	–
A J Maizey	1 513 477	–
L C H Chou	–	31 629 543
W N Thorndike Jr.	8 854 946	–
Riskowitz and Maizey Associates	2 960 158	–
Total	15 000 404	32 835 844

8.2.2 Former Directors

As at 30 June 2017, being the date of the preceding financial year, the following Directors who resigned during the last 18 months prior to the Last Practicable Date (“Former Directors”) (and their associates), held, directly or indirectly, approximately 1.43% of the total issued share capital of Conduit Capital as follows:

Director	Beneficial		Total shares	Total %
	Direct	Indirect		
G Toet	2 051 236	–	2 051 236	0.35
T C Moodley	6 112 067	–	6 112 067	1.04
D Harpur	–	–	–	0.00
B Scott	100 000	–	100 000	0.02
R L Shaw	155 620	–	155 620	0.03
	8 418 923	–	8 418 923	1.43

Notes:

- Messrs Gavin Toet, Tyrone Moodley, David Harpur and Barry Scott resigned on 9 October 2017.
- Mr Robert Shaw resigned on 1 June 2016.

8.3 Directors' remuneration

The remuneration of the Directors will not be varied as a result of the Rights Offer as contained in this Circular.

8.4 Directors' service contracts

Each of the Executive Directors has concluded service contracts with terms and conditions that are standard for such appointments, which service contracts are available for inspection as set out in paragraph 12 below.

8.5 Directors' interest in share options

The Directors have no interests in share options.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names are given in paragraph 8.1 above, collectively and individually, accept full responsibility for the accuracy of the information contained in this Circular and certify that, to the best of their knowledge and belief that there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Circular contains all information required by law and the Listings Requirements.

10. EXPERTS' CONSENTS

The Corporate Adviser and Sponsor, Legal Advisers and the Transfer Secretaries have consented in writing to act in the capacities stated and to their names being stated in this Circular and have not withdrawn their consents prior to publication of this Circular.

11. COSTS

The total estimated costs of the Rights Offer, which amount to approximately R8 285 728 million excluding VAT, are detailed in the table below:

Nature of cost	Paid/Payable to	Estimated amount (R)
Transaction Sponsor	Merchantec Capital	650 000
Corporate Adviser	Merchantec Capital	2 000 000
Legal fees	Cliffe Dekker Hofmeyr	120 000
Fee pertaining to the commitments provided in terms of the Subscription Agreement	Riskowitz Value Fund LP	5 250 000
JSE documentation fee	JSE	25 105
JSE listing fee	JSE	145 623
Transfer Secretaries, Strate and Exchange Control fees	Computershare Investor Services, Strate and FirstRand Bank	50 000
Printing, publication and distribution	Tascom and Castle Graphics	45 000
Total		8 285 728

12. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection at the registered office of Conduit Capital and the office of the Sponsor which addresses are set out in the "Corporate information" section of this Circular, during normal business hours from Tuesday, 21 November 2017 up to and including Friday, 8 December 2017:

- the Memorandum of Incorporation of the Conduit Capital and its Subsidiaries;
- copies of the audited annual financial results of Conduit Capital for the three financial years ended 30 June 2017, 30 June 2016 and 30 June 2015;
- a copy of the subscription agreement dated 2 November 2017;
- copies of the written consent letters referred to in paragraph 10 above;
- this Circular and the Form of Instruction;
- powers of attorney signed by the Directors; and
- copies of the Executive Directors' service contracts referred to in paragraph 8.4 above.

SIGNED BY L E LOUW ON HIS BEHALF AS DIRECTOR AND ON BEHALF OF ALL THE OTHER DIRECTORS OF CONDUIT CAPITAL LIMITED, BEING DULY AUTHORISED IN TERMS OF POWERS OF ATTORNEY GRANTED TO HIM BY SUCH DIRECTORS



L E LOUW

Financial Director

24 November 2017

Johannesburg

TABLE OF ENTITLEMENT

The following table sets out the number of Rights Offer Shares to which a Shareholder is entitled.

Number of Conduit Capital Shares held	Entitlement	Number of Conduit Capital Shares held	Entitlement	Number of Conduit Capital Shares held	Entitlement
1	0	6 000	1 780	11 000 000	3 263 589
2	1	7 000	2 077	12 000 000	3 560 279
3	1	8 000	2 374	13 000 000	3 856 969
4	1	9 000	2 670	14 000 000	4 153 659
5	1	10 000	2 967	15 000 000	4 450 349
6	2	20 000	5 934	16 000 000	4 747 039
7	2	30 000	8 901	17 000 000	5 043 729
8	2	40 000	11 868	18 000 000	5 340 419
9	3	50 000	14 834	19 000 000	5 637 109
10	3	60 000	17 801	20 000 000	5 933 799
20	6	70 000	20 768	21 000 000	6 230 489
30	9	80 000	23 735	22 000 000	6 527 179
40	12	90 000	26 702	23 000 000	6 823 869
50	15	100 000	29 669	24 000 000	7 120 559
60	18	200 000	59 338	25 000 000	7 417 249
70	21	300 000	89 007	26 000 000	7 713 939
80	24	400 000	118 676	27 000 000	8 010 629
90	27	500 000	148 345	28 000 000	8 307 319
100	30	600 000	178 014	29 000 000	8 604 009
200	59	700 000	207 683	30 000 000	8 900 699
300	89	800 000	237 352	31 000 000	9 197 388
400	119	900 000	267 021	32 000 000	9 494 078
500	148	1 000 000	296 690	33 000 000	9 790 768
600	178	2 000 000	593 380	34 000 000	10 087 458
700	208	3 000 000	890 070	35 000 000	10 384 148
800	237	4 000 000	1 186 760	36 000 000	10 680 838
900	267	5 000 000	1 483 450	37 000 000	10 977 528
1 000	297	6 000 000	1 780 140	38 000 000	11 274 218
2 000	593	7 000 000	2 076 830	39 000 000	11 570 908
3 000	890	8 000 000	2 373 520	40 000 000	11 867 598
4 000	1 187	9 000 000	2 670 210	50 000 000	14 834 498
5 000	1 483	10 000 000	2 966 900	60 000 000	17 801 397

SHARE TRADING HISTORY OF CONDUIT CAPITAL

The highest, lowest and closing price of shares of Conduit Capital on the JSE for each month commencing from 1 September 2016 to 31 October 2017 and aggregated monthly volume is as follows:

Month ended	High (cents)	Low (cents)	Close (cents)	Volume
30 September 2016	300	249	250	1 654 726
30 November 2016	260	225	259	917 025
31 December 2016	259	241	251	728 137
31 January 2017	261	230	260	2 410 699
28 February 2017	260	220	228	2 862 280
31 March 2017	275	228	259	42 034 237
30 April 2017	260	225	250	6 243 781
31 May 2017	252	226	231	3 097 171
30 June 2017	255	226	240	1 703 751
31 July 2017	246	210	235	463 276
31 August 2017	247	216	235	5 336 673
31 October 2017	219	174	215	5 862 393

The highest, lowest and closing price of shares of Conduit Capital on the JSE, for the last 30 trading days, for each day commencing from 2 October 2017 to 10 November 2017 (being the Last Practicable Date prior to the finalisation of this Circular) and the daily volume are as follows:

Day ended	High (cents)	Low (cents)	Close (cents)	Volume
2 October 2017	218	210	218	18 000
3 October 2017	210	210	210	13 030
4 October 2017	210	210	210	2684
5 October 2017	–	–	210	–
6 October 2017	195	195	195	1 800
9 October 2017	195	195	195	12 000
10 October 2017	200	174	200	41 586
11 October 2017	210	199	210	86 305
12 October 2017	210	210	210	20 000
13 October 2017	–	–	210	–
16 October 2017	210	209	210	9 184
17 October 2017	205	195	205	11 167
18 October 2017	–	–	205	–
19 October 2017	195	175	195	21 439
20 October 2017	195	195	195	25 000
23 October 2017	210	195	210	1 264 975
24 October 2017	210	195	200	1 573 462
25 October 2017	212	194	210	1 756 842
26 October 2017	215	195	215	930 040
27 October 2017	219	215	215	2 133
30 October 2017	216	215	216	14 534
31 October 2017	219	215	215	58 212
1 November 2017	220	215	220	131 779
2 November 2017	215	215	215	10 293
3 November 2017	215	215	215	426 931
6 November 2017	–	–	215	–
7 November 2017	215	200	215	6 802
8 November 2017	200	200	200	930
9 November 2017	215	215	215	1 100 500
10 November 2017	215	200	215	15 000

Source: JSE

INFORMATION ON THE SUBSCRIBER

The Rights Offer is fully subscribed by Riskowitz Value Fund LP. Details pertaining to the Subscriber as required by the Listings Requirements are set out below:

1. NATURE OF BUSINESS

The Subscriber, Riskowitz Value Fund LP (“the Partnership”), a Delaware (USA) limited partnership, is a private pooled investment vehicle offered to investors on a confidential, private placement basis. Protea Asset Management LLC (“the Adviser”), a Delaware limited liability company is the investment adviser to the Partnership, with full discretionary authority to invest the assets of the Partnerships. The Adviser, which employs a concentrated value investment approach, seeks superior returns and long-term capital appreciation, generally by investing in publicly traded securities, with a primary focus on South African listed securities.

2. DIRECTORS

Not applicable.

3. COMPANY SECRETARY

Not applicable.

4. DATE AND PLACE OF INCORPORATION

10 March 2010, Delaware, United States

5. REGISTRATION NUMBER

4797702 (Delaware File Number)

6. REGISTERED OFFICE

615 South Dupont Highway
Dover, County of Kent
Delaware, 19901
United States

7. AUDITORS

Patke & Associates, Ltd.
300 Village Green Drive, Suite 210
Lincolnshire
Illinois, 60069
United States

8. BANKERS

Citibank, N.A.
153 East 53rd Street
New York, NY 10022
United States

9. AUTHORISED SHARE CAPITAL

Not applicable.

10. ISSUED SHARE CAPITAL

Not applicable.

NOTES

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION IF YOU HOLD YOUR SHARES IN CERTIFICATED FORMAT
SHAREHOLDERS WHO HAVE DEMATERIALIZED THEIR SHARES MUST CONTACT THEIR CSDP OR BROKER TO ASCERTAIN THE PROCEDURE
TO BE FOLLOWED REGARDING THIS RIGHTS OFFER.**

The definitions and interpretations commencing on page 7 of the accompanying Circular dated Tuesday, 21 November 2017 apply, mutatis mutandis, to the Form of Instruction in respect of a renounceable (nil paid) Letter of Allocation, which Letter of Allocation is negotiable and may be traded on the JSE.

If you are in any doubt as to what action to take, please consult your broker, CSDP, attorney, accountant, banker or other professional adviser immediately. This Form of Instruction must be read in its entirety, together with the accompanying Circular.

Conduit Capital has issued all Letters of Allocation in Dematerialised form and the electronic record for Certificated Conduit Capital Shareholders is being maintained by its Transfer Secretaries, Computershare Investor Services. This enables Certificated Conduit Capital Shareholders to enjoy the same rights and opportunities with respect to the Forms of Instruction as those Conduit Capital Shareholders who have already Dematerialised their Shares. If you are a qualifying Certificated Shareholder and you wish to dispose of or take up all or part of your rights in terms hereof, then this Form of Instruction must be completed in its entirety and returned to the Transfer Secretaries at the address set out on page 1 hereof.

Each amendment to this Form of Instruction must be signed in full and must not be initialed.



CONDUIT CAPITAL LIMITED

Incorporated in the Republic of South Africa
(Registration number 1998/017351/06)
Share code: CND ISIN: ZAE000073128
("Conduit Capital" or "the Company")

Executive Directors: S M Riskowitz (*Chief Executive Officer*), L E Louw (*Financial Director*)

Independent Non-executive Directors: R S Napier, J Mahlangu, N R Xaba, W N Thorndike **Non-executive Director:** A Maizey and L C H Chou

**FORM OF INSTRUCTION IN RESPECT OF A LETTER OF ALLOCATION
("FORM OF INSTRUCTION")**

(issued to Certificated Shareholders of Conduit Capital only)

A fully subscribed renounceable rights offer of 175 000 000 new Shares at a subscription price of 200 cents per Rights Offer Share, in the ratio of 29.689 Rights Offer Shares for every 100 Shares held at the close of business on the record date for the Rights Offer, being Friday, 24 November 2017.

Name and address of Shareholder		Reference number	
(1)		Enquiries in connection with this Form of Instruction should be addressed to Computershare Investor Services Proprietary Limited, quoting this reference number	

Account Number	Number of Conduit Capital Shares deemed to be held at the close of business on Friday, 24 November 2017	Number of Rights Offer Shares that can be taken up based on your deemed holding at the close of business on Friday, 24 November 2017	Amount payable at 200 cents per Rights Offer Share
	(2)	(3)	R (4)

Acceptance of Rights Offer Shares	Number of Rights Offer Shares accepted	Amount due at 200 cents per Rights Offer Share
(To be completed by acceptors of the Rights Offer, if applicable)	(5)	R (6)

Please note that the same or lesser number of Rights Offer Shares held as at close of business on Friday, 24 November 2017, as reflected in Block (3) , may be accepted.	Amount of cheque, banker's draft or EFT
	R (7)
	EFT swift reference number (where applicable)

Applicant's name:	Signature:
Applicant's telephone number (office hours): ()	
Applicant's cellphone number:	
Applicant's email address:	Date:

In order to comply with the requirements of the Financial Intelligence Act, 2001 (Act 38 of 2001), Computershare Investor Services Proprietary Limited will be unable to record any change of payment mandated unless the following documentation is received from the relevant Shareholder:

- an original certified copy of your identity document;
- an original certified copy of a document issued by the South African Revenue Services to verify your tax number, if you do not have one please submit this in writing and have the letter signed by a Commissioner of Oaths; and
- a certified true copy of an original bank statement.

The definitions and interpretations commencing on page 7 of the accompanying Circular apply *mutatis mutandis* to this section (unless specifically defined where used or the context indicates a contrary intention).

Rights Offer Declaration Data announcement released on SENS	Friday, 20 October
Rights Offer Finalisation announcement released on SENS	Thursday, 16 November
Circular and Form of Instruction posted to Certificated Shareholders	Tuesday, 21 November
Last day to trade in Conduit Capital Shares in order to settle trades by the Record Date for the Rights Offer and to qualify to participate in the Rights Offer (cum entitlement) on	Tuesday, 21 November
Listing of and trading in the Letters of Allocation on the JSE commences at 09:00 on the JSE under JSE code "CNDN" and ISIN ZAE000251286	Wednesday, 22 November
Conduit Capital Shares commence trading ex-rights on the JSE at 09:00 on	Wednesday, 22 November
Record date for the Rights Offer for purposes of determining the Conduit Capital Shareholders entitled to participate in the Rights Offer at the close of business on	Friday, 24 November
Rights Offer opens at 09:00 on	Monday, 27 November
Holders of Dematerialised Conduit Capital Shares will have their accounts at their CSDP or broker automatically credited with their Letters of Allocation at 09:00 on	Monday, 27 November
Holders of Certificated Conduit Capital Shares will have their Letters of Allocation credited to an electronic register at the Transfer Secretaries at 09:00 on	Monday, 27 November
Circular distributed to Dematerialised Shareholders, who have elected to receive such documents	Tuesday, 28 November
Last day to trade in Letters of Allocation in order to settle trades by the Record Date for the Letters of Allocation and participate in the Rights Offer at the close of business on	Tuesday, 5 December
Last day for Form of Instruction to be lodged with the Transfer Secretaries by holders of Certificated Conduit Capital Shares wishing to sell all or part of their Rights Offer Entitlement by 12:00 on	Tuesday, 5 December
Listing and trading of Rights Offer Shares commences on the JSE at 09:00 on	Wednesday, 6 December
Last day for Form of Instruction to be lodged with the Transfer Secretaries by holders of Certificated Conduit Capital Shares wishing to subscribe for or renounce all or part of their Rights Offer Entitlement by 12:00 on (see note 2)	Friday, 8 December
Record date for Letters of Allocation	Friday, 8 December
Rights Offer closes at 12:00 and payment to be made on	Friday, 8 December
Rights Offer Shares issued on	Monday, 11 December
CSDP/broker accounts credited with Rights Offer Shares and debited with the payments due in respect of holders of Dematerialised Conduit Capital Shares on	Monday, 11 December
Rights Offer Share certificates in terms of the Rights Offer posted to holders of Certificated Conduit Capital Shares via registered post on or about	Monday, 11 December
Results of Rights Offer announced on SENS on	Monday, 11 December

Notes:

1. Holders of Dematerialised Conduit Capital Shares are required to notify their CSDP or broker of the action they wish to take in respect of the Rights Offer in the manner and by the time stipulated in the agreement governing the relationship between the Dematerialised Shareholder and his CSDP or broker.
2. Conduit Capital share certificates may not be Dematerialised or rematerialised between Wednesday, 22 November 2017 and Friday, 24 November 2017, both days inclusive.
3. CSDPs effect payment in respect of holders of Dematerialised Rights Offer Shares on a delivery versus payment basis.

Dear Shareholder

1. THE RIGHTS OFFER

Conduit Capital Shareholders recorded in the Register at the close of trade on Friday, 24 November 2017, are offered Rights Offer Shares at a subscription price of 200 cents per Rights Offer Share in the ratio of 29.689 Rights Offer Shares for every 100 Conduit Capital Shares held.

2. ALLOCATION

The Rights Offer Shares stated in **Block (3)** on page 1 of this Form of Instruction have been provisionally allocated for subscription at a price of 200 cents per Rights Offer Share to the Shareholder whose name is stated in **Block (1)** of this Form of Instruction.

3. ACCEPTANCE

If you wish to accept the Rights Offer you must complete **Blocks (5), (6) and (7)** on page 1 of this Form of Instruction.

- 3.1** If you are the person(s) in whose name(s) this Form of Instruction was issued and wish to subscribe for all the Rights Offer Shares allocated to you, complete the applicable blocks as stated above. **Forms B and C** of this Form of Instruction need not be completed.
- 3.2** If you are the person(s) in whose favour this Form of Instruction has been renounced and you wish to subscribe for the Rights Offer Shares, complete the applicable blocks as stated above as well as **Form C** of this Form of Instruction.
- 3.3** Payment of the Rand value of the Subscription Price may be made:
 - by cheque (crossed "not transferable" and with the words "or bearer" deleted) payable to "**Conduit Capital Limited – Rights Offer**";
 - by banker's draft (drawn on a registered bank) payable to "**Conduit Capital Limited – Rights Offer**"; or
 - by EFT into the Designated Bank Account (details of which, as well as the reference numbers for deposits, are available from the call centre – corporate actions department of Computershare Investor Services, contactable during ordinary business hours on +27 (0) 86 110 0634);
- 3.4** If you wish to subscribe for Rights Offer Shares, a properly completed Form of Instruction, together with a cheque, a banker's draft or EFT swift reference number (in accordance with paragraph 3.3 above) must be lodged with Computershare Investor Services, so as to be received by no later than 12:00 on Friday, 8 December 2017. Completed Forms of Instruction and proof of EFT payment may be faxed to +27 (0)11 688 5210 or e-mailed to corporate.events@computershare.co.za. Kindly note that this is for subscription of the Rights Offer Shares only and is not for selling of any Rights Offer Entitlement.
- 3.5** Such payment, when the cheque or banker's draft has been received and/or the EFT cleared into the Designated Bank Account, will constitute acceptance of the Rights Offer upon the terms and conditions set out in the accompanying Circular and in this Form of Instruction, subject to the Memorandum of Incorporation of Conduit Capital.
- 3.6** No acknowledgement of receipt will be given for a cheque, banker's draft or EFT received in accordance with the Rights Offer.
- 3.7** If this Form of Instruction and the cheque, banker's draft or EFT swift reference number are not received and cleared as set out above, then the Rights Offer will be deemed to have been declined and the right to subscribe for the Rights Offer Shares offered to the addressee or renounced in favour of his Renounee will revert back to Conduit Capital who shall thereafter be entitled to sell or place same in its absolute discretion or allow same to lapse.
- 3.8** Conduit Capital, together with Computershare Investor Services, accepts no responsibility and will not be held liable for any failure to allocate any of the Rights Offer Shares pursuant to payment being made or alleged to have been made by EFT where proof of such payment has not been received or purported proof of such payment being insufficient or defective or Conduit Capital, together with Computershare Investor Services, for any reason, being unable to reconcile a payment or purported payment with a particular application for Rights Offer Shares.
- 3.9** The rounded number of Rights Offer Shares to which Shareholders will become entitled will be determined by the ratio in respect of the Rights Offer Entitlement.
- 3.10** Excess applications do not apply.

4. RENUNCIATION OR SALE

4.1 Renunciation

If you are a holder of Certificated Conduit Capital Shares and you do not wish to subscribe for the Rights Offer Shares allocated to you in terms of the Rights Offer, you may renounce your rights by signing **Form B**, and the Renounee who wishes to subscribe for the Rights Offer Shares in terms of the Rights Offer must complete **Form C**, lodge this Form of Instruction, and make payment, in terms of paragraph 3.3 above for the number of Rights Offer Shares in respect of which the Rights Offer is accepted.

The lodging of this Form of Instruction, with **Form B** purporting to be signed by the Shareholder whose name appears thereon, will be taken to be conclusive evidence of the right of the holder:

- to deal with this Form of Instruction; or
- to have the Rights Offer Shares in question allotted and to receive a certificate for those Shares.

Therefore, Conduit Capital will not be obliged to investigate whether Forms B and C have been properly signed or completed or to investigate any fact surrounding the signing or lodging of either form.

4.2 Sale

If you wish to sell all or part of your Rights Offer Entitlement, you must complete Form A of this Form of Instruction and return it to the transfer office to be received by no later than 12:00 on Tuesday, 5 December 2017. Note that the Transfer Secretaries will endeavour to procure the sale of rights on the JSE on your behalf and to remit the net proceeds thereof in accordance with your instructions. In this regard, Computershare Investor Services will not have any obligation or be responsible for any loss or damage whatsoever in relation to or arising from the timing of such sales, the price obtained, or the failure to dispose of such Rights Offer Entitlements.

4.3 Excess applications

Excess applications will not be permitted.

5. EXCHANGE CONTROL REGULATIONS

5.1 In terms of the Exchange Control Regulations of South Africa, Non-Residents of the Common Monetary Area will be allowed to:

- take up rights allocated to them in terms of the Rights Offer;
- purchase Letters of Allocation on the JSE;
- subscribe for new ordinary shares arising from Letters of Allocation purchased on the JSE Limited; and
- purchase excess shares which have been applied for in terms of the Rights Offer (if applicable)*, provided that payment is received in foreign currency or in Rand from a Non-Resident Account.

5.2 All applications by Non-Residents for the above purposes must be made through an authorised dealer. Shares subsequently re-materialised and issued in certificated form, will be endorsed "Non-Resident".

5.3 Where a right in terms of the Rights Offer falls due to a former resident of the Common Monetary Area, which right is based on Shares controlled in terms of the Exchange Control Regulations, only funds in the emigrant's capital account may be used to take up this right. In addition, such funds may also be used to:

- purchase Letters of Allocation on the JSE;
- subscribe for new ordinary shares arising from the Letters of Allocation purchased on the JSE; and
- purchase excess shares that have been applied for in terms of the offer (if applicable)*.

5.4 Applications by emigrants to use funds in their capital account for the above purposes must be made through the authorised dealer controlling their remaining assets. Any shares issued pursuant to the use of funds in the emigrant capital account will be credited to their share accounts at the central securities depository participant controlling their remaining portfolios. The sale proceeds of Letters of Allocation, if applicable, will be returned to the authorised dealer for credit to such emigrants' capital accounts.

*The right to apply for Rights Offer Shares in excess of qualifying Shareholders' entitlements will not apply.

6. RESTRICTED JURISDICTIONS

6.1 Shareholders should note that the Rights Offer does not constitute an offer in any jurisdiction in which it is unlawful to make such an offer and in such circumstances, this Circular and Form of Instruction should not be forwarded or transmitted by you to any person in any territory other than where it is lawful to make such an offer.

6.2 Shareholders should consult their professional advisers to determine whether any governmental or other consents are required or other formalities need to be observed to allow them to take up the Rights Offer, or trade their entitlement. To the extent that foreign Shareholders are not entitled to participate in the Rights Offer, such foreign Shareholders should not take up their Rights Offer Entitlement or trade in their Rights Offer Entitlement and should allow their rights in terms of the Rights Offer to lapse.

6.3 Without prejudice to the generality of the foregoing, the Rights Offer Shares have not been and will not be registered with the U.S. Securities and Exchange Commission under the US Securities Act of 1933 or any U.S. state securities laws. Accordingly, the Rights Offer Shares may not be offered, sold, resold, delivered or transferred, directly or indirectly, in or into the United States or to, or for the account or benefit of, United States persons, except pursuant to exemptions from the US Securities Act. This Circular and the accompanying documents are not being, and must not be, mailed or otherwise distributed or sent in, into or from the United States. This Circular does not constitute an offer of any securities for sale in the United States or to United States persons.

7. LISTINGS ON THE JSE

The JSE has granted listings for:

- Nil paid Letters of Allocation in respect of 175 000 000 Rights Offer Shares from the commencement of trade on Wednesday, 22 November 2017, to the close of trade on Tuesday, 5 December 2017, both days inclusive; and
- 175 000 000 Rights Offer Shares from the commencement of trade on Wednesday, 6 December 2017.

8. DOCUMENTS OF TITLE

Share certificates to be issued to qualifying Conduit Capital Shareholders holding Certificated Conduit Capital Shares in respect of those Rights Offer Shares to which they are entitled and for which they have subscribed, will be posted to persons entitled thereto, by registered post, at the risk of the Shareholders concerned, on or about Monday, 11 December 2017.

By order of the Board

CONDUIT CAPITAL LIMITED

Company Secretary

Johannesburg

21 November 2017

Registered office

Conduit Capital Limited
Unit 9, 4 Homestead Avenue, Bryanston, 2191
(PO Box 97, Melrose Arch, 2076)

Transfer office

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

GENERAL INSTRUCTIONS AND CONDITIONS

- Married persons:** Married persons wishing to exercise their rights must comply with the provisions of the Matrimonial Property Act (No. 88 of 1984) and proof of such person's capacity to exercise such rights may be required by the transfer office.
- Powers of attorney:** If this Form of Instruction is signed under a power of attorney, then the original, or certified copy thereof, must be sent to the Transfer Secretaries for noting unless it has already been noted by Conduit Capital or the transfer office.
- Companies or close corporations:** A company or close corporation wishing to exercise its rights must send the original or certified copy of the directors' or members' resolution authorising the exercise of such rights to the Transfer Secretaries for noting.
- Stamp of broking member of the JSE:** If any signature to Form B is confirmed by the stamp of a broking member of the JSE then (a), (b) or (c) above, as the case may be, will not apply.
- Deceased estates and trusts:** Rights Offer Shares will not be allotted in the name of an estate or a trust. Therefore, where the right to the Rights Offer Shares in Conduit Capital has accrued to the estate of a deceased holder or a trust, the executor or administrator or trustee (as the case may be) must complete Form B in his representative capacity and Form C must be completed by the person in whose name the Rights Offer Shares are to be allotted without any reference to the estate or the trust.
- Joint holders:** Where applicable, all joint holders of Letters of Allocation must sign.
- Receipts and documents:** No receipts will be given for completed Letters of Allocation and remittances. Original documents accompanying applications will be returned by the transfer office in due course, at the risk of the applicant.
- Share certificates:** Conduit Capital uses the "certified transfer deeds and other temporary documents of title" procedure approved by the JSE and, therefore, will issue only one "block" share certificate for the Rights Offer Shares allotted by it to each acceptor of the offer.

Instructions relating to the Letter of Allocation must be delivered/sent to:

Hand deliveries to:

Conduit Capital Limited
c/o Computershare Investor Services, Rosebank Towers,
15 Biermann Avenue, Rosebank, 2196

Postal deliveries to:

Conduit Capital Limited
c/o Computershare Investor Services,
PO Box 61763, Marshalltown, 2107

Emailed to: (only in the case where payment is by way of EFT)

corporate.events@computershare.co.za

so as to reach the Transfer Secretaries by no later than **12:00** on Friday, 11 December 2015.

Computershare Investor Services will not be responsible for any loss and/or damage whatsoever in relation to or arising from the late or non-receipt of faxed or emailed Forms of Instruction or owing to Forms of Instruction being forwarded to any other facsimile or email address other than those provided above. Forms of Instruction shall be deemed to be received on the date reflected in Computershare's electronic or facsimile systems. Notwithstanding anything to the contrary, it is the responsibility of a Shareholder to ensure that his Form of Instruction is received by Computershare Investor Services.

FORM A: INSTRUCTION TO SELL

This form is to be signed by the offeree if the rights to the Rights Offer Shares are to be sold.

To the directors,

CONDUIT CAPITAL LIMITED

I/We hereby instruct Computershare Investor Services Proprietary Limited to pay the proceeds, if any, of the sale of _____ (insert number) of the rights allocated to me/us in terms of this Form of Instruction (less R154.48 (all inclusive) for trades equal to or less than R40 000 and R154.48 plus 0.35% of the value of trades for amounts greater than R40 000).

Stamp of selling broker (if any) or stamp or name of and address of lodging agent

Payment instruction

Tick appropriate box

1. By cheque, which should be posted at my/our own risk to the following address:

2. By EFT to the following bank account: (certified copies of the bank statement and Identification Document must be attached to the Form of Instruction when payment via EFT is requested and same has not been submitted to the transfer secretaries to date).

Account Holder Name _____

Name of Bank _____

Account Number _____

Branch Code _____

PLEASE NOTE THAT IF THE ABOVE INFORMATION IS NOT COMPLETE OR IF CONFLICTING INSTRUCTIONS ARE GIVEN, A CHEQUE PAYMENT OF THE AMOUNT DUE WILL BE SENT TO THE ADDRESS RECORDED IN CONDUIT CAPITAL'S SHARE REGISTER.

Signed

Signature(s) of offeree selling his rights _____

Assisted by me (where applicable (all joint holders must sign) _____

Telephone number () _____

Cellphone number _____

Email address _____

Date _____

In order to comply with the requirements of the Financial Intelligence Act, 2001 (Act 38 of 2001), Computershare Investor Services Proprietary Limited will be unable to record any change of payment mandated unless the following documentation is received from the relevant Shareholder:

- an original certified copy of your identity document;
- an original certified copy of a document issued by the South African Revenue Services to verify your tax number, if you do not have one please submit this in writing and have the letter signed by a Commissioner of Oaths; and
- a certified true copy of an original bank statement.

FORM B: FORM OF RENUNCIATION

(To be signed by the shareholder named in **Block (1)** on page 1 of this Form of Instruction if the right to the Rights Offer Shares is renounced).

To the directors,

CONDUIT CAPITAL LIMITED

I/We hereby renounce my/our right to subscribe for _____ (insert number) of the Rights Offer Shares allocated to me/us as stated in **Block (3)** on page 1 of this Form of Instruction in favour of the person(s) completing the Registration application form (Form C) in relation to such Shares.

Stamp of selling broker (if any) or stamp or name of and address of lodging agent

Signed

Signature(s) of person(s) renouncing his rights _____

Assisted by me (where applicable (all joint holders must sign) _____

Date _____

(Note: Renouncees must attach a certified true copy of their Identification Document to the Form of Instruction when Form B: form of renunciation is completed.)

FORM C: REGISTRATION APPLICATION FORM (to be accompanied by a cheque or banker's draft or proof of EFT swift reference number)

This form to be completed in respect of the person(s) (i.e. the Renouncee(s)) in whose name(s) the Rights Offer Shares are to be allotted.

ONCE THIS FORM HAS BEEN COMPLETED THIS FORM OF INSTRUCTION WILL NO LONGER BE NEGOTIABLE.

To the directors,

CONDUIT CAPITAL LIMITED

I/We hereby request you to allot the Rights Offer Shares comprised in this Form of Instruction and as indicated in **Blocks (5), (6) and (7)** hereof in the following name(s) upon the conditions set out in the accompanying Circular and subject to the Memorandum of Incorporation of Conduit Capital.

I/We authorise you to place such name(s) on the Register of Conduit Capital Shareholders in respect thereof.

Surname(s) or Name of company _____

Mr/Mrs/Ms _____

First names in full _____

Postal address (preferably a PO Box address) _____

Postal code _____

Telephone number (office hours) () _____

Cellphone number _____

Email address _____

Signed

Date _____

Signature(s) of Renouncee(s) _____

Stamp of buying broker (if any) or stamp or name of and address of lodging agent

FORM D: POSTAL INSTRUCTIONS (to be completed only if you require a share certificate)

Holders of Certificated Conduit Capital Shares accepting all the rights allocated to them in terms of the Rights Offer will receive their Rights Offer Shares in certificated form, which will not be good for delivery until they have been Dematerialised.

Holders of Certificated Conduit Capital Shares should complete the section below.

Kindly post the relevant share certificate to the following address by registered post:

Name _____

Address _____

(If no specific instructions are given here, the Certificated Shares will be forwarded to the address as shown on page 1 of this Form of Instruction.)

A shareholder wishing to collect his/their new share certificate from the transfer office must tick this block:

In order to comply with the requirements of the Financial Intelligence Act, 2001 (Act 38 of 2001), Computershare Investor Services Proprietary Limited will be unable to record any change of address mandated unless the following documentation is received from the relevant Shareholder:

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