

## THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 4 of this Circular have been used in this front cover.

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

### ACTION REQUIRED

Shareholders are referred to page 3 of this Circular, which sets out the detailed action required of them in respect of this Circular.

**DAWN does not accept responsibility and will not be held liable for any failure on the part of the CSDP or Broker of a Dematerialised Shareholder to notify such Shareholder of the details of this Circular.**

This Circular is issued in compliance with the Listings Requirements, for the purpose of providing information with regards to DAWN.

The rights that are represented by the Form of Instruction in respect of the Letters of Allocation are valuable and may be sold on the JSE. Letters of Allocation can, however, only be traded in dematerialised form and accordingly, all Letters of Allocation have been issued in dematerialised form.

The Rights Offer Shares, upon their issue, will rank *pari passu* with all other DAWN Shares of the same class. There are no conversion or redemption provisions relating to the Rights Offer Shares.

The allocation of Rights Offer Shares will be such that only whole numbers of Rights Offer Shares will be issued and Shareholders will be entitled to rounded numbers of Rights Offer Shares based on the conventional rounding principle (as set out in Annexure 2 to this Circular).

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 other requisite payments due in such jurisdiction. The Rights Offer is governed by the laws of South Africa and is subject to any applicable laws and regulations, including 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 advisor in the relevant jurisdiction without delay. In this regard, the attention of foreign Shareholders is drawn to paragraph 9 of this Circular which sets out in detail the position of foreign Shareholders.



## DISTRIBUTION AND WAREHOUSING NETWORK LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1984/008265/06)

Share code: DAW & ISIN code: ZAE000018834

("DAWN" or "the Company")

## CIRCULAR TO SHAREHOLDERS

relating to:

**A partially underwritten renounceable Rights Offer to Shareholders of a total of 358 million Rights Offer Shares at a Rights Offer Issue Price of R1.00 each, in the ratio of 147.83904 Rights Offer Shares for every 100 DAWN Shares held on Friday, 7 April 2017, which Rights Offer opens on Monday 27 March 2017;**

and enclosing:

**a Form of Instruction for Shareholders (for use by Certificated Shareholders only).**

### Financial Advisor and Transaction

**Sponsor to the Rights Offer**

*Out of the Ordinary®*

 **Investec**  
Specialist Bank

**Legal Advisor to DAWN**

**WHITE & CASE**

**Underwriter to the Rights Offer**

**RAC**  
RECM AND CALIBRE

Date of issue: Monday, 20 March 2017

This Circular is only available in English. Copies of this Circular may be obtained at the registered offices of the Company at the address set out in the "Corporate Information" section of the Circular from Monday, 20 March 2017 to Friday, 7 April 2017 and is also available on the Company's website [www.dawnltd.co.za](http://www.dawnltd.co.za) from Monday, 20 March 2017.

---

## CORPORATE INFORMATION

---

### **Company secretary**

iThemba Governance and Statutory Solutions  
Proprietary Limited  
(Registration number 2008/008745/07)  
Route 21 Corporate Park  
72 Regency Drive  
Block A, Irene  
0157  
(PO Box 25160, Monument Park, 0105, South Africa)

### **Legal Advisor to DAWN**

White & Case LLP  
(Registration number 2010/003226/10)  
4th Floor, Tower 2  
102 Rivonia Road  
Sandton  
2196  
(PO Box 784440, Sandton, 2146)

### **Financial Advisor and Transaction Sponsor**

The Corporate Finance division of Investec Bank Limited  
(Registration number 1969/004763/06)  
2nd Floor  
100 Grayston Drive  
Sandown  
Sandton, 2196  
(PO Box 785700, Sandton, 2146)

### **Underwriter to the Rights Offer**

RECM and Calibre Limited  
(Registration number 2009/012403/06)  
6th Floor, Claremont Central  
8 Vineyard Road  
Claremont  
Cape Town, 7700  
(PO Box 45040, Claremont, 7735)

### **Registered Office of DAWN**

(Registration number 1984/008265/06)  
Corner Barlow Road and Cavaleros Drive  
Jupiter, Extension 3  
Germiston, 1401  
(PostNet Suite number 100, Private Bag X1037,  
Germiston, 1400, South Africa)

**Date and Place of Incorporation:** 17 August 1984,  
Pretoria, South Africa

**Company website:** [www.dawnltd.co.za](http://www.dawnltd.co.za)

### **Transfer Secretaries**

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

### **Sponsor to DAWN**

Deloitte & Touche Sponsor Services (Pty) Ltd  
(Registration number 1996/000037/07)  
Building 8, Deloitte Place  
The Woodlands  
20 Woodlands Drive  
Woodmead, 2196  
(Private bag X6 Gallo Manor, 2052)

---

## TABLE OF CONTENTS

---

The definitions and interpretations commencing on page 4 of this Circular have been used in the following table of contents.

	<i>Page</i>
<b>Corporate information</b>	Inside cover
<b>Important dates and times</b>	2
<b>Action required by Shareholders</b>	3
<b>Definitions and interpretations</b>	4
<b>Circular to Shareholders</b>	
1. Introduction	7
2. Purpose of the Rights Offer	7
3. Particulars of the Rights Offer	8
4. Underwriting	9
5. Procedure for acceptance, renunciation and sale of rights	10
6. Statement as to listing on stock exchange	12
7. South African law	12
8. Exchange Control Regulations	12
9. Foreign Shareholders	13
10. Tax consequences of the Rights Offer	14
11. Jurisdiction	14
12. Nature of business and prospects of the Company	14
13. Information relating to Directors	15
14. Share capital	16
15. Price and volume history of DAWN Shares on the JSE	17
16. Litigation statement	17
17. Expenses of the Rights Offer	17
18. Consents	17
19. Disclosure of conflict	18
20. Directors' responsibility statement	18
21. Documents and consents available for inspection	18
<b>Annexure 1:</b> Price and volume history of DAWN Shares on the JSE	19
<b>Annexure 2:</b> Table of entitlement	20
<b>Annexure 3:</b> Information on the Underwriter	22
<b>Form of Instruction</b> <b>(for Certificated Shareholders in respect of a Letter of Allocation)</b>	Attached

---

## IMPORTANT DATES AND TIMES

---

2017

Declaration date announcement released on SENS on	Monday, 13 March
Finalisation date announcement released on SENS on	Wednesday, 15 March
Last day to trade in DAWN Shares in order to participate in the Rights Offer	Monday, 20 March
Listing and trading of Letters of Allocation on the JSE under JSE code: DAWN and ISIN: ZAE000242293 commences at 09:00	Wednesday, 22 March
DAWN Shares commence trading on the JSE ex-Rights Offer entitlement	Wednesday, 22 March
Rights Offer Circular and Form of Instruction distributed to Certificated Shareholders	Thursday, 23 March
Record Date for determination of Shareholders entitled to participate in the Rights Offer ( <b>Initial Record Date</b> )	Friday, 24 March
Dematerialised Shareholders will have their accounts at their CSDP or Broker automatically credited with their entitlement	Monday, 27 March
Certificated Shareholders on the Register will have their entitlement credited to their accounts held with the Transfer Secretaries	Monday, 27 March
Rights Offer opens at 09:00 on	Monday, 27 March
Rights Offer Circular distributed to those Dematerialised Shareholders who have elected to receive documents in hard copy	Tuesday, 28 March
Last day to trade Letters of Allocation on the JSE	Tuesday, 4 April
Rights Offer Shares listed and trading therein commences on the JSE	Wednesday, 5 April
Payment to be made and Form of Instruction to be lodged with the Transfer Secretaries by Certificated Shareholders by 12:00	Friday, 7 April
Rights Offer closes at 12:00	Friday, 7 April
Record Date for Letters of Allocation ( <b>Final Record Date</b> )	Friday, 7 April
Rights Offer Shares issued	Monday, 10 April
Dematerialised Shareholders' accounts updated and debited by CSDP or Broker (in respect of payment for Rights Offer Shares)	Monday, 10 April
Certificates distributed to Certificated Shareholders (in respect of the Rights Offer Shares)	Monday, 10 April
Results of Rights Offer announced on SENS	Monday, 10 April

### Notes:

1. All references to dates and times are to local dates and times in South Africa.
2. Dematerialised Shareholders are required to inform their CSDP or Broker of their instructions in terms of the Rights Offer in the manner and time stipulated in the agreement governing the relationship between the Shareholder and their CSDP or Broker.
3. Share certificates may not be dematerialised or rematerialised between Wednesday, 22 March 2017 and Friday, 24 March 2017, both days inclusive.
4. 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 their accounts at the Transfer Secretaries.
5. CSDPs effect payment in respect of Dematerialised Shareholders on a delivery-versus-payment method.

---

## **ACTION REQUIRED BY SHAREHOLDERS**

---

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

### **1. DEMATERIALISED SHAREHOLDERS**

If you hold DAWN Shares in dematerialised form (including where you have elected own-name registration) you will not receive a printed Form of Instruction.

Your CSDP or Broker will contact you to ascertain:

- whether you wish to follow all or some of your rights in terms of the Rights Offer and in respect of how many Rights Offer Shares;
- whether you wish your CSDP or Broker to endeavour to procure the sale of your rights on the JSE on your behalf and if so, in respect of how many rights;
- whether you wish to renounce your rights and if so, how many rights you wish to renounce and the details of the renouncee; or
- whether you wish for your rights in respect of the Rights Offer to lapse.

Your CSDP or Broker will credit your account with the number of rights to which you are entitled in terms of the Rights Offer.

If you do not hear from your CSDP or Broker, you should contact them and furnish them with your instructions. If your CSDP or Broker does not obtain instructions from you, they are obliged to act in terms of the custody agreement entered into between you and them.

### **2. CERTIFICATED SHAREHOLDERS**

A Form of Instruction is enclosed for use by Certificated Shareholders only. The rights in respect of such form are negotiable and can be sold on the JSE.

If you hold your DAWN Shares in certificated form and you wish to subscribe for some or all of the Rights Offer Shares allocated to you, you must complete the Form of Instruction enclosed herewith in accordance with the instructions contained therein and lodge it, together with payment for the amount due in respect thereof, with the Transfer Secretaries, whose details are set out on the inside front cover of this Circular, by no later than 12:00 on Friday, 7 April 2017.

If you do not wish to subscribe for all of the Rights Offer Shares allocated to you, you may sell or renounce your rights or allow them to lapse. In such event, you must complete the relevant section of the Form of Instruction and return it to the Transfer Secretaries to be received by no later than 12:00 on Tuesday, 4 April 2017, if you wish to sell, and by no later than 12:00 on Friday, 7 April 2017, if you renounce your rights.

If you intend to allow your rights to lapse, you need not take any action.

### **3. IF YOU HAVE DISPOSED OF YOUR SHARES**

If you have disposed of your DAWN Shares, please forward this Circular and form of instruction to the purchaser of such DAWN Shares or to the Broker or agent through whom the disposal was effected.

#### **Note:**

**If you are in any doubt as to the action you should take, please consult your CSDP, Broker, banker, legal advisor, accountant or other professional advisor immediately.**

**DAWN does not accept responsibility and will not be held liable for any failure on the part of the CSDP or Broker of a Dematerialised Shareholder to notify such Shareholder of the Rights Offer.**

---

## DEFINITIONS AND INTERPRETATIONS

---

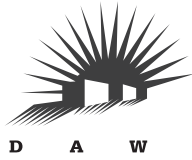
In this Circular and the Annexures hereto, unless a contrary intention is indicated, an expression which denotes a gender includes the other genders, a natural person includes a juristic person and *vice versa*, the singular includes the plural and *vice versa*, and the expressions set out in the first column bear the meanings assigned to them in the second column

“Board” or “Directors”	the board of directors of DAWN, as set out on page 7 of this Circular;
“Broker”	any person registered as a broking member (equities) in terms of the rules of the JSE made in accordance with the provisions of the Financial Markets Act;
“Business Day”	any day other than a Saturday, Sunday or official public holiday in South Africa;
“Certificated DAWN Shares”	DAWN Shares which are evidenced by physical Documents of Title which have not yet been surrendered for Dematerialisation in terms of Strate;
“Certificated Shareholders”	holders of Certificated DAWN Shares;
“CIPC”	Companies and Intellectual Property Commission, established in terms of the Companies Act;
“Circular”	all documents and Annexes bound herein, dated Monday, 20 March 2017;
“Committed Shareholders”	Certain Shareholders who irrevocably committed to follow their rights equal to the amounts listed in paragraph 3.3;
“Common Monetary Area”	collectively, South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
“Coronation”	Coronation Asset Management Proprietary Limited (Registration number 1993/002807/07);
“CSDP”	a Central Securities Depository Participant appointed by a shareholder for purposes of, and in regard to, Dematerialisation and to hold and administer securities or an interest in securities on behalf of a shareholder;
“DAWN” or “Company”	Distribution and Warehousing Network Limited (Registration number 1984/008265/06) a limited liability public company duly incorporated and registered in accordance with the company laws of South Africa, the entire issued share capital of which is listed on the main board of the JSE;
“DAWN Ordinary Shares”	ordinary shares of no par value in the share capital of DAWN, currently numbering 1 990 000 000 of the authorised share capital of DAWN;
“DAWN Shares”	ordinary shares in DAWN;
“DAWN Shareholders” or “Shareholders”	all Certificated Shareholders and Dematerialised Shareholders;
“Dematerialisation”	the process whereby certificated shares are converted to an electronic form as uncertificated shares and recorded in the Sub-Register of shares maintained by a CSDP;
“Dematerialised DAWN Shares”	DAWN Shares which have been incorporated into the Strate system, title to which is no longer represented by physical Documents of Title;
“Dematerialised Shareholders”	holders of Dematerialised DAWN Shares;
“Documents of Title”	share certificates and/or certified transfer deeds and/or balance receipts or any other documents of title in respect of DAWN Shares;
“EFT”	electronic funds transfer;
“Emigrant”	an emigrant from South Africa whose address is outside the Common Monetary Area;

“Exchange Control Regulations”	the Exchange Control Regulations of South Africa issued under the Currency and Exchanges Act (Act 9 of 1933), as amended;
“Financial Markets Act”	the Financial Markets Act, No. 19 of 2012, as amended, which has replaced the Securities Services Act, (Act No. 36 of 2004);
“Final Record Date”	the Record Date for determining the persons to whom the Rights Offer Shares will be issued, being Friday, 7 April 2017;
“Form of Instruction”	the form of instruction in respect of the Letter of Allocation reflecting the entitlement of Certificated Shareholders to subscribe for Rights Offer Shares and on which Certificated Shareholders should indicate whether they wish to take up, sell or renounce all or some of their rights, which form is enclosed with this Circular;
“General Meeting Circular”	the circular to DAWN Shareholders, dated Thursday, 2 February 2017, including the annexures thereto, the Notice of the general meeting and the form of proxy in respect of the general meeting;
“Group”	DAWN and its subsidiaries;
“Initial Record Date”	the record date for determination of Shareholders entitled to participate in the Rights Offer, being Friday, 24 March 2017;
“Investec” or “Financial Advisor and Transaction Sponsor”	Investec Bank Limited (Registration number 1969/004763/06), a limited liability public company duly incorporated in South Africa, acting through its Corporate Finance division;
“JSE”	the 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 (Act No. 19 of 2012);
“Last Practicable Date”	the last practicable date prior to finalisation of this Circular, being Friday 17 March 2017;
“Legal Advisor to DAWN” or “White & Case”)	White & Case LLP of 102 Rivonia Road, 4th Floor Block B, Sandton;
“Letters of Allocation”	renounceable nil paid letters of allocation to be issued to Shareholders in electronic form, conferring the right to subscribe and pay for a <i>pro rata</i> portion of the allotment of Rights Offer Shares and which are also referred to in this Circular; in respect of holders of Certificated DAWN Shares, as the Form of Instruction;
“Listings Requirements”	the JSE Listings Requirements, as amended from time to time;
“MOI”	Memorandum of Incorporation;
“Own-name Registration”	Dematerialised Shareholders who have instructed their CSDP to hold their DAWN Shares in their own name on the uncertificated securities registers of DAWN;
“RAC” or the “Underwriter”	RECM and Calibre Limited (Registration number 2009/012403/06) a limited liability company duly incorporated in accordance with the laws of the Republic of South Africa;
“Rand” or “R”	the South African Rand, the lawful currency of South Africa;
“Register”	the Register of Certificated Shareholders maintained by the Transfer Secretaries, including the Sub-Register;
“Regulations”	the Companies Regulations, 2011, published pursuant to section 223 of the Companies Act;

“Rights Offer”	the renounceable rights offer by DAWN to Shareholders to subscribe for 358 129 576 Rights Offer Shares at an issue price of R1.00 per share per Rights Offer Share, in the ratio of 147.83904 for every 100 DAWN Shares held by them on the Initial Record Date;
“Rights Offer Issue Date”	the third Business Day following the date upon which DAWN Shares are issued in terms of the Rights Offer;
“Rights Offer Issue Price”	the issue price of R1.00 per Rights Offer Share issued pursuant to the Rights Offer;
“Rights Offer Quantum”	an amount of approximately R350 million (three hundred and fifty million Rand) (excluding the 8 129 576 Rights Offer Shares attached to the Treasury DAWN Shares);
“Rights Offer Shares”	The 358 129 576 DAWN Shares to be issued pursuant to the Rights Offer;
“Shareholders”	holders of DAWN Shares, including Certificated Shareholders and Dematerialised Shareholders;
“Securities Transfer Tax”	Securities Transfer Tax in terms of the Securities Transfer Tax Act, 2007 (Act No. 25 of 2007);
“SENS”	the Stock Exchange News Service, being the news service operated by the JSE;
“South Africa”	the Republic of South Africa;
“Strate”	Strate Proprietary Ltd (Registration number 1998/022242/07), a private company duly incorporated in accordance with the laws of South Africa, which is a registered central securities depository and which is responsible for the electronic settlement system on the JSE;
“Sub-Register”	the list of shareholders maintained by a CSDP and forming part of the Register;
“Subsidiaries”	has the meaning given to that term in the Companies Act;
“Transfer Secretaries”	Computershare Investor Services Proprietary Limited (Registration number 2004/003647/07), a private company duly incorporated under the laws of South Africa;
“Treasury DAWN Shares”	the DAWN Shares held by Subsidiaries of DAWN from time to time (being 5 498 937 DAWN Shares as at the Last Practicable Date);
“Ukhamba”	Ukhamba Holdings Proprietary Limited (registration number 1998/017702/07), a private company duly in accordance with the with the company laws of South Africa;
“Underwriter”	RAC;
“Underwriting Agreement”	the underwriting agreement entered into between DAWN and RAC in terms of which RAC has agreed to underwrite the Underwritten Shares Value on the terms and conditions set out therein;
“Underwriting Fee”	the amount payable by DAWN to the Underwriters for providing the underwriting commitment, being 4% of the Underwritten Shares Value by the Underwriters;
“Underwritten Shares”	such number of Rights Offer Shares, subject to a maximum of 201 026 865 (two hundred and one million twenty six thousand eight hundred and sixty five) Rights Offer Shares;
“Underwritten Shares Value”	the amount of R201 026 865 (two hundred and one million twenty six thousand eight hundred and sixty five Rand);
“VAT”	value added taxation, in terms of the Value Added Tax Act (Act 89 of 1991), as amended; and
“VWAP”	volume weighted average share price.





## **DISTRIBUTION AND WAREHOUSING NETWORK LIMITED**

(Incorporated in the Republic of South Africa)  
(Registration number 1984/008265/06)  
Share code: DAW & ISIN code: ZAE000018834  
("DAWN" or "the Company")

---

### **Directors**

#### *Executive*

*Stephen Connelly (Chief Executive Officer),*

*David Austin (Chief Financial Officer)*

*René Roos (Executive Director)*

#### *Non-executive*

*Diederik Fouché (Non-Executive Chairman)*

*Lou Alberts\**

*George Nakos*

*Dinga Mncube\**

*Veli Mokoena*

*\*Independent*

---

## **CIRCULAR TO SHAREHOLDERS**

---

### **1. INTRODUCTION.**

On Thursday, 2 February 2017, DAWN made an announcement to Shareholders advising them that the Company intends to raise gross proceeds of R350 million (excluding the c.R8 million proceeds from the rights attached to the Treasury DAWN Shares) through a rights offer in order to strengthen its balance sheet and provide the Company with a sustainable platform for its ongoing operations.

At a general meeting of Shareholders held on Monday, 6 March 2017, Shareholders approved the following resolutions in order to implement the Rights Offer:

- the conversion of DAWN's entire authorised and issued share capital from par value shares to shares with no par value;
- the increase of DAWN's authorised share capital from 725,893,603 ordinary shares and 10,000,000 deferred ordinary shares to authorised share capital of 2,000,000,000 by the creation of a further 1,264,106,397 ordinary shares;
- the amendment of the MOI to take into account the conversion and increase in DAWN's authorised share capital;
- the authorisation to issue additional ordinary shares with voting power that will, upon issue, exceed 30% of the existing voting power of the ordinary shares currently in issue; and
- the granting of a general authority to Directors to issue such number of additional ordinary shares in the authorised but unissued share capital of DAWN as may be required for the purpose of implementing the Rights Offer.

The purpose of this Circular is to advise Shareholders of the terms and conditions of the Rights Offer and to provide Shareholders with instructions on participating in the Rights Offer.

### **2. PURPOSE OF THE RIGHTS OFFER**

#### **2.1 Overview**

DAWN's primary business is the wholesale distribution of quality branded hardware, sanitaryware, plumbing and kitchen items to a substantial customer base of buying groups, independent plumbing merchants and hardware stores. DAWN also supplies pipes and fittings used in water infrastructure by municipalities, mines, industries and farms. DAWN has two key operating segments, namely building and infrastructure.

DAWN has significant proprietary brands and agency agreements with prominent suppliers and also sources branded products from a well-established supplier network, both locally and internationally.

DAWN's business model is to be the master distributor in targeted industry sectors. The model's competitive advantage centres on the broad disposable income and population distribution in the markets it serves. This creates a number of barriers to entry for competitors, such as a high establishment cost, together with a requirement for technical expertise in its warehouse and logistics services. Traditional carriers are not geared for break-bulk storage and distribution. DAWN's key competitive advantage is vested in its 100% coverage of southern African markets through its "milk-run" distribution model, combined with its break-bulk and just-in-time service.

## 2.2 Rationale

DAWN reported a loss of R763 million for the year ended 31 March 2016 after recognising impairments of R633 million. The impairments arose principally from a reduction in the carrying value of 49% owned GDW and the write-off of intangible assets at wholly-owned Incedon. Consequently bank covenants with DAWN's prime lender, Absa, were breached. Absa agreed to condone the breach subject to certain conditions which included a phased R100 million reduction in the revolving credit facility.

An aggressive turnaround programme has commenced and continues to be undertaken, since, *inter alia*, the appointment of Stephen Connelly (CEO), on 1 June 2016. In pursuit of this strategic initiative, a number of loss-making operations were subsequently closed and a cost and working capital reduction programme commenced. Notable progress has been made in both areas and the programme is ongoing.

Results for the first half of the 2016 financial year, were reported on 16 November 2016. A loss of R367 million was reported which included R255 million of restructuring costs related to the turnaround programme described above. A second cost reduction programme has now commenced which targets reducing operating expenditure by a further R80 million. Whilst the financial benefits of the turnaround programme are evident, the losses for the first six months will impact the results for the full year ending 31 March 2017. The benefits of the turnaround programme are planned to be reflected in the 2018 financial year results.

DAWN repaid R25 million of the required R100 million Absa repayment in October 2016 and will repay the remaining R75 million from the proceeds of the Rights Offer. A new additional R50 million facility is currently under negotiation with Absa to address the lack of working capital financing facilities, which is impeding DAWN's ability to trade at optimal levels.

In order to achieve and implement the turnaround strategies described above, increase available working capital facilities and repay R75 million of the revolving credit facility, the Company seeks to raise gross proceeds of R350 million through the Rights Offer. The gross proceeds of the Rights Offer will strengthen the balance sheet and provide the Company with a sustainable platform for its ongoing operations.

Furthermore, DAWN has entered into a bridge loan facility with Investec Bank Limited for an amount of R200 million, which will be used, *inter alia*, to fund DAWN's working capital requirements until the proceeds of the Rights Offer are received. The bridge loan facility will be fully repaid out of the proceeds of the Rights Offer.

## 3. PARTICULARS OF THE RIGHTS OFFER

### 3.1 Terms of the Rights Offer

DAWN is seeking to raise the Rights Offer Quantum through an offer of the Rights Offer Shares.

In terms of the Rights Offer:

- Shareholders will be offered 147.83904 Rights Offer Shares for every 100 DAWN Shares held by them on the Initial Record Date;
- the Rights Offer Issue Price will be R1.00 per Rights Offer Share;
- the Rights Offer is partially underwritten and no minimum subscription is applicable; and
- the Rights Offer will not allow for excess applications.

### 3.2 Rights Offer Issue Price

The Rights Offer Issue Price of R1.00 per Rights Offer Share represents a 53.1% discount to the closing price of DAWN Shares on the JSE on Friday, 10 March 2017.

### 3.3 Shareholder commitments

As at the last practicable date, the following shareholders have irrevocably undertaken to follow their rights in terms of the Rights Offer as set out below:

<b>Name of shareholder</b>	<b>Number of ordinary shares held in DAWN before the Rights Offer</b>	<b>Number of Rights Offer Shares in the ratio of 147.83904 for every 100 DAWN Shares held</b>	<b>Letters of allocation irrevocably committed to be followed</b>	<b>Percentage of total Rights Offer Shares</b>
Coronation	67 622 962	99 973 138	99 973 138	28.56%
Ukhamba	78 133 488	115 511 799	49 000 000	14.00%
<b>Total</b>	<b>145 756 450</b>	<b>215 484 937</b>	<b>148 973 138</b>	<b>42.56%</b>

The Committed Shareholders will be paid a commitment fee equal to 2% of the Rand value of the Rights Offer Shares subscribed for.

### 3.4 Entitlement

Shareholders will receive the right to subscribe for 147.83904 Rights Offer Shares for every 100 DAWN Shares held on the Initial Record Date (being Friday, 24 March 2017).

Shareholders who do not hold a multiple of 100 DAWN Shares, will be entitled, in respect of such holdings, to participate in the Rights Offer in accordance with Annexure 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 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.

Certificated Shareholders will have their rights credited to their accounts held with the Transfer Secretaries on their behalf. The enclosed Form of Instruction reflects the number of Rights Offer Shares for which the Certificated Shareholder is entitled to subscribe. The procedure to be followed by Certificated Shareholders for the acceptance, sale or renunciation of their rights is reflected on the Form of Instruction.

Dematerialised Shareholders will have their rights to subscribe for Rights Offer Shares credited in electronic form to their account held by their appointed CSDP or Broker. The CSDP or Broker will advise Dematerialised Shareholders of the procedure to be followed and the timing for the acceptance, sale, renunciation or lapsing of such rights.

The Letters of Allocation to which the Form of Instruction relates are negotiable and can be traded on the JSE.

## 4. UNDERWRITING

The Rights Offer is partially underwritten by the Underwriter up to a maximum of 201 026 865 (two hundred and one million twenty six thousand eight hundred and sixty five) Rights Offer Shares.

In terms of the Underwriting Agreement, an underwriting fee equal to 4% of the Underwritten Shares Value is payable by the Company to the Underwriter.

The Board has made due and careful enquiry to confirm that the Underwriter can meet its underwriting commitments in terms of the Underwriting Agreement.

The Underwriting Agreement will become irrevocable not later than 16h30 on the day prior to the finalisation date being 15 March 2017.

## 5. PROCEDURE FOR ACCEPTANCE, RENUNCIATION AND SALE OF RIGHTS

### 5.1 Certificated DAWN Shares

#### 5.1.1 **Acceptance**

Full details of the procedure for acceptance of the Rights Offer by Certificated Shareholders are contained in the Form of Instruction enclosed with this Circular. It should be noted that:

- acceptances are irrevocable and may not be withdrawn;
- acceptances may be made only by means of the enclosed Form of Instruction;
- any instruction to sell or renounce all or part of the rights may only be made by means of the Form of Instruction;
- the properly completed Form of Instruction together with proof of EFT payment or banker's draft (in the case of foreign Shareholders) in Rand in payment of the aggregate Rights Offer Issue Price payable for the relevant Rights Offer Shares must be received by the Transfer Secretaries by no later than 12:00 on Friday, 7 April 2017. All acceptances of the Rights Offer sent by post by the beneficial holders will be accepted provided the envelope is received by no later than 12:00 on Friday, 7 April 2017;
- the Form of Instruction to take up the rights in question will be regarded as complete only when proof of EFT payment or banker's draft (in the case of foreign Shareholders) has been cleared for payment;
- such payment will constitute an irrevocable acceptance of the Rights Offer upon the terms and conditions set out in this Circular and in the Form of Instruction once the cheque or banker's draft has been cleared for payment;
- the Transfer Secretaries should be contacted on +27 11 370 5000 during business hours from 08:00 to 16:30 in order to obtain the necessary banking details; and
- if any Form of Instruction is not received as set out above, the Rights Offer will be deemed to have been declined and the right to subscribe for the Rights Offer Shares in terms of the Form of Instruction will lapse regardless of who holds it.

#### 5.1.2 **Renunciation or sale of rights**

DAWN has issued all Letters of Allocation in dematerialised form and the electronic record for Certificated DAWN Shares is being maintained by the Transfer Secretaries. This has made it possible for Certificated Shareholders to enjoy the same rights and opportunities as Dematerialised Shareholders.

Certificated Shareholders not wishing to subscribe for all or some of the Rights Offer Shares allocated to them as reflected in the Form of Instruction, may sell or renounce all or some of their rights or allow them to lapse.

Certificated Shareholders who wish to sell all or some of the Rights Offer Shares allocated to them as reflected in the Form of Instruction, must complete the relevant section 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, 4 April 2017.

The Transfer Secretaries will endeavour to procure the sale of the rights on the JSE on behalf of such Certificated Shareholders 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 nor the Company 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. References in this paragraph to a Certificated Shareholder 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. 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.

Certificated Shareholders who do not wish to sell all or some of the rights to the Rights Offer Shares allocated to them as reflected in the Form of Instruction, and who do not wish to subscribe for Rights Offer Shares offered in terms of the Form of Instruction, but who wish to renounce their rights, must

complete the relevant section 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, 7 April 2017.

Certificated Shareholders who wish to subscribe for only a portion of the Rights Offer Shares allocated to them must indicate the number of Rights Offer Shares for which they wish to subscribe on the Form of Instruction.

If by 12:00 on Friday, 7 April 2017, Certificated Shareholders do nothing in response to this Rights Offer, their rights will lapse.

#### 5.1.3 **Payment**

The amount due on acceptance of the Rights Offer is payable in Rand.

#### 5.1.4 **Payment terms**

A duly completed Form of Instruction, together with proof of EFT payment, must be lodged by Certificated Shareholders and/or their renounees by no later than 12:00 on Friday, 7 April 2017 in accordance with the instructions contained in the Form of Instruction and clearly marked "**DAWN – Rights Offer**":

##### **by hand to:**

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

##### **or sent by post, at the risk of the Shareholder concerned to:**

Computershare Investor Services Proprietary Limited  
PO Box 61763  
Marshalltown  
2107

Form of Instructions which are not posted must be faxed to +27 11 688 5210 or emailed to corporate.events@computershare.co.za. The Transfer Secretaries 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 election forms 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 the Transfer Secretaries' electronic or facsimile systems. Notwithstanding anything to the contrary, it is the Shareholder's responsibility to ensure that their Form of Instruction is received by the Transfer Secretaries.

The Transfer Secretaries should be contacted on +27 11 370 5000 during business hours from 08:00 to 16:30 in order to obtain the necessary banking details for the purposes of making EFT payments.

The above is in respect of the subscription for Rights Offer Shares only.

All bankers' drafts received (in the case of foreign Shareholders) by the Transfer Secretaries will be deposited immediately for payment. In the event that any banker's draft (in the case of foreign Shareholders) is dishonoured, DAWN, in its sole discretion, may treat the relevant acceptance as void or may tender delivery of the relevant Rights Offer Shares to which it relates against payment in cash of the aggregate Rights Offer Issue Price for such Rights Offer Shares. Money received in respect of an application which is rejected or otherwise treated as void by DAWN, or which is otherwise not validly received in accordance with the terms stipulated in this paragraph, will be refunded (without interest) by way of an EFT in Rand to the applicant concerned on or about Wednesday, 12 April 2017. If DAWN is not able to effect the refund by EFT for any reason whatsoever, then the relevant refund will be held by DAWN until collected by the applicant. No interest in respect of such refund will be paid by DAWN.

### 5.1.5 **DAWN Share certificates**

Certificates in respect of Rights Offer Shares will be distributed by registered post by the Transfer Secretaries, at the risk of the Certificated Shareholders concerned, on or about Monday, 10 April 2017. As DAWN uses the certified transfer deeds and other temporary Documents of Title procedure approved by the JSE, only "block" certificates will be issued in respect of Rights Offer Shares.

### 5.1.6 **Transaction costs**

Certificated Shareholders wishing to sell all or some of their rights will be liable to pay a cost of R154.48 (all inclusive of VAT) for trades of less than or equal to R40 000 and R154.48 (all inclusive of VAT) plus 0.35% of the value of trades for amounts equal to or greater than R40 000.

## 5.2 **Dematerialised DAWN Shares**

### 5.2.1 **Acceptance, renunciation or sale of rights**

The CSDP or Broker appointed by Dematerialised Shareholders is obliged to contact such Shareholders to ascertain:

- whether such Dematerialised Shareholders wish to follow their rights in terms of the Rights Offer or renounce their rights and in respect of how many Rights Offer Shares; or
- if such Dematerialised Shareholders do not wish to follow all or any of their rights, whether they wish to sell their rights and how many of their rights they wish to sell.

If you are not contacted by your CSDP or Broker, you should contact your CSDP or Broker and furnish them with your instruction. Should a CSDP or Broker not obtain instructions from a Dematerialised Shareholder, they are obliged to act in terms of the mandate granted to them by such Dematerialised Shareholder, or if the mandate is silent in this regard, they are obliged not to accept the rights on behalf of such Shareholder.

### 5.2.2 **Payment**

Your CSDP or Broker will effect payment directly on your behalf, in Rand, on Monday, 10 April 2017 on a delivery-versus-payment basis.

### 5.2.3 **Rights Offer Shares**

Dematerialised Shareholders will have their accounts credited with the Rights Offer Shares subscribed for in terms of the Rights Offer, on Monday, 10 April 2017.

## 6. **STATEMENT AS TO LISTING ON STOCK EXCHANGE**

The JSE has granted listings for the Letters of Allocation and the Rights Offer Shares as follows:

- Letters of Allocation in respect of 358 129 576 Rights Offer Shares will be listed from the commencement of business on Wednesday, 22 March 2017 to the close of business on Tuesday, 4 April 2017, both days inclusive, under the JSE code: DAWN and ISIN: ZAE000242293; and
- the Rights Offer Shares will be listed from the commencement of business on Wednesday, 5 April 2017.

## 7. **SOUTH AFRICAN LAW**

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.

## 8. **EXCHANGE CONTROL REGULATIONS**

The following summary is intended only as a guide and is therefore not a comprehensive statement of the Exchange Control Regulations. Shareholders who are in any doubt as to the appropriate course of action to take should consult their professional advisors.

The Rights Offer Shares to be issued pursuant to the Rights Offer are not freely transferable from South Africa and must be dealt with in terms of South African Exchange Control Regulations.

Shareholders who are not resident in the Common Monetary Area should obtain advice as to whether any governmental and/or other legal consent is required and/or whether any other formality must be observed to follow their rights in terms of the Rights Offer.

#### 8.1 **Non-residents of the Common Monetary Area**

In terms of the Exchange Control Regulations, non-residents, excluding former residents, of the Common Monetary Area will be allowed to:

- take up rights allocated to them in terms of the Rights Offer;
- purchase rights on the JSE; and
- subscribe for Rights Offer Shares in terms of the Rights Offer, provided payment is in Rand from a non-resident account.

Share certificates issued pursuant to the application must be endorsed "non-resident".

All applications by non-residents for the above purposes must be made through a South African authorised dealer.

Where rights are sold on the JSE on behalf of non-residents, the proceeds of such sale are freely remittable through a South African authorised dealer in foreign exchange.

#### 8.2 **Former residents of the Common Monetary Area**

Where a right in terms of the Rights Offer falls due to an Emigrant, which right is based on DAWN Shares blocked in terms of the Exchange Control Regulations, then only blocked funds may be used to:

- take up rights allocated to such Emigrant in terms of the Rights Offer;
- purchase rights on the JSE; and
- subscribe for Rights Offer Shares in terms of the Rights Offer.

Applications by Emigrants using blocked Rands for the above purposes must be made through the South African authorised dealer controlling their blocked assets. DAWN Share certificates issued pursuant to blocked Rand transactions must be endorsed "non-resident" and placed under the control of the authorised dealer through whom the payment was made.

Where rights are sold on the JSE on behalf of Emigrants, which rights are based on DAWN Shares which are blocked in terms of the Exchange Control Regulations, the proceeds of such sales will be credited to the blocked Rand accounts of the Shareholders concerned.

Non-resident and Emigrant Dematerialised DAWN Shares will have all aspects relating to Exchange Control managed by their CSDP or Broker.

### 9. **FOREIGN SHAREHOLDERS**

#### 9.1 **Introduction**

Foreign Shareholders may be affected by the Rights Offer, having regard to prevailing laws in their relevant jurisdictions. Such foreign Shareholders should inform themselves about and observe any applicable legal requirements of such jurisdiction in relation to all aspects of this Circular that may affect them, including the Rights Offer. It is the responsibility of each foreign Shareholder to satisfy himself as to the full observation of the laws and regulatory requirements of the relevant foreign jurisdiction in connection with the Rights Offer, including the obtaining of any governmental, exchange or other consents or the making of any filing which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes or other requisite payments due in such jurisdiction. The Rights Offer is governed by the laws of South Africa and is subject to applicable laws and regulations, including the Exchange Control Regulations.

#### 9.2 **Affected foreign Shareholders**

Any Shareholder who is in doubt as to his position with respect to the Rights Offer in any jurisdiction, including, without limitation, his tax status, should consult an appropriate independent professional adviser in the relevant jurisdiction without delay. Foreign Shareholders are reminded that they may dispose of their DAWN Shares on or prior to the last day to trade, in which case they will not participate in the Rights Offer.

Foreign Shareholders accordingly must take their own advice on whether they are entitled, after the Rights Offer, to continue to beneficially hold any DAWN Shares distributed to them and take the appropriate action in accordance with that advice.

### 9.3 **Note to U.S. Shareholders**

The Rights Offer Shares will not be registered with the U.S. Securities and Exchange Commission (“**SEC**”) under the U.S. Securities Act of 1933, as amended, or any U.S. state securities laws. Neither the SEC nor any U.S. federal or state securities commission has registered, approved or disapproved the Rights Offer Shares or passed comment or opinion upon the accuracy or adequacy of this Circular. Any representation to the contrary is a criminal offence in the U.S.

Shareholders who are citizens or residents of the U.S. are advised that the Rights Offer Shares have not been and will not be registered under the U.S. Securities Exchange Act of 1934, as amended.

### 9.4 **Sale of rights**

It is the responsibility of any person outside the Common Monetary Area (including, without limitation, nominees, agents and trustees for such persons) receiving this Circular and wishing to take up Rights Offer Shares under the Rights Offer, to satisfy themselves as to full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

If a premium can be obtained over the expenses of the sale, the rights of Shareholders in the jurisdictions in which it is illegal to make an offer will be sold by the Transfer Secretaries on the JSE for the benefit of such Shareholders, in accordance with this section. Any premium over the expenses of the sale of the rights of Shareholders in these jurisdictions (including applicable taxes, Brokerage fees and commissions) shall be remitted to such Shareholders.

None of DAWN, the Transfer Secretaries or any Broker appointed by them or DAWN, 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 or the remittance of the net proceeds of such sales.

## 10. **TAX CONSEQUENCES OF THE RIGHTS OFFER**

Securities Transfer Tax will not be levied on the Rights Offer Shares issued in terms of the Rights Offer.

The Directors are of the opinion that the purchase, holding and disposal of the Letters of Allocation or Rights Offer Shares should, for taxation purposes, be treated according to the usual rules relating to the categorisation of an asset and its return as capital or revenue, however, Shareholders are advised to consult their professional advisers regarding the tax consequences of the Rights Offer.

## 11. **JURISDICTION**

The distribution of this Circular and/or accompanying documents and/or the transfer of the Rights Offer Shares and/or the rights to subscribe for Rights Offer Shares in jurisdictions other than South Africa may be restricted by law and failure to comply with any of those restrictions may constitute a violation of the laws of any such jurisdiction in which it is illegal to make such a Rights Offer. In such circumstances, this Circular and the Form of Instruction are sent for information purposes only.

## 12. **NATURE OF BUSINESS AND PROSPECTS OF THE COMPANY**

### 12.1 **Nature of business**

DAWN's primary business is the wholesale distribution of quality branded hardware, sanitaryware, plumbing and kitchen items to a substantial customer base of buying groups, independent plumbing merchants and hardware stores. DAWN also supplies pipes and fittings used in water infrastructure by municipalities, mines, industries and farms. DAWN has two key operating segments, namely building and infrastructure.



## 12.2 Prospects

Considerable action has been taken to improve the future financial performance of DAWN including:

- closing loss making operations;
- appointing new management into key positions;
- improving profit margins and lowering expense levels;
- reducing working capital levels, improving inventory availability and enhancing the collectability of trade receivables; and
- recapitalising the business pursuant to the Rights Offer.

The overall effectiveness of these actions will be heavily dependent on the economic climate that prevails in the year ahead.

## 13. INFORMATION RELATING TO DIRECTORS

### 13.1 Details of directors

The Directors' details (i.e. business address and function) are set out below:

<b>Director</b>	<b>Business Address</b>	<b>Occupation</b>
<b>Executive</b>		
Stephen Connelly	Cnr Barlow Road and Caveleros Drive Jupiter Ext 3, Germiston, 1401	Chief executive officer
David Alan Austin	Cnr Barlow Road and Caveleros Drive Jupiter Ext 3, Germiston, 1401	Chief financial officer
René Roos	Cnr Barlow Road and Caveleros Drive Jupiter Ext 3, Germiston, 1401	Executive director
<b>Non-executive</b>		
Diederik Fouché	Cnr Barlow Road and Caveleros Drive Jupiter Ext 3, Germiston, 1401	Non-executive chairman
Lou Alberts	Cnr Barlow Road and Caveleros Drive Jupiter Ext 3, Germiston, 1401	Independent non-executive director
George Nakos	79 Boeing Road East Bedfordview, 2007 Johannesburg	Non-executive director
Dinga Mncube	Cnr Barlow Road and Caveleros Drive Jupiter Ext 3, Germiston, 1401	Independent non-executive director
Veli Mokoena	32 Electron Road Isando, 1609	Non-executive director

### 13.2 Directors remunerations and emoluments

There will be no variation in the remuneration payable to Directors as a consequence of the Rights Offer.

### 13.3 Directors' interest in DAWN Shares

The direct and indirect beneficial interests of the Directors (and their associates) in the issued Share capital of DAWN as at 31 March 2016 is set out in the table below:

	Beneficial		Total	%
	Direct	Indirect		
<b>Executive directors</b>				
Jan Beukes <sup>1</sup>	3 513 021	–	3 513 021	1.5%
Dries Ferreira <sup>2</sup>	372 333	–	372 333	0.2%
René Roos	1 126 667	–	1 126 667	0.5%
Derek Tod <sup>3</sup>	6 145 577	5 034 840	11 180 417	4.7%
<b>Non-executive directors</b>				
Lou Alberts	1 989 285	–	1 989 285	0.8%
Diederik Fouché	200 000	–	200 000	0.1%
Veli Mokoena	21 771	–	21 771	0.0%
<b>Total</b>	<b>13 168 654</b>	<b>5 234 840</b>	<b>18 403 494</b>	<b>7.8%</b>

1. Resigned 14 July 2016, effective 31 October 2016

2. Resigned 14 July 2016, effective 31 October 2016

3. Retired on 31 May 2016

Dealings in DAWN ordinary shares for the period beginning 31 March 2016 and ending on the Last Practicable Date by the DAWN Directors, including Directors who have resigned during the 18 months prior to the Last Practicable Date, are as follows:

Director	Date	Transaction type	Volume	Price
René Roos	19-Jul-2016	Sell	610 000	R 2.99
Diederik Fouché	22-Feb-2017	Off market transfer of shares from the trust to own name	100 000	R1.95

The following directors will follow their rights pursuant to the Rights Offer in respect of their existing shareholdings:

- Diederik Fouché; and
- Lou Alberts (up to 200 000 of his Letters of Allocation and the remaining Letters of Allocation will be sold).

The remaining directors intend to sell their Letters of Allocation pursuant to the Rights Offer in respect of their existing shareholdings.

## 14. SHARE CAPITAL

Provided below is information relating to the authorised and issued Share capital of the Company.

### 14.1 DAWN's Share capital before the Rights Offer

The authorised and issued Share capital of DAWN before the Rights Offer, as at the Last Practicable Date, is as follows:

	Number of DAWN Shares	(R'000)
<b>Authorised shares</b>		
Ordinary shares of no par value	1 990 000 000	
Deferred ordinary shares of no par value	10 000 000	
<b>Issued DAWN Shares</b>		
Ordinary shares of no par value	242 242 904	376 170
<b>Treasury DAWN Shares</b>		
Ordinary shares of no par value	5 498 937	7 984
<b>Issued DAWN Shares excluding Treasury DAWN Shares</b>		
Ordinary shares of no par value	236 743 967	368 186

#### 14.2 DAWN's Share capital after the Rights Offer

The authorised and issued Share capital of DAWN after the Rights Offer will be as follows:

	<b>Number of DAWN Shares</b>	<b>(R'000)</b>
<b>Authorised shares</b>		
Ordinary shares of no par value	1 990 000 000	
Deferred ordinary shares of no par value	10 000 000	
<b>Issued DAWN Shares</b>		
Ordinary shares of no par value	600 372 480	734 300
<b>Treasury DAWN Shares</b>		
Ordinary shares of no par value	13 628 513	16 114
<b>Issued DAWN Shares excluding Treasury DAWN Shares</b>		
Ordinary shares of no par value	586 743 967	718 186

The holders in respect of the Treasury DAWN Shares intend to follow their rights in respect of the Rights Offer.

#### 15. PRICE AND VOLUME HISTORY OF DAWN SHARES ON THE JSE

The Share price and volume history of DAWN Shares:

- in the 12 months preceding the date of issue of the Circular; and
- in the 30 days preceding the Last Practicable Date, are set out in Annexure I

#### 16. LITIGATION STATEMENT

The Competition Commission of South Africa referred a complaint to the Competition Commission Tribunal regarding allegations of market allocation between DPI Plastics Proprietary Limited and Sangio Pipe Proprietary Limited. Based on legal advice, the matter will be defended and the Group expects the matter will be favourably concluded.

#### 17. EXPENSES OF THE RIGHTS OFFER

The following expenses and provisions are expected or have been provided for by the Group in connection with the Rights Offer and will be settled out of the proceeds of the Rights Offer. All costs are stated exclusive of VAT:

<b>Description</b>	<b>Payable to</b>	<b>Estimated amount (excluding VAT) R'000</b>
JSE documentation	JSE	27
JSE listing fee	JSE	146
Printing and publication	Ince (Pty) Limited	40
Transfer Secretaries	Computershare Investor Services Proprietary Limited	60
Financial Advisor and Transaction sponsor	Investec	8 244
Legal fees	White & Case	450
Commitment fee	Coronation and Ukhamba	2 979
Underwriting fee	RAC	8 041
<b>Estimated costs</b>		<b>19 987</b>

#### 18. CONSENTS

The Financial Advisor and Transaction Sponsor, Underwriter, Committed Shareholders and the Legal Advisor to DAWN have consented in writing, and have not withdrawn their consent, to their names being included in the Circular in the form and context in which they are included.

## 19. DISCLOSURE OF CONFLICT

Shareholders are advised that Investec has been appointed as Transaction Sponsor and Financial Advisor in relation to the Rights Offer.

Investec, acting through its corporate and institutional banking team ("ICIB") has the following funding arrangements in place with DAWN:

	<b>ZAR</b>
Bridge loan facility	200 000 000
Term rental facility for the procurement of IT equipment	10 770 110

The bridge loan facility will be used, *inter alia*, to fund DAWN's working capital requirements until the proceeds of the Rights Offer are received. The bridge loan facility will be fully repaid out of the proceeds of the Rights Offer which are expected to be available to DAWN on or about 12 April 2017.

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

Investec has various internal procedures in place to ensure that its ability to act independently as JSE sponsor, is not compromised. Pursuant to these internal procedures, Investec has a Compliance Control Room function that identifies and manages conflict risks and ensures that strict "Chinese Walls" are maintained to ensure that as JSE sponsor, it is able to act independently from other divisions within Investec. Investec also enforces and implements physical and logical access restrictions to information, which is limited to deal teams for whom the information is relevant, for the purpose of fulfilling the client mandate.

## 20. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names are given on page 7 of the Circular, collectively and individually, accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts which have been omitted that would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that the Circular contains all information required by law and the Listings Requirements.

## 21. DOCUMENTS AND CONSENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection during normal business hours at the registered office of DAWN from Monday, 20 March 2017 up to and including Friday, 7 April 2017:

- the MOI of DAWN and its major subsidiaries, as the case may be;
- copies of service agreements (or a summary of such agreements) with directors, managers or secretaries, underwriters, vendors and promoters entered into during the last three years;
- the audited financial statements of DAWN for the three years ended 31 March 2016;
- the unaudited interim results of DAWN for the 6 months ended 30 September 2016;
- the Underwriting Agreement;
- this Circular, signed by or on behalf of the directors; and
- the letters of consent referred to in paragraph 18 of this Circular.

For and on behalf of:

### **Distribution and Warehousing Network Limited**

**Stephen Connelly**  
Chief Executive Officer

**David Austin**  
Chief Financial Officer

Monday, 20 March 2017  
Johannesburg

### **Registered Office**

Corner Barlow Road and Cavaleros Drive  
Jupiter, Extension 3  
Germiston, 1401, South Africa  
(PostNet Suite number 100, Private Bag X1037, Germiston, 1400, South Africa)

---

**PRICE AND VOLUME HISTORY OF DAWN SHARES ON THE JSE**


---

<b>Period</b>	<b>High (cents)</b>	<b>Low (cents)</b>	<b>Close (cents)</b>	<b>Volume</b>	<b>Value (R)</b>
<b>Monthly</b>					
<b>2016</b>					
March	418	350	400	4 388 500	16 268 720
April	440	355	435	5 423 177	21 551 530
May	435	380	409	2 320 073	9 499 621
June	400	330	375	1 102 912	4 099 095
July	350	228	295	4 780 534	14 182 740
August	292	201	250	3 200 342	7 955 635
September	255	207	253	4 946 138	11 398 000
October	280	226	259	1 408 151	3 695 966
November	259	195	230	2 011 654	4 516 390
December	258	205	257	2 596 746	6 004 374
<b>2017</b>					
January	270	187	212	2 178 137	5 516 052
February	225	170	215	2 015 290	4 055 364
<b>Daily</b>					
<b>2017</b>					
06 February 2017	190	183	183	22 651	42 531
07 February 2017	190	185	190	17 176	32 308
08 February 2017	190	185	190	33 491	62 183
09 February 2017	199	190	199	19 603	38 281
10 February 2017	200	199	199	91 070	181 447
13 February 2017	210	209	210	54 800	115 030
14 February 2017	213	205	209	92 803	190 874
15 February 2017	218	205	218	50 275	109 320
16 February 2017	225	217	225	462 238	1 018 196
17 February 2017	225	215	215	26 006	55 994
20 February 2017	210	184	197	86 240	167 529
21 February 2017	200	195	195	32 500	64 467
22 February 2017	195	195	195	–	–
23 February 2017	194	180	194	74 300	135 219
24 February 2017	192	180	192	32 000	59 980
27 February 2017	198	170	198	100 945	187 816
28 February 2017	215	194	215	151 331	302 054
01 March 2017	215	200	215	187 434	399 679
02 March 2017	235	215	215	55 000	121 805
03 March 2017	214	175	213	26 360	51 923
06 March 2017	215	198	215	271 823	545 637
07 March 2017	190	190	190	1 494	2 839
08 March 2017	190	190	190	–	–
09 March 2017	215	200	215	69 130	138 866
10 March 2017	214	200	213	49 661	101 988
13 March 2017	210	190	190	114 359	230 093
14 March 2017	191	190	190	1 099 245	2 088 800
15 March 2017	200	180	190	201 070	392 391
16 March 2017	190	190	190	5 000	9 500
17 March 2017	200	190	200	57 299	110 829

Source: Bloomberg

---

**TABLE OF ENTITLEMENT**


---

No fractions of Rights Offer Shares will be issued to Shareholders and the Rights Offer Shares will be issued based on the rounding principle (up or down, as the case may be). The table of entitlement of Shareholders to receive Rights Offer Shares is set out below.

<b>Number of existing Shares</b>	<b>Number of Rights Offer Shares to which a Shareholder is entitled</b>	<b>Rounded number of Rights Offer Shares to which a Shareholder is entitled</b>	<b>Number of existing Shares</b>	<b>Number of Rights Offer Shares to which a Shareholder is entitled</b>	<b>Rounded number of Rights Offer Shares to which a Shareholder is entitled</b>
1	1.47839	1	53	78.35469	78
2	2.95678	3	54	79.83308	80
3	4.43517	4	55	81.31147	81
4	5.91356	6	56	82.78986	83
5	7.39195	7	57	84.26825	84
6	8.87034	9	58	85.74664	86
7	10.34873	10	59	87.22503	87
8	11.82712	12	60	88.70342	89
9	13.30551	13	61	90.18181	90
10	14.78390	15	62	91.66020	92
11	16.26229	16	63	93.13860	93
12	17.74068	18	64	94.61699	95
13	19.21908	19	65	96.09538	96
14	20.69747	21	66	97.57377	98
15	22.17586	22	67	99.05216	99
16	23.65425	24	68	100.53055	101
17	25.13264	25	69	102.00894	102
18	26.61103	27	70	103.48733	103
19	28.08942	28	71	104.96572	105
20	29.56781	30	72	106.44411	106
21	31.04620	31	73	107.92250	108
22	32.52459	33	74	109.40089	109
23	34.00298	34	75	110.87928	111
24	35.48137	35	76	112.35767	112
25	36.95976	37	77	113.83606	114
26	38.43815	38	78	115.31445	115
27	39.91654	40	79	116.79284	117
28	41.39493	41	80	118.27123	118
29	42.87332	43	81	119.74962	120
30	44.35171	44	82	121.22801	121
31	45.83010	46	83	122.70640	123
32	47.30849	47	84	124.18479	124
33	48.78688	49	85	125.66318	126
34	50.26527	50	86	127.14157	127
35	51.74366	52	87	128.61996	129
36	53.22205	53	88	130.09836	130
37	54.70044	55	89	131.57675	132
38	56.17884	56	90	133.05514	133
39	57.65723	58	91	134.53353	135
40	59.13562	59	92	136.01192	136
41	60.61401	61	93	137.49031	137

<b>Number of existing Shares</b>	<b>Number of Rights Offer Shares to which a Shareholder is entitled</b>	<b>Rounded number of Rights Offer Shares to which a Shareholder is entitled</b>	<b>Number of existing Shares</b>	<b>Number of Rights Offer Shares to which a Shareholder is entitled</b>	<b>Rounded number of Rights Offer Shares to which a Shareholder is entitled</b>
42	62.09240	62	94	138.96870	139
43	63.57079	64	95	140.44709	140
44	65.04918	65	96	141.92548	142
45	66.52757	67	97	143.40387	143
46	68.00596	68	98	144.88226	145
47	69.48435	69	99	146.36065	146
48	70.96274	71	100	147.83904	148
49	72.44113	72	1 000	1 478.39040	1 478
50	73.91952	74	10 000	14 783.90400	14 784
51	75.39791	75	100 000	147 839.04000	147 839
52	76.87630	77	1 000 000	1 478 390.40000	1 478 390

---

## INFORMATION ON THE UNDERWRITERS

---

The Rights Offer is underwritten by RAC. Details pertaining to the Underwriter as required by the Listings Requirements are set out below.

Full legal and entity name:	RECM and Calibre Limited
Directors:	T de Bruyn (Executive director) Z Matlala (Independent non-executive director) T Rossini (Independent non-executive director) JG Swiegers (Independent non-executive director) JC van Niekerk (Executive financial director) PG Viljoen (Executive chairman)
Company secretary:	G Simpson
Date and place of incorporation:	Incorporated in 2009 in the Republic of South Africa
Registration number:	2009/012403/06
Registered office:	6th Floor, Claremont Central 8 Vineyard Road Claremont Cape Town, 7700
Auditors:	Ernst & Young Inc.
Bankers:	The Standard Bank of South Africa Ltd
Authorised share capital:	<ul style="list-style-type: none"> <li>• 5 000 000 ordinary shares of R0.01 each</li> <li>• 200 000 000 non-cumulative redeemable participating preference shares of no par value</li> <li>• 250 000 000 redeemable preference shares of no par value</li> <li>• 1 500 000 000 perpetual preference shares of no par value</li> </ul>
Issued share capital:	<ul style="list-style-type: none"> <li>• 3 750 000 ordinary shares of R0,01 each</li> <li>• 47 400 000 non-cumulative redeemable participating preference shares</li> </ul>







For use by Certificated Shareholders only

**FORM OF INSTRUCTION FOR A CERTIFICATED SHAREHOLDER IN RESPECT OF A LETTER OF ALLOCATION**

**IMPORTANT:** If you are in doubt as to what action to take in relation to this Form of Instruction, please consult your CSDP, Broker, attorney, accountant, banker or other professional advisor immediately.

This Form of Instruction in respect of a Letter of Allocation should be read together with the Circular to Shareholders dated 20 March 2017.

Words and expressions defined in the Circular shall have the same meanings in this Form of Instruction. The rights to Rights Offer Shares have been issued in dematerialised form, are negotiable and can be sold on the JSE.

The electronic record for Certificated DAWN Shares is being maintained by the Transfer Secretaries. This has made it possible for Certificated Shareholders, who are eligible to participate in the Rights Offer, to enjoy the same rights and opportunities as those Shareholders who have already dematerialised their DAWN Shares.

Should you wish to take up, sell or renounce all or part of the rights to which you are entitled in terms of the Rights Offer, you must complete this Form of Instruction and return it to the Transfer Secretaries at the address set out at the foot of this page.

Each alteration must be signed in full and not merely initialled.

EXCHANGE CONTROL  
REGULATIONS  
ENDORSEMENT  
(see page 2 paragraph 8)



D A W N

**DISTRIBUTION AND WAREHOUSING NETWORK LIMITED**

((Incorporated in the Republic of South Africa)

(Registration number 1984/008265/06)

Share code: DAW & ISIN code: ZAE000018834

("DAWN" or "the Company")

**A Form of Instruction in respect of a Letter of Allocation**

**A partially underwritten renounceable Rights Offer that seeks to raise R358 million through the issue of 358 million Rights Offer Shares to Shareholders at a Rights Offer Issue Price of R1.00 each in the ratio of 147.83904 Rights Offer Shares for every 100 DAWN Shares held at the close of business on Friday, 24 March 2017**

2017

Declaration date announcement released on SENS on	Monday, 13 March
Finalisation date announcement released on SENS on	Wednesday, 15 March
Last day to trade in DAWN Shares in order to participate in the Rights Offer	Monday, 20 March
Listing and trading of Letters of Allocation on the JSE under JSE code: DAWN and ISIN: ZAE000242293	Wednesday, 22 March
DAWN Shares commence trading on the JSE ex-Rights Offer entitlement	Wednesday, 22 March
Rights Offer Circular and Form of Instruction distributed to Certificated Shareholders	Thursday, 23 March
Record Date for determination of Shareholders entitled to participate in the Rights Offer (Initial Record Date)	Friday, 24 March
Dematerialised Shareholders will have their accounts at their CSDP or Broker automatically credited with their entitlement	Monday, 27 March
Certificated Shareholders on the Register will have their entitlement credited to their accounts held with the Transfer Secretaries	Monday, 27 March
Rights Offer opens at 09:00 on	Monday, 27 March
Rights Offer Circular distributed to those Dematerialised Shareholders who have elected to receive documents in hard copy	Tuesday, 28 March
Last day to trade Letters of Allocation on the JSE	Tuesday, 4 April
Rights Offer Shares listed and trading therein commences on the JSE	Wednesday, 5 April
Payment to be made and Form of Instruction to be lodged with the Transfer Secretaries by Certificated Shareholders by 12:00 on	Friday, 7 April
Rights Offer closes at 12:00	Friday, 7 April
Record Date for Letters of Allocation (Final Record Date)	Friday, 7 April
Rights Offer Shares issued	Monday, 10 April
Dematerialised Shareholders' accounts updated and debited by CSDP or Broker (in respect of payment for Rights Offer Shares)	Monday, 10 April
Certificates distributed to Certificated Shareholders (in respect of the Rights Offer Shares)	Monday, 10 April
Results of Rights Offer announced on SENS	Monday, 10 April

**Notes:**

1. All references to dates and times are to local dates and times in South Africa.
2. Dematerialised Shareholders are required to inform their CSDP or Broker of their instructions in terms of the Rights Offer in the manner and time stipulated in the agreement governing the relationship between the Shareholder and their CSDP or Broker.
3. Share certificates may not be dematerialised or rematerialised between Wednesday, 22 March 2017 and Friday, 24 March 2017, both days inclusive.
4. 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 their accounts at the Transfer Secretaries.
5. CSDPs effect payment in respect of Dematerialised Shareholders on a delivery-versus-payment method.

**Financial Advisor and Transaction Sponsor**

*Out of the Ordinary*<sup>®</sup>

 **Investec**  
Specialist Bank

Dear Sir/Madam

## 1. RIGHTS OFFER

DAWN hereby offers, upon the terms and conditions stated in the Circular dated Monday, 20 March 2017 (which shall, if in conflict with the information set out below, take precedence) to the holder(s) of the number of DAWN Shares in Block (2), recorded in the Register at the close of business on Friday, 24 March 2017, rights to subscribe for the number of Rights Offer Shares set out in Block (3).

The Rights Offer Issue Price is R1.00 per Rights Offer Share, payable in Rand.

## 2. ALLOCATION

The number of Rights Offer Shares stated in Block (3) has been allocated for subscription to the Shareholder/s named in Block (1). The allocation of Rights Offer Shares will be such that Shareholders will not be allocated a fraction of a Rights Offer Share.

## 3. ACCEPTANCE

Shareholders who wish to accept the offer to subscribe for Rights Offer Shares must complete Blocks (5), (6) and (9).

3.1 If the Shareholder whose name appears in Block (1), wishes to subscribe for the Rights Offer Shares stated in Block (3) (or any lesser number), this Form of Instruction, duly completed together with payment in terms of 3.2 below, must be delivered or sent by registered post (in the latter case, at the sender's risk) to the Transfer Secretaries, to be received by 12:00 on Friday, 7 April 2017. All acceptances of the Rights Offer sent by post by the beneficial holder will be accepted provided the envelope is received by no later than 12:00 on Friday, 7 April 2017.

3.2 Payment for the Rights Offer Shares subscribed for must be made in full by way of an EFT. The Computershare Call Centre – Corporate Actions should be contacted on 0861 100 634 during business hours from 08:00 to 16:30 in order to obtain banking details and reference number for the deposits. Electronic forms and proof of EFT payment may be faxed to +27 11 688 5210 or emailed to corporate.events@computershare.co.za. Kindly note that this is for subscription of Rights only and is not for selling of the Rights.

In the case of a foreign Shareholder, payment for the Rights Offer Shares subscribed for must be made in full by way of a banker's draft drawn on a registered commercial bank (each of which should be crossed and marked "not transferable" in favour of "DAWN Rights Offer") for the amounts payable in Rand and lodged together with this duly completed Form of Instruction with the Transfer Secretaries as follows:

### Hand delivered to:

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

### Postal deliveries (at the risk of the Shareholder) to:

Computershare Investor Services  
Proprietary Limited  
PO Box 61763  
Marshalltown  
2107

Electronic forms may be faxed to +27 11 688 5210 or emailed to corporate.events@computershare.co.za. Kindly note that this is for subscription of Rights only and is not for selling of the Rights.

3.3 The lodging or posting of this duly completed Form of Instruction and the proof of payment of the relevant EFT/banker's draft in compliance with 3.1 and 3.2 above will be an acceptance of the Rights Offer by the Shareholder concerned and an irrevocable authority to allot the Rights Offer Shares in question, subject to the Memorandum and Articles of Association of DAWN.

3.4 No receipt will be given for an EFT/banker's draft received in accordance with this Rights Offer.

3.5 All bankers' drafts received will be deposited immediately for payment. Should any payment be refused, DAWN may in its sole discretion treat the relevant acceptance of Rights Offer Shares, if any, as void or may tender delivery of the appropriate DAWN Share certificate to which this acceptance relates against payment in cash of the amount payable in terms thereof.

3.6 If this Form of Instruction is not lodged and completed fully and properly (the Transfer Secretaries shall be entitled to determine in their sole and absolute discretion whether such Form of Instruction has been completed fully and properly), and payment of the required amount is not received by 12:00 on Friday, 7 April 2017, in terms of the provisions of 3.1 above, then the Shareholder will be deemed to have declined the offer to subscribe for Rights Offer Shares in terms of the Rights Offer and the right to subscribe for Rights Offer Shares offered in terms of this Form of Instruction will lapse irrespective of who holds it.

## 4. RENUNCIATION OR SALE

4.1 If the Shareholder whose name appears in Block (1) wishes to sell or renounce part or all of his/her rights, then:

4.1.1 such Shareholder must complete Form A or Form B (whichever is applicable) on page 3 of this Form of Instruction. This must be sent to the Transfer Secretaries in accordance with the instructions contained therein, to be received by no later than 12:00 on Tuesday, 4 April 2017 if you wish to sell your entitlement and by no later than 12:00 on Friday, 7 April 2017 if you wish to renounce your entitlement. The Transfer Secretaries will endeavour to procure the sale of the rights on the JSE on behalf of such Certificated Shareholders and will remit the proceeds in accordance with the payment instructions reflected in the Form of Instruction, net of Brokerage charges and associated expenses. The Transfer Secretaries will not 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 entitlements; and

4.1.2 the renounee who wishes to accept the Rights Offer must complete Form C on page 3 of this Form of Instruction. The renounee must also lodge this Form of Instruction and make payment, in terms of paragraph 3, for the Rights Offer Shares in respect of which the Rights Offer is accepted.

4.2 The lodging of this Form of Instruction, with Form B purporting to be signed by the Shareholder/s whose name/s appears thereon, will be conclusive evidence of the right of the renounee:

4.2.1 to deal with this Form of Instruction; or

4.2.2 to have the rights in question allotted and receive certificates in respect thereof. DAWN will not be obliged to investigate whether Form B or Form C has been properly signed or investigate any fact surrounding the signing or lodging of such forms.

By order of the Board

Distribution and Warehousing Network Limited

**Stephen Connelly**  
Chief Executive Officer

**David Austin**  
Chief Financial Officer

Monday, 20 March 2017

## GENERAL INSTRUCTIONS AND NOTES

### 1. POWERS OF ATTORNEY

If this Form of Instruction is signed under a power of attorney then such power of attorney must be sent to the Transfer Secretaries, for registration, unless it has already been registered by them.

### 2. DECEASED ESTATES AND TRUSTS

Rights Offer Shares will not be allocated in the name of a deceased estate, a trust or a person under contractual disability.

Therefore, when the right to Rights Offer Shares has accrued to a deceased person, an estate or a trust, the executor or trustee, parent/guardian or curator (as the case may be) must complete Form B on page 3 of this Form of Instruction in his representative capacity (which authority must be lodged with the Transfer Secretaries) and Form C on page 3 of this Form of Instruction must be completed by the person in whose name the Rights Offer Shares are to be allocated without any reference to the estate, the trust or the beneficial owner: Letters of Executorship (if not previously registered) should be submitted to the Transfer Secretaries for record purposes.

### 3. JOINT HOLDERS

All joint holders of DAWN Shares must sign where applicable.

### 4. SHARE CERTIFICATES

4.1 If the Rights Offer is accepted, then the DAWN Share certificate will be posted, on or about Wednesday, 12 April 2017, to the Certificated Shareholder's address as shown in the Register at such Certificated Shareholder's risk or, if an alternate address is given in the "Postal instructions" on page 3 of this Form of Instruction, to such address.

4.2 As DAWN uses the "certified transfer deeds and other temporary Documents of Title" procedure approved by the JSE, "block" certificates will be issued in respect of Rights Offer Shares.

### 5. EXCHANGE CONTROL REGULATIONS

5.1 The following summary is intended only as a guide and is therefore not comprehensive. If you are in any doubt as to the appropriate course of action, please consult your professional advisor.

5.2 In terms of the Exchange Control Regulations governing the Rights Offer, a "non-resident" endorsement has been applied to Letters of Allocation issued to Shareholders who are non-residents of the Common Monetary Area.

5.3 In terms of the Exchange Control Regulations non-residents who are not former residents may:

5.3.1 take up rights allocated to them in terms of the Rights Offer;

5.3.2 purchase rights on the JSE; and/or

5.3.3 subscribe for the Rights Offer Shares,

provided payment is received through normal banking channels or from a non-resident account. Share certificates issued pursuant to the application must be endorsed "non-resident".

5.4 Where rights are sold on the JSE on behalf of Shareholders who are non-residents of the Common Monetary Area, the proceeds of such shares are freely remittable through an authorised dealer in foreign exchange.

5.5 Where a right in terms of the Rights Offer falls due to an Emigrant of the Common Monetary Area, which right is based on an investment which is blocked in terms of the Exchange Control Regulations, then blocked funds may be used to:

5.5.1 take up rights allocated to such Emigrant in terms of the Rights Offer;

5.5.2 purchase rights on the JSE; and/or

5.5.3 subscribe for Rights Offer Shares in terms of the Rights Offer.

5.6 All applications by Emigrants using blocked Rands for the above purposes must be made through the South African authorised dealer controlling their blocked assets. DAWN Share certificates issued pursuant to blocked Rand transactions must be endorsed "non-resident" and placed under the control of the authorised dealer through whom the payment was made.

5.7 Where rights are sold on the JSE on behalf of Shareholders or renounees who are Emigrants, which rights are based on an investment which is blocked in terms of the Exchange Control Regulations, the proceeds of such sales will be credited to their respective blocked Rand accounts.

### 6. NON-RESIDENT SHAREHOLDERS

The attention of Shareholders resident outside the Common Monetary Area is drawn to paragraphs 8 and 9 of the Circular: It is the responsibility of all such persons (including without limitation, nominees and trustees) wishing to accept the Rights Offer to satisfy themselves of the full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes in connection therewith due in such territory.

### 7. JSE LISTINGS

The JSE has granted a listing of the rights (in terms of the Letters of Allocation) to be issued in respect of the Rights Offer Shares with effect from Wednesday, 22 March 2017 to Tuesday, 4 April 2017, both days inclusive.

**FORM A: INSTRUCTION TO ENDEAVOUR TO PROCURE THE SALE OF THE RIGHTS ON THE JSE**

PLEASE USE BLOCK LETTERS

(To be signed by Shareholders named in Block (1) if the right to the Rights Offer Shares is to be sold on the JSE)

To the Directors,

**Distribution and Warehousing Network Limited**

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

If all of the Shareholder's rights to Rights Offer Shares are not being sold, please specify in the block how many of the rights are being sold.

Signed \_\_\_\_\_

Date \_\_\_\_\_

2017

Stamp and endorsement  
of selling broker (if any)**Payment instructions:**Tick appropriate box **PLEASE USE BLOCK LETTERS** 1. By cheque, which should be posted at my/our own risk to the following address:

In order to comply with the requirements of the Financial Intelligence Act, 2001 (Act 38 of 2001), the Transfer Secretaries 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 e.g. rates/electricity bill or telephone bill (not a mobile telephone account) bearing your name and current residential address. Alternatively you may provide any two of the following retail credit account statements (e.g. Edgars, Jet, Woolworths etc.) that reflect your residential address. Should the service bill be in the name of a third party, please supply a certified copy of the homeowner's identity document, service bill and a completed and signed co-habitant form.
- Please note that all documents should be dated within the preceding 3 months.
- Please note that copies of the certified copies will not be accepted

 2. By electronic funds transfer to the following bank account:

Name of bank \_\_\_\_\_

Account number \_\_\_\_\_

Branch code \_\_\_\_\_

In terms of the Financial Services Centre Act ("FICA") regulations, the Transfer Secretaries will not be able to record your banking details for EFT payment, unless the following documents are submitted:

- (a) certified true copy of your identification document ("ID"); and  
(b) certified true copy of your original bank statement

 3. To a charitable organisation to be selected by DAWN

**PLEASE NOTE THAT IF THE ABOVE INFORMATION IS NOT COMPLETED OR IF CONFLICTING INSTRUCTIONS ARE GIVEN, A CHEQUE IN PAYMENT OF THE AMOUNT DUE WILL BE SENT TO THE ADDRESS RECORDED IN THE REGISTER.**

**FORM B: FORM OF RENUNCIATION**(To be signed by Shareholders named in Block (1) if the right to the Rights Offer Shares is renounced.) 

If all of the Shareholder's rights to Rights Offer Shares are not being renounced, please specify in the block how many of the rights are being renounced.

To the Directors,

**Distribution and Warehousing Network Limited**

I/We hereby renounce the number of Rights Offer Shares specified in the above block and if no number is specified, all my/our rights allocated to me/us in terms of this form as stipulated in Block (3) on page 4, in favour of the person completing Form C.

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

2017

Stamp and endorsement  
of selling broker (if any)**FORM C: REGISTRATION APPLICATION FORM**

(To be completed by the renounee to whom the Rights Offer Shares are to be allotted.) This form will not be negotiable once this form is completed.

To the Directors,

**Distribution and Warehousing Network Limited**

I/We

(a) authorise you to procure the allotment and issue of the number of Rights Offer Shares specified in Form B above or, if no number is specified the number of Rights Offer Shares stipulated in Block (3) on page 4 of this Form of Instruction in my/our own name(s) upon the conditions set out in the Circular issued on Monday, 20 March 2017 as read with this Form of Instruction; and

(b) authorise DAWN to place my/our names on the Register of Shareholders.

**USE BLOCK LETTERS**

Broker (if any) \_\_\_\_\_

Name and surname in full \_\_\_\_\_

Postal address (preferably PO Box) \_\_\_\_\_

Telephone number (office hours) ( ) \_\_\_\_\_

Cell phone number ( ) \_\_\_\_\_

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

Signed: \_\_\_\_\_

Date \_\_\_\_\_

2017

**PLEASE NOTE:** Renounees must attach a certified true copy of your identification document to the Form of Instruction, when Form B (Form of Renunciation) has been completed.

Stamp and endorsement  
of selling broker (if any)**FORM D: POSTAL INSTRUCTIONS**

DAWN Share Certificates should be forwarded at my/our risk, to the following address:

(BLOCK LETTERS)

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

**(If no specific instructions are given here, the Share Certificate will be forwarded to the address shown on page 4)**

Signed: \_\_\_\_\_

Date \_\_\_\_\_

2017

A Shareholder wishing to collect their Rights Offer Share Certificate from the Transfer Secretaries must tick this block:

In order to comply with the requirements of the Financial Intelligence Act, 2001 (Act 38 of 2001), the Transfer Secretaries 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 e.g. rates/electricity bill or telephone bill (not a mobile telephone account) bearing your name and current residential address. Alternatively you may provide any two of the following retail credit account statements (e.g. Edgars, Jet, Woolworths etc.) that reflect your residential address. Should the service bill be in the name of a third party, please supply a certified copy of the homeowners identity document, service bill and a completed and signed co-habitant form.
- Please note that all documents should be dated within the preceding 3 months.
- Please note that copies of the certified copies will not be accepted

**THIS FORM OF INSTRUCTION MUST BE COMPLETED IN ITS ENTIRETY AND RETURNED TO THE TRANSFER SECRETARIES**

**Hand deliveries to:**

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

**Postal deliveries to:**

Computershare Investor Services Proprietary Limited  
 PO Box 61763  
 Marshalltown, 2107  
 Contact telephone number: +2711 370 5000

Forms of Instruction which are not posted must be faxed to +27 11 688 5210 or emailed to corporate.events@computershare.co.za

Name and address of Shareholder	Serial number
<b>(1)</b>	Enquiries in connection with this form of instruction should be made to DAWN's Transfer Secretaries quoting the account number below:

Number of DAWN Shares deemed to be registered in your name at the close of business on Friday, 24 March 2017	Number of Rights Offer Shares to which you are entitled, based on your deemed holding as at the Initial Record Date	Amount payable for maximum number of Rights Offer Shares at the cost of R1.00 per Rights Offer Share
<b>(2)</b>	<b>(3)</b>	<b>(4)</b>

Acceptance of rights in terms of paragraph 3 of this Form of Instruction (to be completed by the applicant)	Number of Rights Offer Shares subscribed for	Amount due at the cost of R1.00 per Rights Offer Share
	<b>(5)</b>	<b>(6)</b>

Amount of cheque/banker's draft
<b>(9)</b>

Applicant's telephone number (office hours) ( )      Applicant's telephone number (home) ( )

Applicant's mobile number

Email address      Signature

