
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 9 of this Circular apply *mutatis mutandis* throughout this Circular including this cover page.

ACTION REQUIRED

Shareholders are referred to page 3 of this Circular, which sets out the action required of them with regard to the Rights Offer, full details of which are set out in this Circular. If you are in any doubt as to the action that you should take, please consult your CSDP, Broker, banker, legal advisor, accountant or other professional advisor immediately.

If you have disposed of all of your Shares, this Circular and the Form of Instruction should be forwarded to the purchaser to whom, or the CSDP, Broker or agent through whom, you disposed of your Shares.

Letters of Allocation, which are renounceable, can only be traded in Dematerialised form and, accordingly, NUT has issued all Letters of Allocation in Dematerialised form. The electronic record for holders of Certificated Shares is being maintained by the Transfer Secretaries, 4 Africa Exchange Registry Proprietary Limited, which has made it possible for holders of Certificated Shares to enjoy the same rights and opportunities as holders of Dematerialised Shares in respect of the Letters of Allocation.

Shareholders will only be entitled to apply for a minimum of ten Rights Offer Shares and in multiples of ten Rights Offer Shares thereafter. Only whole numbers of Rights Offer Shares will be issued in terms of the Rights Offer and Shareholders will be entitled to rounded numbers of shares once the ratio of entitlement has been applied. Excess applications will not be allowed.

The Form of Instruction enclosed with this Circular is negotiable and may be traded on the JSE.

DISCLAIMER

NUT 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.

The summary of the Exchange Control Regulations provisions detailed in paragraph 3.8 of this Circular is intended only as a guide and is therefore not a comprehensive statement of the Exchange Control Regulations. NUT Shareholders who are in any doubt as to the appropriate course of action to take, should consult their professional advisors.

JURISDICTION

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/herself 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 the Exchange Control Regulations. Any foreign Shareholder who is in doubt as to his/her position, including, without limitation, his/her tax status, should consult an appropriate independent professional adviser in the relevant jurisdiction without delay.



Nutritional Holdings Limited

(Incorporated in the Republic of South Africa)

(Registration number 2004/002282/06)

Share code: NUT ISIN Number: ZAE000156485

("NUT" or "the Company")

CIRCULAR TO NUT SHAREHOLDERS

relating to:

- a fully underwritten renounceable Rights Offer to NUT Shareholders of 10 000 000 000 Rights Offer Shares at the Subscription Price of R0.001 per Rights Offer Share, in the ratio of 273.72002 Rights Offer Shares for every 100 Shares held at the close of business on Friday, 24 August 2018, subject to Shareholders being able to apply for no less than ten Rights Offer Shares and in multiples of ten Rights Offer Shares thereafter;

and enclosing:

- a Form of Instruction in respect of a Letter of Allocation providing for the acceptance and/or sale of all or part of the Rights Offer Entitlement(s) embodied in the Letter of Allocation in terms thereof (for the use of Certificated Shareholders only).

Rights Offer opens at 09:00 on

Monday, 27 August 2018

Rights Offer closes at 12:00 on

Friday, 7 September 2018

Transaction Advisor and Designated Advisor



PSG CAPITAL

Date of issue: Thursday, 16 August 2018

This Circular is available in English only. Copies of this Circular may be obtained from the registered office of NUT and from PSG Capital whose addresses are set out in the "*Corporate Information and Advisors*" section of this Circular, as well as in electronic form from the Company's website (www.nholdings.co.za) and from the Transfer Secretaries. The Circular will be available during normal business hours from Thursday 16 August 2018 up to Friday, 7 September 2018, both days inclusive.

CORPORATE INFORMATION AND ADVISORS

Directors

GR Wambach *# (Chairman)
TV Mokgatlha *
RS Etchells (Financial Director)
AR Pinfold *#
C Kapnias *#

* non-executive

independent

Company Secretary and Registered Address

JA Etchells CA(SA)
Unit 20
The Boulevard Business Park
14 Belladonna Road
Cornubia
4319
(PO Box 5026, Frosterley Park, La Lucia Ridge Office
Estate, 4019)

Date and place of incorporation

29 January 2004 – South Africa

Transaction Advisor and Designated Advisor

PSG Capital Proprietary Limited
(Registration number 2006/015817/07)
1st Floor, Ou Kollege
35 Kerk Street
Stellenbosch, 7600
(PO Box 7403, Stellenbosch, 7599)

and

2nd Floor, Building 3
11 Alice Lane
Sandown
Sandton, 2196
(PO Box 650957, Benmore, 2010)

Transfer Secretaries

4 Africa Exchange Registry Proprietary Limited
(Registration number 2007/033697/06)
1st Floor, Cedar Wood House
Ballywoods Office Park
33 Ballyclare Drive
Bryanston
2121
(Postnet Suite 532, Private Bag X51, Bryanston, 2021)

Subscriber

Baphalane Ba Mantserre Investment Holdings Proprietary
Limited
(Registration number 2013/068211/07),

Baphalane Ba Mantserre Administration
Mantserre Village
North West Province
North West
0370

Date and place of incorporation of Subscriber

22 April 2013

Company secretary to Subscriber

Fasken Martineau

The bankers to the Subscriber

Standard Bank

The authorized and issued share capital of the Subscriber

100 (one hundred) ordinary no par value Shares

Auditor of Subscriber

Motheo Audit Services Inc
Designated Auditor: Nitha Dire

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ACTION REQUIRED BY SHAREHOLDERS

The definitions and interpretations commencing on page 9 of this Circular apply *mutatis mutandis* to this section.

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

If you have disposed of all your Shares, please forward this Circular, together with the enclosed Form of Instruction, to the purchaser of such Shares or the Broker, CSDP or other agent through whom the disposal was effected.

ACTION REQUIRED BY CERTIFICATED SHAREHOLDERS

A Form of Instruction for completion by Shareholders who hold Certificated Shares is enclosed with this Circular. The relevant procedure for participation in the Rights Offer is set out below:

- a Letter of Allocation will be created in electronic form with the Transfer Secretaries;
- if you are a Certificated Shareholder and do not wish to subscribe for all or some of the Rights Offer Shares comprising your Entitlement under the Rights Offer, as reflected in the Form of Instruction, you may dispose of or renounce all or part of your Entitlement.
- If you are a Certificated Shareholder and wish to subscribe for all or part of your Entitlements in terms of the enclosed Form of Instruction, you must complete the enclosed Form of Instruction in accordance with the instructions contained therein and lodge it, together with the amount due in Rand in the form of a bank-guaranteed cheque or banker's draft or EFT swift reference number (EFT to be made into the Designated Bank Account, details of which are available from the corporate actions department of the Transfer Secretaries +27 (0)11 100 8352, with the Transfer Secretaries as follows:

By hand to:

Nutritional Holdings Limited – Rights Offer

4 Africa Exchange Registry Proprietary Limited
(Registration number 2007/033697/06)
1st Floor, Cedar Wood House
Ballywoods Office Park
33 Ballyclare Drive
Brvanston

By post to:

Nutritional Holdings Limited – Rights Offer

c/o Africa Exchange Registry Proprietary Limited
Postnet Suite 532
Private Bag X51
Bryanston
2021

By email to:

Nutritional Holdings Limited – Rights Offer

c/o 4 Africa Exchange Registry Proprietary Limited
admin@4aregistry.co.za

so as to be received by the Transfer Secretaries by no later than 12:00 on Friday, 7 September 2018.

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 posted, delivered, faxed or emailed Forms of Instruction or owing to Forms of Instruction being forwarded to any other physical, postal, 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 each Shareholder's responsibility to ensure that their Form of Instruction is received by the Transfer Secretaries.

NUT and the Transfer Secretaries accept no responsibility and will not be held liable for any allocation of Entitlements pursuant to payment being made or alleged to have been made and where proof of such payment has not been received or purported proof of such payment being insufficient or defective for NUT together with the Transfer Secretaries, for any reason, not being able to reconcile a payment or purported payment with a particular application for Rights Offer Shares.

In order to comply with recent legislative changes, the Rights Offer Shares may only be issued in Dematerialised form. In this regard:

- a) Certificated Shareholders who wish to receive the Rights Offer Shares allocated to them in Dematerialised form and who already have an account with a Broker or CSDP, will have their accounts at their Brokers or CSDPs credited with such Rights Offer Shares (provided that they have provided their Form of Instruction, and have elected "Option 1" on Form E thereof, along with the relevant CSDP or Broker details, to the Transfer Secretaries on or before 12:00 on Friday, 7 September 2018. Rights Offer Shares will be issued and posted to Shareholders in certificated form on Monday, 10 September 2018 provided that Shareholders lodge their Form of Instruction with the Transfer Secretaries and make payment to subscribe for all or part of the Entitlement by 12:00 on Friday, 7 September 2018.
- b) Certificated Shareholders who wish to receive the Rights Offer Shares allocated to them in Dematerialised form, but who do not have an account with a Broker or CSDP, will be issued with statements of allocation and will be required to appoint a Broker or CSDP so that Dematerialised Rights Offer Shares can be made available to them following implementation of the Rights Offer (such Shareholders will be required to provide the statement of allocation to their Broker or CSDP as proof of their holdings), provided that such Shareholders have elected "Option 2" on Form E of their Form of Instruction; or
- c) Certificated Shareholders who do not wish to hold the Rights Offer Shares allocated to them in Dematerialised form and prefer to hold their Rights Offer Shares in Certificated form, will be afforded the option to "rematerialise" their Dematerialised Rights Offer Shares and replace these with a physical Document of Title, provided that such Shareholders have elected "Option 3" on Form E of their Form of Instruction and provided their Form of Instruction to the Transfer Secretaries on or before 12:00 on Friday, 7 September 2018.

Certificated Shareholders should indicate which of the above applies when completing the Form of Instruction. Should a Certificated Shareholder contemplated in paragraph (a) above fail to provide the necessary Broker and CSDP account details and other information requested in the Form of Instruction, it will not be possible to credit such Shareholder's account at its Broker or CSDP with the Rights Offer Shares due to it, and such Shareholder will instead be issued with a statement of allocation.

Should you be a Certificated Shareholder –

- contemplated in paragraph (a) above and have provided your Form of Instruction to the Transfer Secretaries on or before 12:00 on Friday, 7 September 2018, then, subject to payment of the appropriate amount having been received, the Rights Offer Shares allocated to you will be credited to your Broker or CSDP account on Monday, 10 September 2018; or

- should you be a Shareholder contemplated in paragraph (b) above, subject to payment of the appropriate amount having been received, the statement of allocation in respect of your Rights Offer Shares will be posted to you per registered post, at your risk, on Monday, 10 September 2018; or
- contemplated in paragraph (c) above, and have provided your Form of Instruction to the Transfer Secretaries and made payment for all or part of the Entitlement on or before 12:00 on Friday, 7 September 2018, then, subject to payment of the appropriate amount having been received, the share certificate for your Rights Offer Shares will be posted to you per registered post, at your risk, on Monday, 10 September 2018.

Shareholders who wish to “rematerialise” their Dematerialised Rights Offer Shares as provided for above and whose registered addresses in the Register are outside of the Common Monetary Area, or whose Share certificates are restrictively endorsed in terms of the Exchange Control Regulations, should refer to paragraph 3.8 of the Circular.

If the required documentation and payment has not been received in accordance with the instructions contained in the enclosed Form of Instruction from the Shareholders by 12:00 on Friday, 7 September 2018, then the Entitlement to those unsubscribed Rights Offer Shares will be deemed to have been declined and will lapse.

ACTION REQUIRED BY DEMATERIALISED SHAREHOLDERS

If you are a Shareholder and have Dematerialised your Shares, you will not receive a printed Form of Instruction and you should receive notification from your CSDP or Broker regarding your Entitlement in terms of the Rights Offer.

Your CSDP or Broker will credit your account with your Entitlement under the Rights Offer and will contact you to ascertain:

- whether you wish to follow all or some of your Entitlement in terms of the Rights Offer and, if so, to what extent;
- whether you wish your CSDP or Broker to endeavour to procure the sale of your Entitlement on the JSE on your behalf; or
- whether you wish for your Entitlement in respect of the Rights Offer to lapse.

CSDPs effect payment in respect of Dematerialised Shareholders on a delivery versus payment basis.

If you are a Dematerialised Shareholder and wish to follow your Entitlement in respect of the Rights Offer, you are required to notify your duly appointed CSDP or Broker of your acceptance of the Rights Offer in the manner and time stipulated in the custody agreement governing the relationship between yourself and your CSDP or Broker. If you are not contacted, you should proactively contact your CSDP or Broker and provide them with your instructions. If your CSDP or Broker does not obtain instructions from you, they are obliged to act in terms of the mandate granted to them by you, or if the mandate is silent in this regard, not to subscribe for Rights Offer Shares in terms of the Rights Offer.

NUT does not take responsibility and will not be held liable for any failure on the part of any CSDP or Broker to notify you of the Rights Offer and/or to obtain instructions from you to subscribe for the Rights Offer Shares.

IMPORTANT DATES AND TIMES

The definitions and interpretations commencing on page [X] of this Circular apply to this section

2018

Declaration announcement released on SENS and in the press	Tuesday, 14 August
Finalisation announcement released on SENS	Thursday, 16 August
Publication of Rights Offer Circular on the website of NUT	Thursday, 16 August
Last day to trade in NUT Shares in order to participate in the Rights Offer (<i>cum entitlement</i>)	Tuesday, 21 August
Listing of and trading in Letters of Allocation on the JSE under the JSE code NUTN and ISIN ZAE000260279 from the commencement of trading at 9:00 on	Wednesday, 22 August
NUT Shares commence trading ex-Rights on the JSE at 09:00 on	Wednesday, 22 August
Circular distributed together with a Form of Instruction distributed to Certificated Shareholders	Wednesday, 22 August
Record Date for the Rights Offer	Friday, 24 August
Renounceable Rights Offer opens at 09:00 on	Monday, 27 August
Certificated Shareholders will have their Letters of Allocation credited to an electronic account held at the Transfer Secretaries at 09:00 on	Monday, 27 August
Circular, where applicable, distributed to Qualifying Dematerialised Shareholders	Monday, 27 August
Dematerialised Shareholders will have their accounts at their CSDP or Broker credited with their Entitlement at 09:00 on	Monday, 27 August
Last day for trading Letters of Allocation on the JSE	Tuesday, 4 September
Form of Instruction lodged by Certificated Shareholders wishing to sell all or part of their entitlement at the Transfer Secretaries by 12:00 on	Tuesday, 4 September
Listing of Rights Offer Shares and trading therein on the JSE commences	Wednesday, 5 September
Rights Offer closes at 12:00. Payment to be made and Form of Instruction lodged by Certificated Shareholders wishing to subscribe for all or part of the Entitlement at the Transfer Secretaries*by 12:00 on	Friday, 7 September
Record Date for the Letters of Allocation	Friday, 7 September
Rights Offer Shares issued and posted to Shareholders in certificated form (where applicable) on or about	Monday, 10 September
Rights Offer Shares not subscribed for in terms of the Rights Offer, issued to the Subscriber on	Monday, 10 September
CSDP or Broker accounts of Dematerialised Shareholders updated with Rights Offer Shares and debited with any payments due on	Monday, 10 September
Results of Rights Offer announced on SENS	Monday, 10 September
Refund to the Subscriber in terms of Rights Offer Shares taken up by Shareholders on	Wednesday, 12 September

* CSDP effect payment in respect of Dematerialised Shareholders on a delivery versus payment method.

Notes:

1. Unless otherwise indicated, all times indicated above and elsewhere in this Circular are South African times.
2. Shareholders may not dematerialise or rematerialise their Shares between Wednesday, 22 August 2018 and Friday, 24 August 2018, both dates inclusive.

DEFINITIONS AND INTERPRETATIONS

In this Circular and the annexures hereto, unless otherwise stated or the context clearly indicates a contrary intention, the following words and expressions shall bear the meanings assigned to them hereunder. Words in the singular shall include the plural and *vice versa*, words signifying any one gender shall include the other genders and references to natural persons shall include juristic persons and associations of persons and vice versa:

“BMIH” or “the Subscriber”	Baphalane Ba Mantserre Investment Holdings Proprietary Limited (Registration number 2013/068211/07), a private company duly incorporated in accordance with the laws of South Africa, the directors being Mr TV Mokgatla and Mr DS Ramokoka;
“Board” or “Directors”	the board of directors of NUT;
“Broker”	A “stockbroker” as defined in the Financial Markets Act, or its nominee;
“Certificated Shareholders”	holders of Certificated Shares;
“Certificated Shares”	Shares that have not been Dematerialised in terms of Strate, title to which is represented by Documents of Title;
“Circular”	this circular, dated Thursday, 16 August 2018, incorporating a Form of Instruction, where applicable and the annexures thereto;
“Common Monetary Area”	collectively, South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
“CSDP”	a Central Securities Depository Participant, accepted as a participant in terms of the Financial Markets Act with which a Shareholder holds a Dematerialised share account;
“Custody Agreement”	the agreement which regulates the relationship between the CSDP or Broker and each beneficial holder of Dematerialised Shares;
“Dematerialise”	the process whereby Certificated Shares are converted into an electronic format as Dematerialised Shares, and recorded in the Company’s uncertificated securities register administered by a CSDP;
“Dematerialised Shareholders”	holders of Dematerialised Shares;
“Dematerialised Shares”	Shares which have been Dematerialised in terms of the requirements of Strate and the ownership of which is no longer evidenced by physical Documents of Title, but by electronic records;
“Designated Bank Account”	the bank account, the details of which will be provided on request from the corporate actions department of the Transfer Secretaries, contactable during ordinary business hours on +27 (0)11 100 8352

"Documents of Title"	Share certificates, certified transfer deeds, balance receipts or any other physical documents of title pertaining to the Shares in question, acceptable to the Board;
"EFT"	electronic funds transfer;
"Entitlement" or "Rights Offer Entitlement"	a Shareholder's entitlement to subscribe for Rights Offer Shares in the ratio of 273.72002 Claw-back Shares for every 100 Shares held on the Record Date, which Entitlement arises as a result of the Rights Offer, which entitlement is subject to a minimum application of ten Rights Offer Shares and multiples of ten Rights Offer Shares thereafter;
"Exchange Control Regulations"	the Exchange Control Regulations, 1961, as amended, promulgated in terms of section 9 of the South African Currency and Exchanges Act, No. 9 of 1933, as amended from time to time;
"Financial Markets Act"	the Financial Markets Act, No. 19 of 2012, as amended from time to time;
"Form of Instruction"	a form of instruction in respect of the Letter of Allocation reflecting the Entitlement of Certificated Shareholders and on which Certificated Shareholders are required to indicate whether they wish to take up of their Rights Offer Entitlement;
"Group" or "NUT Group"	the Company and its subsidiaries;
"JSE"	Johannesburg Stock Exchange being the exchange operated by the JSE Limited (Registration number 2005/022939/06), licensed as an exchange under the Financial Markets Act and a public company registered and incorporated in accordance the laws of South Africa;
"Last Practicable Date"	Friday, 6 August 2018, the last practicable date prior to the finalisation of this Circular;
"Letter of Allocation" or "LA"	a renounceable letter of allocation in electronic form relating to the Rights Offer;
"Listings Requirements"	the Listings Requirements of the JSE, as amended from time to time by the JSE;
"NUT" or "the Company"	Nutritional Holdings Limited (registration number 2004/002282/06), a public company incorporated in accordance with the laws of South Africa and listed on the Alternative exchange of the JSE;
"NUT Shareholders" or "Shareholders"	holders of Shares;
"NUT Shares" or "Shares"	ordinary shares of no par value in the authorised Share capital of the Company;
"Rand" or "ZAR"	South African Rand, the official currency of South Africa;

“Record Date”	the last day for Shareholders to be recorded in the Register in order to participate in the Rights Offer, being close of business on Friday, 24 August 2018;
“Register”	means the register of Certificated Shareholders maintained by the Transfer Secretaries and the sub-registers of Dematerialised Shareholders maintained by the relevant CSDPs;
“Rights Offer”	a renounceable Rights offer to NUT Shareholders of 10 000 000 000 Rights Offer Shares at a Subscription Price of R0.001 per Rights Offer Share in the ratio of 273.72002 Rights Offer Shares for every 100 Shares held at the close of business on the Record Date, subject to Shareholders applying for a minimum of ten Rights Offer Shares and multiples of ten Rights Offer Shares thereafter;
“Rights Offer Shares”	10 000 000 000 new ordinary Shares which are the subject of the Rights Offer;
“SENS”	the Stock Exchange News Service of the JSE;
“Strate”	Strate Proprietary Limited (registration number 1998/022242/07), a private company duly incorporated in the Republic of South Africa, a central securities depository licensed in terms of the Financial Markets Act and responsible for the electronic clearing and settlement system provided to the JSE;
“Subscription Agreement”	the agreement entered into between NUT and BMIH on 16 May 2018, in terms of which the Subscriber has committed to fully subscribe for the Rights Offer Shares at the Subscription Price of R0.001 per Rights Offer Share for a total consideration amount equal to the Subscription Amount;
“Subscription Amount”	the amount of R10 million payable by the Subscribers for the Rights Offer Shares in terms of the Subscription Agreement;
“Subscription Price”	subscription price being R0.001 per Rights Offer Share;
“Transaction Advisor and Designated Advisor” or “PSG Capital”	PSG Capital Proprietary Limited (registration number 2006/015817/07), a private company duly incorporated in accordance with the laws of South Africa, particulars of which appear in the “ <i>Corporate information and advisors section</i> ” of the Circular;
“Transfer Secretaries”	4 Africa Exchange Registry Proprietary Limited, registration number 2007/033697/06 , a private company with limited liability duly incorporated under the laws of South Africa; and
“VAT”	Value Added Tax.



Nutritional Holdings Limited

(Incorporated in the Republic of South Africa)

(Registration number 2004/002282/06)

Share code: NUT ISIN Number: ZAE000156485

("NUT" or "the Company")

Directors

GR Wambach *# (Chairman)

TV Mokgatlha*

RS Etchells (Financial Director)

AR Pinfold *#

C Kapnias *#

* non-executive

independent

CIRCULAR TO SHAREHOLDERS

1. INTRODUCTION AND BACKGROUND

- 1.1 NUT is a JSE listed manufacturer and distributor of a large range of fortified dry food products and catering ingredients for the industrial catering market which includes schools, hospitals, prisons and the mining sector.
- 1.2 Shareholders are referred to the announcement released by the Company on SENS dated Tuesday, 14 August 2018, in which Shareholders were advised of the proposed Rights Offer to Shareholders. Subsequent to the announcement, the Subscription Agreement has been concluded, which agreement provides for the subscription by the Subscribers of 10 000 000 000 Shares in the share capital of NUT at the Subscription Price.
- 1.3 The attached Form of Instruction in respect of the Letters of Allocation contains full details of the Entitlement to which Certificated Shareholders are entitled in terms of the Rights Offer, as well as the procedures for acceptance of such Entitlement.
- 1.4 Dematerialised Shareholders will be advised by their CSDP or Broker of their Entitlement as well as the procedure for acceptance of such Entitlement.
- 1.5 The JSE has approved the listings of:

- 1.5.1 10 000 000 000 Letters of Allocation from the commencement of trade on Wednesday, 22 August 2018, until close of trade on Tuesday, 4 September 2018, both days inclusive; and
- 1.5.2 Rights Offer Shares from the commencement of trade on Monday, 10 September 2018;
- 1.6 As the Rights Offer is fully subscribed, no minimum subscription is required.

2. RATIONALE FOR THE RIGHTS OFFER AND UTILISATION OF FUNDS

- 2.1 Shareholders are referred to the various announcements by NUT published on SENS relating to the continued losses incurred by the Company and the requirement to, by the Company, seek additional funding. To this end, the board has secured the commitments from the Subscribers to back the Rights Offer.
- 2.2 The purpose of the Rights Offer is to provide NUT with additional capital to contribute to the financing of its various existing operations activities and to repay some long-term funding.

3. PARTICULARS OF THE RIGHTS OFFER

3.1 TERMS OF THE RIGHTS OFFER

- 3.1.1 NUT Shareholders are hereby offered for subscription, by way of a renounceable Rights Offer, a total of 10 000 000 000 Rights Offer Shares at a Subscription Price of R0.001 per Rights Offer Share in the ratio of 273.72002 Rights Offer Shares for every 100 Shares held in NUT at the close of business on the Record Date, upon the terms and conditions set out in this Circular.
- 3.1.2 The Subscription Price is payable in Rand and in full upon acceptance by Certificated Shareholders of their Entitlement in terms of the Rights Offer, subject to Shareholders applying for a minimum of ten Rights Offer Shares and multiples of ten Rights Offer Shares thereafter. CSDP or Brokers will make payment, on a delivery versus payment basis, in respect of Dematerialised Shareholders who have accepted their Entitlement. Dematerialised Shareholders who wish to accept their Entitlement should ensure that the necessary funds are deposited with the relevant CSDP or Broker.
- 3.1.3 Shareholders recorded in the Register of NUT at the close of business on the Record Date, will be entitled to participate in the Rights Offer.
- 3.1.4 The Rights Offer Shares will, upon allotment and issue, rank *pari passu* with all other existing NUT Shares in terms of both voting rights and dividends.
- 3.1.5 The Letters of Allocation in respect of the Rights Offer are renounceable and will be listed on the JSE on Wednesday, 22 August 2018, under the share code NUTN and ISIN ZAE000260279.

3.2 OPENING AND CLOSING DATES OF THE RIGHTS OFFER

The Rights Offer will open at 09:00 on Monday, 27 August 2018, and will close at 12:00 on Friday, 7 September 2018.

3.3 EXCESS

The Rights Offer does not include the right for Shareholders to apply for excess Rights Offer Shares.

3.4 RIGHTS OFFER ENTITLEMENT

- 3.4.1 Shareholders will be entitled to subscribe for 273.72002 Rights Offer Shares for every 100 Shares held on the Record Date, subject to Shareholders applying for a minimum of ten Rights Offer Shares and multiples of ten Rights Offer Shares thereafter. Accordingly, Shareholders are entitled to participate in the Rights Offer in accordance with **Annexure 1** to this Circular.
- 3.4.2 The allocation of Rights Offer Shares will be such that Shareholders will not be allocated a fraction of a Rights Offer Share. Only whole numbers of Rights Offer Shares will be issued and Shareholders will be entitled to subscribe for rounded numbers of Rights Offer Shares once the ratio of entitlement has been applied. Fractional entitlements of 0.5 or greater will be rounded up and less than 0.5 will be rounded down to the nearest whole number.
- 3.4.3 Certificated Shareholders will have their Entitlements credited to a nominee account in electronic form, which will be administered by the Transfer Secretaries on their behalf. The enclosed Form of Instruction reflects the number of Rights Offer Shares to which the Certificated Shareholder is entitled to subscribe and sets out the procedure to be followed for the acceptance of such Entitlements.
- 3.4.4 Dematerialised Shareholders will have their Entitlements credited to their accounts 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 or lapsing of such Entitlements.
- 3.4.5 The electronic Letters of Allocation to which the Forms of Instruction relate, are negotiable and can be traded on the JSE.

3.5 SUBSCRIPTION AGREEMENT

- 3.5.1 In terms of the Subscription Agreement, the Subscriber has committed to subscribe fully for the Rights Offer Shares for no fee.
- 3.5.2 The Subscription Amount of R10 million has already been paid into the Company's bank account.
- 3.5.3 The allotment of Rights Offer Shares to the Subscriber will be effected on Monday, 10 September 2018 upon payment of the Subscription Amount to NUT.
- 3.5.4 The Rights Offer Shares not subscribed for by Shareholders will be issued to the Subscriber on Monday, 10 September 2018 and any refunds payable to the Subscribers in terms of Rights Offer Shares subscribed for by Shareholders will be processed on Wednesday, 12 September 2018, in the same proportion to their existing holdings in NUT.
- 3.5.5 In terms of the Subscription Agreement, existing major NUT shareholders may not follow their rights by more than 3 billion Rights Offer Shares to ensure that BMIH will acquire at least 51% of the issued share capital of the Company post the conclusion of the Rights Offer. The issue of the requisite Rights Offer Shares to BMIH will require BMIH to make a mandatory offer to all NUT shareholders in terms of section 123 of the Companies Act, Act 71 of 2008, as amended.

3.5.6 One of the conditions precedent to the Subscription Agreement, which has been fulfilled was the extension of shareholder loans made to the Group. These shareholders have agreed to extend the loans for periods ranging from twenty-four to thirty-six months effective 28 February 2018, thus repayable on 31 March 2020 and 2021.

3.6 PROCEDURES FOR ACCEPTANCE

Shareholders are referred to the “*Action required by Shareholders*” section of the Circular, as well as to the information contained in the Form of Instruction, for the procedures for acceptance of the Entitlement in terms of the Rights Offer.

3.7 PAYMENT

3.7.1 Payment by Certificated Shareholders

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

3.7.1.2 A banker’s draft drawn on a registered bank or a bank-guaranteed cheque drawn on a South African bank (each of which should be crossed and marked “not transferable” and, in the case of a cheque, with the words “or bearer” deleted) in favour of “**NUT – Rights Offer**” in respect of the amount due or an EFT accompanied by an EFT swift reference number (obtainable from 4 Africa Exchange Registry Proprietary Limited, at +27 (0) 860 222213), together with a properly completed Form of Instruction, should be clearly marked “**NUT – Rights Offer**”, and delivered to:

By hand to:

NUT – Rights Offer

4 Africa Exchange Registry Proprietary Limited
(Registration number 2007/033697/06)
1st Floor, Cedar Wood House
Ballywoods Office Park
33 Ballyclare Drive
Bryanston
2121

By post to:

NUT – Rights Offer

c/o Africa Exchange Registry Proprietary
Limited
Postnet Suite 532
Private Bag X51
Bryanston
2021

*By electronic mail (only in the case
where payment is by way of EFT) to:*

NUT – Rights Offer

4 Africa Exchange Registry Proprietary
Limited
admin@4aregistry.co.za

so as to be received by no later than 12:00 on Friday, 7 September 2018.

3.7.1.3 All bank-guaranteed cheques or bankers’ drafts received by the Transfer Secretaries will be deposited immediately for payment. In the event that any cheque or banker’s draft is dishonoured, NUT, 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 Subscription Price for such Rights Offer Shares.

3.7.2 **Payment by Dematerialised Shareholders**

3.7.2.1 The CSDP or Broker will effect payment directly on behalf of Dematerialised Shareholders in respect of the accepted Entitlement, in Rand, on Friday, 7 September 2018 on a delivery versus payment basis. Dematerialised Shareholders who wish to accept the Entitlement should ensure that the necessary funds are deposited with the relevant CSDP or Broker.

3.7.2.2 Dematerialised Shareholders' accounts will be credited with the Rights Offer Shares in terms of the Rights Offer on Monday, 10 September 2018.

3.8 **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, are advised to consult their professional advisors.

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

3.8.1 **Non-residents outside the Common Monetary Area**

Shareholders resident outside the Common Monetary Area who receive this Circular and Form of Instruction should obtain advice as to whether any governmental and/or other legal consent is required and/or any other formality must be observed to enable a subscription to be made in terms of such Form of Instruction.

3.8.2 **Non-residents of the Common Monetary Area**

3.8.2.1 Pursuant to the South African Exchange Control Regulations and upon specific approval of the South African Reserve Bank, non-residents, excluding former residents of the Common Monetary Area, will be allowed to:

3.8.2.1.1 take up Entitlements allocated to them in terms of the Rights Offer;

3.8.2.1.2 purchase Letters of Allocation on the JSE; and

3.8.2.1.3 subscribe for the Rights Offer Shares arising in respect of the Letters of Allocation purchased on the JSE, provided payment is received either through normal banking channels from abroad or from a non-resident account.

3.8.2.2 Share certificates issued pursuant to the application must be endorsed "non-resident". In respect of Shareholders taking up their rights in terms of the Rights Offer:

3.8.2.2.1 a "non-resident" endorsement will be applied to Forms of Instruction issued to non-resident Certificated Shareholders; or

3.8.2.2.2 a "non-resident" annotation will appear in the CSDP or Broker's register for non-resident Dematerialised Shareholders.

3.8.2.3 All applications by non-residents for the above purposes must be made through a South African authorised dealer in foreign exchange. Where Entitlements 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.

3.8.3 **Former residents of the Common Monetary Area (“emigrants”)**

3.8.3.1 Where an Entitlement in terms of the Rights Offer becomes due to a former resident of the Common Monetary Area, which right is based on Shares blocked in terms of the Exchange Control Regulations, only then may emigrant blocked capital funds be used to:

3.8.3.1.1 take up Entitlements allocated to such emigrant in terms of the Rights Offer;

3.8.3.1.2 purchase Letters of Allocation on the JSE; and

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

3.8.3.2 All applications by emigrants using blocked capital funds for the above purposes must be made through the South Africa authorised dealer controlling their blocked assets. Share certificates issued to such emigrants will be endorsed “non-resident” and placed under the control of the authorised dealer in foreign exchange through whom the payment was made.

3.8.3.3 In respect of Shareholders taking up their Entitlement in terms of the Rights Offer:

3.8.3.3.1 a “non-resident” endorsement will be applied to Forms of Instruction issued to non-resident Certificated Shareholders; or

3.8.3.3.2 a “non-resident” annotation will appear in the CSDP or broker’s register for non-resident Dematerialised Shareholders.

3.8.3.4 Where Entitlement are sold on the JSE on behalf of emigrants, which Entitlement are based on an investment which is blocked in terms of the South African Exchange Control Regulations, the proceeds of such sales will be credited to the blocked capital accounts of the Shareholders concerned.

3.8.3.5 Non-resident and emigrant Dematerialised Shareholders will have all aspects relating to exchange control managed by their CSDP or broker.

3.9 **DOCUMENTS OF TITLE**

3.9.1 Shareholders are referred to the “*Action required by Shareholders*” section of the Circular, as well as to the information contained in the Form of Instruction.

3.9.2 Shareholders receiving Rights Offer Shares must note that such Certificated Shares are not good for delivery in respect of future trades on the JSE until they have been Dematerialised.

3.10 **TAXATION**

Shareholders are advised to consult their tax and financial advisors regarding any taxation implications pertaining to them in terms of the Rights Offer.

4. EXPENSES

- 4.1 It is estimated that NUT's expenses relating to the Rights Offer will amount to approximately R510 000 (excluding VAT) and include the following:

	R'000
JSE – Documentation inspection fee	26
JSE – Listing fee	39
PSG Capital – Transaction Advisor and Designated Advisor fee	400
Transfer Secretaries	35
Contingency	10
Total	510

5. INFORMATION ON NUT

5.1 OVERVIEW AND NATURE OF BUSINESS

- 5.1.1 NUT operates in a competitive industry with its revenues being well diversified by geography and urban and rural spread. A majority of the Company's brands are well recognized in the mass market segment which caters for the lower LSM 3-6 sector. The Company has exciting growth prospects, including, but not limited to, the growth of its operations from a very low base. The business consists of:

5.1.1.1 Nutritional Foods

This segment is a manufacturer and distributor of a large range of fortified staple dry food products and catering ingredients. The basket of products consists of a wide range of breakfast cereals, soups and soya products for the mainstream retail and wholesale trade as well as industrial catering units and other mass feeding schemes.

5.2 PROSPECTS

The Company remains focused on providing sustainable value to shareholders through the following areas:

- Improving Operations

As a result of the cash raised from the Rights Offer, NUT has the potential to increase its volume and size of orders, negotiate better supplier terms and trade or settlement discounts all in an effort to improve its working capital needs and margins.

BMIH represent a community that consumes some of the products manufactured by the Company and it has committed to procure these products directly from NUT. Furthermore BMIH, through its involvement with the mining sector, will be able to open markets previously closed to the Company. It is envisaged that this will further increasing turnover.

- Potential BEE compliance

As a result of the Rights Offer, NUT will be black controlled entity as set out in the Broad-Based Black Economic Empowerment Act, 2013 (Act 46 of 2013). This offers further potential for NUT to pursue tender contracts with customers wishing to engage with a BEE controlled entity.

- Extension of shareholder loans

The extension of shareholders loans, as discussed above, alleviates immediate funding pressure from the Company and allows the board to focus on the operational needs of the business.

5.3 BOARD OF DIRECTORS

5.3.1 Directors and executive management

There will be no variation in the Directors and/or the executive management team of NUT as a consequence of this Rights Offer.

5.3.2 Directors' emoluments

5.3.2.1 There will be no variation in the remuneration receivable by any of the Directors as a consequence of the Rights Offer.

5.3.2.2 All the executive Directors have concluded service agreements with terms and conditions that are standard for such appointments, which service agreements are available for inspection in terms of paragraph 9 of the Circular.

5.3.3 Directors' interests in securities

5.3.3.1 At the Last Practicable Date, the following Directors (and their associates), including Directors who have resigned during the last 18 months, held direct and indirect beneficial interests in the Company's issued Share capital as reflected below:

	Direct	Indirect	Total Shares	Percentage
GR Wambach	1 328 334		1 328 334	0.04
TV Mokgatlha		510 000 000	510 000 000	13.62
RS Etchells	61 000 000	97 221 579	158 221 579	4.23
AR Pinfold	111 845 015	341 238 579	453 083 594	12.11
Total	174 173 349	948 460 158	1 122 633 507	30

5.3.3.2 There has been no change in the interests of the Directors between the end of the last financial year, being 28 February 2018 and the Last Practicable Date.

5.3.3.3 As a consequence of the Rights Offer, and as announced on SENS on 3 July 2018, Mr TV Mokgatla has resigned as CEO of the Company, but will remain on the board in a non-executive capacity.

5.3.4 **Directors interests in transactions and contracts**

Save as disclosed in the table above, by virtue of each Director's (or their associates) shareholding in NUT, no Director has or had any beneficial interest, directly or indirectly, in any transaction which is, or was, material to the business of NUT and which was effected by the Company during the current financial year or the immediately preceding financial year or in respect of any previous financial year which remains in any respect outstanding or unperformed.

5.3.5 **Share Options**

As a consequence of the Rights Offer, an additional 218 976 016 share options will be granted, which will be an increase from 80 000 000 to a total of 298 976 016 pursuant to the provisions of the Company's share option scheme.

5.4 **SHARE CAPITAL**

The authorised and issued share capital of NUT, before and after the Rights Offer, is set out below:

	R'mil
Authorised stated ordinary share capital	
15 000 000 000 ordinary Shares of no par value	-
100 000 000 redeemable preference shares of R0.0001 each	10
Issued stated ordinary share capital before the Rights Offer	
3 743 368 179 ordinary Shares of no par value (includes 90 000 000 ordinary shares held in treasury)	156 827
Total issued stated ordinary capital before the Rights Offer	156 827
Issued for the Rights Offer at R0.001	10 000
10 000 000 000 ordinary Shares of no par value	10 000
Total issued stated ordinary capital after the Rights Offer	166 827

6. **SHARE TRADING HISTORY**

The share trading history of NUT on the JSE up to the Last Practicable Date is set out in **Annexure 2** of this Circular.

7. **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors of NUT, whose names appear in the "Corporate Information and Advisors" section of this Circular, collectively and individually accept full responsibility for the accuracy of the information contained in this Circular which relates to the Company, and certify that, to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in this Circular false or misleading, and that all reasonable inquiries to ascertain such

facts have been made, and that this Circular contains all information required by law and the Listings Requirements.

8. CONSENTS

Each of the advisors whose names appear in the “*Corporate Information and Advisors*” section of this Circular have consented and have not, prior to the publication of this Circular, withdrawn their written consents to the inclusion of their names and the capacities in which they act in the form and context in which they appear in this Circular.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of NUT and at the offices of PSG Capital during normal business hours from the date of issue of this Circular up to and including Friday, 7 September 2018:

- 9.1 the memorandum of incorporation of NUT and of its major subsidiaries;
- 9.2 the audited financial statements of NUT for the financial years ended 28 February 2018, 28 February 2017 and 28 February 2016;
- 9.3 service agreements of executive Directors of NUT;
- 9.4 shareholder loan agreements;
- 9.5 signed Subscription Agreement;
- 9.6 written letters of consent referred to in paragraph 8 of this Circular; and
- 9.7 a signed copy of this Circular.

SIGNED ON THURSDAY, 16 AUGUST 2018 AT UMHLANGA BY R ETHELLES FOR AND ON BEHALF OF ALL THE OTHER DIRECTORS OF NUTRITIONAL HOLDINGS LIMITED, IN TERMS OF POWERS OF ATTORNEY GRANTED TO HIM BY SUCH DIRECTORS

BY ORDER OF THE BOARD

R Eтчells
Financial Director

TABLE OF ENTITLEMENT

No. of NUT shares held	Rights Offer Entitlement	No. of NUT shares held	Rights Offer Entitlement	No. of NUT shares held	Rights Offer Entitlement
1	0	42	110	83	220
2	0	43	110	84	230
3	0	44	120	85	230
4	10	45	120	86	230
5	10	46	120	87	230
6	10	47	120	88	240
7	10	48	130	89	240
8	20	49	130	90	240
9	20	50	130	91	240
10	20	51	140	92	250
11	30	52	140	93	250
12	30	53	140	94	250
13	30	54	140	95	260
14	30	55	150	96	260
15	40	56	150	97	260
16	40	57	150	98	260
17	40	58	150	99	270
18	40	59	160	100	270
19	50	60	160	125	340
20	50	61	160	150	410
21	50	62	170	175	470
22	60	63	170	200	540
23	60	64	170	500	1,360
24	60	65	170	1,000	2,730
25	60	66	180	5,000	13,680
26	70	67	180	10,000	27,370
27	70	68	180	20,000	54,740
28	70	69	180	50,000	136,860
29	70	70	190	100,000	273,720
30	80	71	190	200,000	547,440
31	80	72	190	300,000	821,160
32	80	73	200	400,000	1,094,880
33	90	74	200	500,000	1,368,600
34	90	75	200	1,000,000	2,737,200
35	90	76	200	2,000,000	5,474,400
36	90	77	210	3,000,000	8,211,600
37	100	78	210	4,000,000	10,948,800
38	100	79	210	5,000,000	13,686,000
39	100	80	210	10,000,000	27,372,000
40	100	81	220	50,000,000	136,860,000
41	110	82	224	100,000,000	273,720,010

SHARE TRADING HISTORY OF NUT SHARES

Set out in the table below are the aggregate volumes and values and the highest and lowest prices traded in NUT's Shares in respect of:

- each day over the 30 trading days preceding the Last Practicable Date; and
- each month over the twelve months prior to the date of issue of this circular.

Daily	Close (cents)	High (cents)	Low (cents)	Volume	Value (Rand)
2018/08/02	1	0	0	0	0
2018/08/01	1	0	0	0	0
2018/07/31	1	0	0	0	0
2018/07/30	1	1	1	2100	21
2018/07/27	1	1	1	209000	2090
2018/07/26	1	1	1	472880	4728
2018/07/25	1	1	1	120000	1200
2018/07/24	1	1	1	30000	300
2018/07/23	1	0	0	0	0
2018/07/20	1	0	0	0	0
2018/07/19	1	0	0	0	0
2018/07/18	1	1	1	50000	500
2018/07/17	1	0	0	0	0
2018/07/16	1	0	0	0	0
2018/07/13	1	0	0	0	0
2018/07/12	1	1	1	3101	31
2018/07/11	1	1	1	17358272	173582
2018/07/10	1	1	1	28800	288
2018/07/09	1	1	1	502500	5025
2018/07/06	1	1	1	766126	7661
2018/07/05	1	1	1	151116	1511
2018/07/04	1	1	1	600000	6000
2018/07/03	1	0	0	0	0
2018/07/02	1	1	1	88732	887
2018/06/29	1	0	0	0	0
2018/06/28	1	0	0	0	0
2018/06/27	1	1	1	605700	6057
2018/06/26	1	0	0	0	0
2018/06/25	1	1	1	480000	4800

Daily	Close (cents)	High (cents)	Low (cents)	Volume	Value (Rand)
2018/07/31	1	1	0	20382627	203824
2018/06/30	1	1	0	3467054	34669
2018/05/31	1	1	0	1492788	14925
2018/04/30	1	1	0	3313398	33132
2018/03/31	1	1	0	146423	1462
2018/02/28	1	1	0	597930	5978
2018/01/31	1	1	0	6726873	67266
2017/12/31	1	1	0	1217223	12172
2017/11/30	1	1	0	2977744	29775
2017/10/31	1	1	0	491620	4915
2017/09/30	1	1	0	2188842	21883
2017/08/31	1	1	0	7489743	74892