



CAXTON AND CTP publishers and printers **LIMITED**

Caxton and CTP Publishers and Printers Ltd

(Incorporated in the Republic of South Africa)

(Registration number 1947/026616/06)

Share code: CAT ISIN: ZAE000043345

Preference share code: CATP ISIN: ZAE000043352
("Caxton")

Circular to Caxton shareholders

relating to:

- **the proposed specific repurchase in terms of section 48 of the Companies Act, No. 71 of 2008, as amended, and the Johannesburg Stock Exchange Listings Requirements, by Caxton of its own ordinary shares held by Caxton Share Investments Proprietary Ltd and Caxton Publishers and Printers Ltd, both of which are wholly-owned subsidiaries of Caxton;**

including:

- **a notice of general meeting; and**
- **a form of proxy (*blue*) for use by certificated shareholders and "own name dematerialised shareholders" only).**

Date of issue: 12 December 2013

Merchant bank and transaction sponsor



Independent expert



PSG CAPITAL

Attorneys



Sponsor



Transfer secretaries



CORPORATE INFORMATION

Company secretary and registered office

Company Secretary: N Sooka
Caxton and CTP Publishers and Printers Limited
(Registration number 1947/026616/06)
28 Wright Street
Industria West
Johannesburg, 2093
(PO Box 43587, Industria, 2042)

Attorneys

Fluxmans Inc.
(Registration number 2000/024775/21)
11 Biermann Avenue
Rosebank
Johannesburg, 2196
(Private Bag X41, Saxonwold, 2132)

Sponsor

Arcay Moela Sponsors Proprietary Limited
(Registration number 2006/033725/07)
Ground Floor, One Health Building
Woodmead North Office Park
54 Maxwell Drive
Woodmead, 2191
(PO Box 62397, Marshalltown, 2107)

Independent expert

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

Merchant bank and transaction sponsor

Rand Merchant Bank
(A division of FirstRand Bank Limited)
(Registration number 1929/001225/06)
1 Merchant Place
Corner Fredman Drive and Rivonia Road
Sandton, 2196
(PO Box 786273, Sandton, 2146)

Transfer secretaries

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

This circular is available in English only. Copies may be obtained from the registered office of the company and the transfer secretaries at the addresses set out above.

TABLE OF CONTENTS

	<i>Page</i>
Corporate information	Inside front cover
Action required by shareholders	2
If you have dematerialised your Caxton shares without “own name” registration	2
If you have not dematerialised your Caxton shares or you have dematerialised your Caxton shares with “own name” registration	2
Salient dates and times	3
Definitions and interpretations	4
CIRCULAR TO CAXTON SHAREHOLDERS	
1. Introduction	6
2. Rationale for the specific repurchase	6
3. Terms of the specific repurchase and conditions precedent	6
4. Adequacy of capital	7
5. Major shareholders	7
6. Material changes	7
7. Directors	7
8. Financial effects	8
9. Litigation statement	8
10. Costs of the specific repurchase	9
11. Directors’ responsibility statement	9
12. Consents	9
13. Documents available for inspection	9
Annexure I Independent expert’s report required in terms of the applicable provisions of section 114 of the Companies Act	10
Annexure II Relevant sections from the Companies Act	15
Notice of general meeting of shareholders	20
Form of proxy (<i>blue</i>)	Attached

ACTION REQUIRED BY SHAREHOLDERS

This circular is important and requires your immediate attention. The action you need to take is set out below. The definitions and interpretations commencing on page 4 of this circular have been used in this section.

If you are in any doubt as to what action to take, consult your broker, attorney or other professional adviser immediately.

If you have dematerialised your Caxton shares without “own name” registration:

(a) **Voting at the general meeting**

- (i) Your CSDP/broker is obliged to contact you in the manner stipulated in the agreement concluded between you and your CSDP/broker to ascertain how you wish to cast your vote at the general meeting and thereafter to cast your vote in accordance with your instructions.
- (ii) If you have not been contacted, it would be advisable for you to contact your CSDP/broker and furnish it with your voting instructions.
- (iii) If your CSDP/broker does not obtain voting instructions from you, it will be obliged to vote in accordance with the instructions contained in the agreement concluded between you and your CSDP/broker.
- (iv) You must NOT complete the attached form of proxy (*blue*).

(b) **Attendance and representation at the general meeting**

In accordance with the agreement between you and your CSDP/broker, you must advise your CSDP/broker if you wish to attend the general meeting in person or if you wish to send a proxy to represent you at the general meeting and your CSDP/broker will issue the necessary letter of representation for you or your proxy to attend the general meeting.

If you have not dematerialised your Caxton shares or you have dematerialised your Caxton shares with “own name” registration:

(a) **Voting, attendance and representation at the general meeting**

- (i) You may attend and vote at the general meeting in person.
- (ii) Alternatively, you may appoint a proxy to represent you at the general meeting by completing the attached form of proxy (*blue*) in accordance with the instructions it contains and returning it to the registered office of the company or the transfer secretaries to be received by no later than 10:00 on Friday, 10 January 2014.

If you wish to dematerialise your Caxton shares, please contact your broker. If you have disposed of your Caxton shares, this circular, together with the attached form of proxy (*blue*), should be handed to the purchaser of such Caxton shares or the broker or other agent who disposed of your Caxton shares for you.

SALIENT DATES AND TIMES

The definitions and interpretations commencing on page 4 of this document have been used in the following table of important dates and times:

2013

Record date to determine which Caxton shareholders are eligible to receive the circular and notice of general meeting on	Friday, 6 December
Circular posted to Caxton shareholders and notice convening the general meeting released on SENS on	Thursday, 12 December
Notice convening the general meeting published in the South African press on	Friday, 13 December
Last day to trade in order to be eligible to vote at the general meeting on	Tuesday, 24 December

2014

Record date in order to vote at the general meeting on	Friday, 3 January
Last day to lodge forms of proxy by 10:00 on	Friday, 10 January
General meeting to be held in the boardroom, Caxton House, 368 Jan Smuts Avenue, Craighall Park, Johannesburg on	Tuesday, 14 January
Results of the general meeting released on SENS on	Tuesday, 14 January
Cancellation and delisting of the 44 395 861 shares on or about	Monday, 10 February

Notes:

1. Shareholders will be notified of any amendments to the above dates or times on SENS and in the South African press.
2. All times indicated above are South African Standard Times.

DEFINITIONS AND INTERPRETATIONS

In this circular and the annexures hereto, unless the context indicates otherwise, the words in the first column shall have the meanings assigned to them in the second column, the singular includes the plural and *vice versa*, an expression which denotes one gender includes the other genders, a natural person includes a juristic person and *vice versa*, and cognate expressions shall bear corresponding meanings:

“Act” or “Companies Act”	the Companies Act, No. 71 of 2008, as amended;
“Afmed”	Afmed Proprietary Limited (registration number 1978/002611/07), a private company incorporated in accordance with the laws of South Africa;
“board” or “directors”	the board of directors of Caxton from time to time;
“business day”	any day other than a Saturday, Sunday or an official public holiday in South Africa;
“Caxton” or “the company”	Caxton and CTP Publishers and Printers Ltd (registration number 1947/026616/06), a public company incorporated in accordance with the laws of South Africa and listed on the JSE;
“Caxton Limited”	Caxton Limited (registration number 1927/000183/06), a subsidiary of Afmed and a public company incorporated in accordance with the laws of South Africa;
Caxton ordinary shares”	ordinary shares of 2,5 cents each in the issued share capital of Caxton;
“Caxton Publishers and Printers”	Caxton Publishers and Printers Ltd, a wholly-owned subsidiary of Caxton;
“Caxton shareholders” or “shareholders”	the holders of Caxton ordinary shares;
“Caxton shares”	Caxton ordinary shares;
“certificated shareholders”	shareholders who hold Caxton shares, represented by a share certificate, which Caxton shares have not been dematerialised in terms of the requirements of Strate;
“circular”	this circular, dated Thursday, 12 December 2013, including the annexures hereto;
“common monetary area”	South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
“CSDP”	Central Securities Depository Participant, being a “participant” as defined in section 1 of the Financial Markets Act; Act No. 19 of 2012;
“CSI”	Caxton Share Investments Proprietary Ltd, a subsidiary of Caxton;
“dematerialise” or “dematerialisation”	the process by which securities held by certificated shareholders are converted or held in an electronic form as uncertificated securities and recorded in a sub-register of security holders maintained by a CSDP or broker;
“dematerialised shareholders”	shareholders who hold Caxton ordinary shares which have been dematerialised in terms of the requirements of Strate;
“ElementOne”	ElementOne Limited (registration number 1889/000352/06), a public company incorporated in accordance with the laws of South Africa whose ordinary shares are traded through an over the counter market;
“Exchange Control Regulations”	the Exchange Control Regulations, 1961, as amended, promulgated in terms of section 9 of the Currency and Exchanges Act, 1933 (No. 9 of 1933), as amended;
“form of proxy”	the blue form of proxy attached to and forming part of this circular;

“general meeting”	the general meeting of Caxton shareholders to be held in the boardroom, Caxton House, 368 Jan Smuts Avenue, Craighall Park, Johannesburg at 10:00 on Tuesday, 14 January 2014 for the purposes of considering and, if deemed fit, to pass the special resolution contained in the notice of general meeting, required to implement the specific repurchase;
“group”	Caxton and its subsidiaries;
“Income Tax Act”	the Income Tax Act, 1962 (Act 58 of 1962) as amended;
“JSE”	the Johannesburg Stock Exchange, operated by the JSE Limited (registration number 2005/022939/06), a public company incorporated in accordance with the laws of South Africa and listed on the JSE, which is licensed as an exchange under the Financial Markets Act, Act No. 19 of 2012;
“last practicable date”	Friday, 6 December 2013, being the last practicable date prior to the finalisation of this circular;
“Listings Requirements”	the Listings Requirements of the JSE, as amended from time to time;
“own name dematerialised shareholders”	dematerialised shareholders who have instructed their CSDP to hold their dematerialised shares in their own name on the sub-register (the list of shareholders maintained by the CSDP and forming part of Caxton’s shareholder register);
“PSG”	PSG Capital Proprietary Limited, who are acting as the independent expert;
“purchase consideration”	an amount of R837 305 938 which shall be paid by Caxton to CSI and Caxton Publishers and Printers in terms of the specific repurchase as the purchase consideration for the 44 395 861 shares;
“Rand”	South African Rand, being the official currency of South Africa;
“repurchase price”	the price of R18.86 per share payable by Caxton to CSI and Caxton Publishers and Printers for each Caxton ordinary share purchased by Caxton from CSI and Caxton Publishers and Printers in terms of the specific repurchase;
“SENS”	the Stock Exchange News Service of the JSE;
“South Africa”	the Republic of South Africa;
“Strate”	Strate Limited (registration number 1998/022242/06), a public company incorporated under the laws of South Africa, a registered central securities depository in terms of the Financial Markets Act; Act No. 19 of 2012;
“STT”	Securities Tax Transfer in terms of the Securities Transfer Act, 2007 (Act No. 25 of 2007);
“subsidiary”	shall have the meaning ascribed thereto in the Companies Act;
“the group”	Caxton and its subsidiaries;
“the specific repurchase”	the proposed repurchase and cancellation by Caxton of the treasury shares as set out in this circular and in terms of section 48 of the Act;
“this document”	this bound document, dated Thursday, 12 December 2013, which includes the circular, the annexures, the notice of general meeting and the form of proxy (<i>blue</i>);
“transfer secretaries” or “Computershare”	Computershare Investor Services Proprietary Limited (registration number 2004/003647/07), a private company incorporated in South Africa and the transfer secretary of Caxton in South Africa;
“treasury shares”	the 44 395 861 Caxton ordinary shares held by CSI and Caxton Publishers and Printers, to be repurchased by Caxton, cancelled and delisted;
“TRP” or “Panel”	the Takeover Regulation Panel, established in terms of section 196 of the Act; and
“VWAP”	volume weighted average price traded on the JSE.



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Preference share code: CATP ISIN: ZAE000043352
("Caxton")

CIRCULAR TO CAXTON SHAREHOLDERS

1. INTRODUCTION

The purpose of this circular is to provide Caxton shareholders with information regarding the specific repurchase and to convene the general meeting at which shareholders can vote on the special resolution required to implement the specific repurchase (the requisite percentage of voting rights for such resolution to be adopted is 75%).

2. RATIONALE FOR THE SPECIFIC REPURCHASE

Since 26 July 2002 Caxton has been purchasing some of its own shares through its subsidiaries. The purchases were conducted in terms of general authorities granted annually to Caxton and each of the subsidiaries by their respective shareholders.

As at the last practicable date the treasury shares constituted 9.51% of the entire issued share capital of Caxton. In terms of section 48(2)b of the Companies Act, subsidiaries may only hold up to a maximum of 10% of the aggregate of the number of issued shares of their holding company. Due to the fact that the number of the treasury shares is approaching this 10% threshold, Caxton's ability to continue to purchase its own shares through its subsidiaries is limited. In order to create new capacity for Caxton to purchase further Caxton shares through its subsidiaries, the board has resolved that Caxton should purchase the treasury shares from the subsidiaries. The treasury shares will, following their purchase, be cancelled as issued shares and restored to the status of authorised shares.

3. TERMS OF THE SPECIFIC REPURCHASE AND CONDITIONS PRECEDENT

The specific repurchase will be performed at a price of R18.86 per Caxton share, being the 30-day VWAP for Caxton on the JSE on 3 December 2013, with 2.5 cents per share paid out of contributed tax capital and the balance in the form of a dividend. The specific repurchase will have no financial effect on Caxton or its shareholders, and as this repurchase is intra-group no significant cash, other than to cover the expenses as outlined in paragraph 10 below, will be utilised.

Application will be made to the JSE for the delisting of the treasury shares once they have been repurchased.

Attached as Annexure I to this circular is the independent expert's report prepared by PSG relating to the specific repurchase as provided to the full board of Caxton, which is required in terms of section 48(8) (b) read with section 114 of the Companies Act. It was determined that, since the specific repurchase is effectively an internal transaction, the appointment of an independent board is not required.

In terms of the Listings Requirements and the provisions of section 115(4) of the Companies Act, the subsidiaries (and their associates) will be excluded from voting on the special resolution of shareholders required to authorise the specific repurchase.

A statement informing dissenting shareholders of their rights under section 164 of the Companies Act is set out in Annexure II forming party of this circular.

4. ADEQUACY OF CAPITAL

The directors of Caxton have considered the impact of the specific repurchase and are of the opinion that, following the repurchase, the:

- provisions of section 4 and section 48 of the Companies Act have been complied with;
- company and the group will be able in the ordinary course of business to pay its debt for a period of 12 months after the date of approval of the circular;
- assets of the company and the group will be in excess of the liabilities of the company and the group for a period of 12 months after the date of approval of the circular. For this purpose the assets and liabilities were recognised and measured in accordance with the accounting policies used in the latest audited consolidated annual financial statements of the company;
- share capital of the company and the group will be adequate for ordinary business purposes for a period of 12 months after the date of approval of the circular;
- working capital of the company and the group will be adequate for ordinary business purposes for a period of 12 months after the date of approval of the circular.

In addition, in terms of section 46(1) of the Companies Act it is stated as follows:

- the board has authorised the specific repurchase by resolution; and
- the board has, by resolution, acknowledged that it has applied the solvency and liquidity test as set out in section 4 of the Companies Act, and reasonably concluded that the Company will satisfy the solvency and liquidity test immediately after completing the specific repurchase.

5. MAJOR SHAREHOLDERS

Shareholders, other than subsidiaries of Caxton, who held a 5% or greater direct beneficial shareholding in the issued ordinary share capital of Caxton as at the last practicable date, were as follows:

Shareholder	Number of shares held	Percentage of issued share capital
Element One Limited	80 065 330	18.94
Caxton Limited	182 479 476	43.17
	262 544 806	62.11

6. MATERIAL CHANGES

There have been no material changes in the financial or trading position of Caxton since the publication of the annual report for the year ended 30 June 2013.

7. DIRECTORS

7.1 Directors

Name	Business address	Designation
TD Moolman	368 Jan Smuts Avenue, Craighall Johannesburg	Chief Executive Officer
GM Utian	368 Jan Smuts Avenue, Craighall Johannesburg	Managing Director
PG Greyling	368 Jan Smuts Avenue, Craighall Johannesburg	Executive director
TJW Holden	368 Jan Smuts Avenue, Craighall Johannesburg	Executive director
PM Jenkins	368 Jan Smuts Avenue, Craighall Johannesburg	Independent non-executive Chairman
ACG Molusi	368 Jan Smuts Avenue, Craighall Johannesburg	Independent non-executive
NA Nemukula	368 Jan Smuts Avenue, Craighall Johannesburg	Independent non-executive
T Slabbert	368 Jan Smuts Avenue, Craighall Johannesburg	Independent non-executive
P Vallet	368 Jan Smuts Avenue, Craighall Johannesburg	Non-executive

7.2 Directors' interests in Caxton shares

The interests of the directors in the ordinary share capital of Caxton as at the last practicable date are set out below:

	Direct		Indirect	
	2013	2012	2013	2012
PG Greyling	1 325 000	1 325 000	–	–
TJW Holden	–	–	170 225	170 225
TD Moolman	–	–	13 093 804	13 093 804
GM Utian	200 000	200 000	1 350 000	1 350 000
	1 525 000	1 525 000	14 614 029	14 614 029

Notes:

No interests are held by directors' associates.

There have been no changes in directors' interests between 30 June 2013 and the last practicable date.

7.3 Share capital of Caxton

The table below set out the authorised and issued share capital of Caxton before and after the specific repurchase:

	R'm
Authorised	
1 200 000 000 ordinary shares of 2.5 cents each	30 000
100 000 6% cumulative participating preference shares of R2.00 each	200
Issued – before the specific repurchase	
467 052 949 (2012: 461 648 254) ordinary shares of 2.5 cents each	11 676
44 395 861 treasury shares held by subsidiary	(1 110)
422 657 088 ordinary shares of 2.5 cents each	10 566
50 000 6% cumulative participating preference shares of R2.00 each	100
Issued – after the specific repurchase	
422 657 088 ordinary shares of 2.5 cents each	10 566
0 treasury shares held by subsidiary	(0)
422 657 088 ordinary shares of 2.5 cents each	10 566
50 000 6% cumulative participating preference shares of R2.00 each	100

8. FINANCIAL EFFECTS

The specific repurchase will have no financial effect on Caxton or its shareholders, other than in respect of transaction costs in total amounting to approximately R2.24 million (refer to paragraph 10 below for additional detail on the costs) and represents less than 0.03% of the Caxton market capitalisation of R7 971.3 billion, as at the last practicable date.

As this repurchase is intra-group no significant cash will be utilised and the financial effects have therefore not been disclosed.

9. LITIGATION STATEMENT

There are no legal or arbitration proceedings, including proceedings that are pending or threatened, of which the group is aware, that may have or have had, in the 12-month period preceding the date of this circular, a material effect on the financial position of the group.

There are no legal or arbitration proceedings, including proceedings that are pending or threatened, relating to the surplus assets that may have or have had, in the 12-month period preceding the date of this circular, a material effect on the surplus assets.

10. COSTS OF THE SPECIFIC REPURCHASE

The costs of the specific repurchase are anticipated to be:

Description	Name	R
Independent expert's report	PSG	58 333.00
Printing, publishing and distribution expenses	Ince	70 000.00
TRP inspection fees	TRP	150 000.00
Securities Transfer Tax	SARS	2 093 265.00
JSE documentation fees	JSE	17 470.41
Total		2 389 068.41

11. DIRECTORS' RESPONSIBILITY STATEMENT

The directors, whose names are set out in paragraph 7.1 above, collectively and individually, accept full responsibility for the accuracy of the information given in this circular in relation to Caxton and certify that, to the best of their knowledge and belief, no material facts have been omitted which would make any statement in this circular false or misleading, that all reasonable enquiries to ascertain such facts have been made and that this circular contains all information required by law and the Listings Requirements.

12. CONSENTS

The attorneys, independent expert, investment bank, sponsor and transfer secretaries have consented in writing to act in the capacities stated in this circular and to their names being stated in this circular, and in the case of the independent expert, reference to their report in the form and context in which it appears, and have not withdrawn their consent prior to the publication of this circular.

13. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents or copies thereof, will be available for inspection at the registered office of Caxton during normal office hours from 09:00 to 17:00 from the date of posting of this circular up until the general meeting on Tuesday, 14 January 2014:

1. the Memoranda of Incorporation of Caxton and its subsidiaries;
2. audited annual financial statements of Caxton for each of the years ended 30 June 2013, 2012, 2011 and 2010;
3. the signed consents letters referred to in paragraph 12 above;
4. a signed copy of this circular;
5. the TRP approval letter; and
6. the signed independent expert's report required in terms of the applicable provisions of section 114 of the Companies Act.

By order of the board

Paul Jenkins
Chairman

12 December 2013

INDEPENDENT EXPERT'S REPORT REQUIRED IN TERMS OF THE APPLICABLE PROVISIONS OF SECTION 114 OF THE COMPANIES ACT

The Directors
Caxton and CTP Publishers and Printers Limited
28 Wright Street
Industria West
Johannesburg
2093
South Africa

5 December 2013

Dear Sirs,

INDEPENDENT FAIR AND REASONABLE REPORT IN RESPECT OF THE SPECIFIC SHARE REPURCHASE BY CAXTON AND CTP PUBLISHERS AND PRINTERS LIMITED OF 44 395 861 OF ITS OWN ORDINARY SHARES FROM CAXTON SHARE INVESTMENTS PROPRIETARY LIMITED AND CAXTON AND CTP PUBLISHERS PROPRIETARY LIMITED

1. INTRODUCTION

In terms of a board resolution taken on 3 December 2013, Caxton and CTP Publishers and Printers Limited (“**Caxton**” or “**the Company**”) resolved to implement a specific repurchase of 44 395 861 ordinary shares from Caxton Share Investments Proprietary Limited (“**Caxton Share Investments**”) and Caxton and CTP Publishers Proprietary Limited (“**Caxton CTP**”), both being wholly-owned subsidiaries of Caxton, at a repurchase price of R18.86 per Caxton ordinary share (“**the Specific Repurchase**”). The ordinary shares to be repurchased from Caxton Share Investments and Caxton CTP are currently held and recognised as treasury shares of Caxton.

In terms of section 48(8)(b) of the Companies Act, No. 71 of 2008 (“**the Companies Act**”), a decision by the board of a company to repurchase its shares is subject to the requirements of sections 114 and 115 of the Companies Act if, considered alone, or together with other transactions in an integrated series of transactions, it involves the acquisition by a company of more than 5% of the issued shares of any particular class of the company's shares. Accordingly, in terms of section 114(2) of the Companies Act read together with Regulation 90 of the Companies Regulations, 2011 (“**the Companies Regulations**”), the board of directors (“**the Board**”) must retain an independent expert to compile a report thereon.

2. SCOPE

PSG Capital Proprietary Limited (“**PSG Capital**”) has been appointed by the Board as the independent expert to advise, in accordance with the Companies Act and the Companies Regulations on whether the terms and conditions of the Specific Repurchase are fair and reasonable as far as the Caxton shareholders are concerned.

3. RESPONSIBILITY

Compliance with the Companies Act is the responsibility of the Board. Our responsibility is to report on the terms and conditions of the Specific Repurchase as they relate to Caxton shareholders.

We confirm that our fair and reasonable opinion has been provided to the Board for the sole purpose of assisting the Board in forming and expressing an opinion for the benefit of the Caxton shareholders, which opinion the Board will distribute to the Caxton shareholders in a circular (“**the Specific Repurchase Circular**”) on or about 12 December 2013. We understand that the results of our work will be used by the Board to satisfy the requirements of the Companies Act.

4. DEFINITION OF THE TERMS “FAIR” AND “REASONABLE”

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

The assessment of fairness is primarily based on quantitative considerations. The Specific Repurchase may be considered fair if the value attributable to the Company and its shareholders post the Specific Repurchase exceeds or is equal to the attributable value prior to the Specific Repurchase.

The assessment of reasonableness is generally based on qualitative considerations surrounding the Specific Repurchase. Even though the consideration may differ from the market value of the assets being acquired, a transaction may still be fair and reasonable after considering other significant qualitative factors.

We have applied the aforementioned principles in preparing our opinion. This fair and reasonableness opinion does not purport to cater for an individual shareholder's position but rather the general body of shareholders subject to the Specific Repurchase. A shareholder's decision regarding fair and reasonableness of the terms of the Specific Repurchase may be influenced by their particular circumstances (for example taxation and the original price paid for the shares).

5. SOURCES OF INFORMATION

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

The principal sources of information used in performing our indicative valuation include:

- Resolutions taken on the Specific Repurchase by the Company, Caxton Share Investments and Caxton CTP (“**Resolutions**”);
- The Specific Repurchase Circular;
- The annual reports of Caxton for the years ended 30 June 2013 and 30 June 2012;
- The authorised budget of Caxton for the year ended 30 June 2014;
- Other financial and non-financial information and assumptions made by management and discussions held with management, directors, and Caxton advisors regarding Caxton operations;
- Discussions with Caxton directors, management and advisors regarding the financial information relating to prevailing market, economic, legal and other conditions which may affect the underlying value and the rationale for the Specific Repurchase;
- Publicly available information relating to Caxton, including market data, share price and volume data that we deemed to be relevant; and
- Publicly available information relating to the industry in which Caxton operates that we deemed relevant, including company announcements, analysts' reports and media articles.

6. ASSUMPTIONS

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

- That the terms, conditions and structure of the Specific Repurchase are legally enforceable;
- That reliance can be placed on the historical financial information of Caxton;
- The current economic, regulatory and market conditions will not change materially;
- Neither Caxton, nor any of its group companies (“**the Caxton Group**”) are involved in any material legal proceedings;
- Caxton has no outstanding disputes with any regulatory body, including the South African Revenue Service;
- There are no undisclosed contingencies that could affect the value of the Caxton Group;
- The structure of the Specific Repurchase will not give rise to any undisclosed tax liabilities or any other material expenses; and
- Reliance can be placed on the representations made by Caxton management and their advisors during the course of forming this opinion.

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

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

- Placing reliance on representations made by Caxton management and their advisors during the course of forming this opinion;
- Considering the historical trends of such information and assumptions;
- Comparing and corroborating such information and assumptions with external sources of information, if such information is available; and
- Determining the extent to which representations from management and other industry experts were confirmed by documentary evidence as well as our understanding of Caxton and the economic environment in which it operates.

8. **PROCEDURES**

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

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

- Reviewed and analysed the audited financial results of Caxton for the years ended 30 June 2013 and 30 June 2012;
- Reviewed the terms and conditions of the Resolutions;
- Reviewed the reasonableness of the information made available by and from discussions held with management, including directors of Caxton such as, *inter alia*:
 - the rationale for the Specific Repurchase;
 - the events leading up to the Specific Repurchase;
 - the authorised budget of Caxton;
 - the current market conditions relating to Caxton; and
 - such other matters as we considered necessary;
- Where relevant, corroborated representations made by management to source documents;
- Reviewed certain publicly available information relating to Caxton that we have deemed relevant;
- Reviewed the Specific Repurchase Circular;
- Obtained letters of representation from management asserting that we have been provided with all relevant information and that no material information was omitted and that all such information provided to us is accurate in all respects;
- Considered other relevant facts and information relevant to concluding this opinion; and
- Considered key external and internal value drivers. Key external value drivers identified were inflation rates, interest rates, exchange rates and prevailing market and industry conditions. Key internal value drivers included, where relevant, the maintainable earnings and earnings margins of Caxton. A sensitivity analysis was conducted where practical, utilising existing and forecast key value drivers.

9. **VALUATION APPROACH**

In considering the Specific Repurchase, PSG Capital performed an independent valuation of Caxton and detail analysis of the Specific Repurchase to determine whether Specific Repurchase is fair to the Company and its shareholders.

For the purposes of our valuation of Caxton, we applied the market value of Caxton based on the 30-day volume weighted average trading price (“**Market Value**”) to determine the indicative value of a minority shareholding in Caxton. We performed limited work through the review of Caxton’s share trading history, share trading liquidity, share free float, analyst reports and confirmed that no indications exist in the market of an anomaly in the Caxton share price.

10. **OPINION**

We have considered the terms and conditions of the Specific Repurchase as set out above and based on the aforementioned, we are of the opinion, subject to the limiting conditions as set out below, that the indicative core value of Caxton, prior to, and after the Specific Repurchase based on the Market Value amounts to R7 971.3 million.

In considering the valuation listed above, Caxton shareholders should take particular notice that the actual market value achieved in a specific transaction may be higher or lower than our estimate of the market value depending upon the circumstances of the transaction (for example strategic considerations of the purchaser), the nature of the business (for example the purchaser's perception of potential synergies).

There will be no effect on the rights and interest of Caxton shareholders due to the fact that the Specific Repurchase is done from wholly-owned subsidiaries of the Company, therefore the Company will be in a similar position pre- and post the corporate action.

The Specific Repurchase will not have any material adverse effect on the Caxton Group or on the business and prospects of the Caxton Group.

Subject to the foregoing assumptions, based on our analysis and after taking into account all financial and non-financial considerations, we are of the opinion that the Specific Repurchase is fair and reasonable to the ordinary shareholders of Caxton.

11. **LIMITING CONDITIONS**

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

The budget of Caxton relates to future events and is based on assumptions, which may not remain valid for the whole of the relevant period. Consequently this information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods. We express no opinion as to how closely actual results will correspond to the budget provided by Caxton management.

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

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

12. **SECTIONS 115 AND 164 OF THE COMPANIES ACT**

Sections 115 and 164 of the Companies Act have been included as an annexure to this opinion.

13. **INTERESTS OF DIRECTORS OF CAXTON**

The interests of the directors of Caxton in the ordinary shares of Caxton are as follows:

Director	Direct shareholding	Indirect shareholding	Total shareholding
PG Greyling	1 325 000	–	1 325 000
TJW Holden	–	170 225	170 225
TD Moolman	–	13 093 804	13 093 804
GM Utian	200 000	1 350 000	1 550 000
Total	1 525 000	14 614 029	16 139 029

The Specific Repurchase will have no effect on the number of shares held by any of the Caxton directors.

14. **INDEPENDENCE AND ADDITIONAL REGULATORY DISCLOSURES**

We confirm that PSG Capital holds no shares in Caxton, directly or indirectly. We have no interest, direct or indirect, beneficial or non-beneficial, and we are not related to a person who has or has had such interest in Caxton within the immediately preceding two years or in the outcome of the Specific Repurchase.

The directors, partners, officers and employees of PSG Capital allocated to this assignment have the necessary qualifications, expertise and competencies to: (i) understand the Specific Repurchase; (ii) evaluate the consequences of the Specific Repurchase and (iii) assess the effect of the Specific Repurchase on the value of the shares and on the rights and interests of the Caxton shareholders, or a creditor of Caxton and are able to express opinions, exercise judgement and make decisions impartially in carrying out this assignment.

Furthermore, we confirm that our professional fee for the opinion together is R58 000 (excluding VAT), payable in cash, and is not contingent on the outcome of the Specific Repurchase.

15. **CONSENT**

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

Yours faithfully

Riaan van Heerden
PSG Capital

John-Paul Dicks
PSG Capital

RELEVANT SECTIONS FROM THE COMPANIES ACT

“115. Required approval for transactions contemplated in Part

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

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

“164. Dissenting shareholders’ appraisal rights

- (1) This section does not apply in any circumstances relating to a transaction, agreement or offer pursuant to a business rescue plan that was approved by shareholders of a company, in terms of section 152.
- (2) If a company has given notice to shareholders of a meeting to consider adopting a resolution to:
 - (a) amend its Memorandum of Incorporation by altering the preferences, rights, limitations or other terms of any class of its shares in any manner materially adverse to the rights or interests of holders of that class of shares, as contemplated in section 37(8); or
 - (b) enter into a transaction contemplated in section 112, 113 or 114, that notice must include a statement informing shareholders of their rights under this section.
- (3) At any time before a resolution referred to in subsection (2) is to be voted on, a dissenting shareholder may give the company a written notice objecting to the resolution.

- (4) Within 10 business days after a company has adopted a resolution contemplated in this section, the company must send a notice that the resolution has been adopted to each shareholder who:
 - (a) gave the company a written notice of objection in terms of subsection (3); and
 - (b) has neither:
 - (i) withdrawn that notice; nor
 - (ii) voted in support of the resolution.
- (5) A shareholder may demand that the company pay the shareholder the fair value for all of the shares of the company held by that person if:
 - (a) the shareholder:
 - (i) sent the company a notice of objection, subject to subsection (6); and
 - (ii) in the case of an amendment to the company's Memorandum of Incorporation, holds shares of a class that is materially and adversely affected by the amendment;
 - (b) the company has adopted the resolution contemplated in subsection (2); and
 - (c) the shareholder:
 - (i) voted against that resolution; and
 - (ii) has complied with all of the procedural requirements of this section.
- (6) The requirement of subsection (5)(a)(i) does not apply if the company failed to give notice of the meeting, or failed to include in that notice a statement of the shareholders rights under this section.
- (7) A shareholder who satisfies the requirements of subsection (5) may make a demand contemplated in that subsection by delivering a written notice to the company within:
 - (a) 20 business days after receiving a notice under subsection (4); or
 - (b) if the shareholder does not receive a notice under subsection (4), within 20 business days after learning that the resolution has been adopted.
- (8) A demand delivered in terms of subsections (5) to (7) must also be delivered to the Panel, and must state:
 - (a) the shareholder's name and address;
 - (b) the number and class of shares in respect of which the shareholder seeks payment; and
 - (c) a demand for payment of the fair value of those shares.
- (9) A shareholder who has sent a demand in terms of subsections (5) to (8) has no further rights in respect of those shares, other than to be paid their fair value, unless:
 - (a) the shareholder withdraws that demand before the company makes an offer under subsection (11), or allows an offer made by the company to lapse, as contemplated in subsection (12)(b);
 - (b) the company fails to make an offer in accordance with subsection (11) and the shareholder withdraws the demand; or
 - (c) the company, by a subsequent special resolution, revokes the adopted resolution that gave rise to the shareholder's rights under this section.
- (10) If any of the events contemplated in subsection (9) occur, all of the shareholder's rights in respect of the shares are reinstated without interruption.
- (11) Within five business days after the later of:
 - (a) the day on which the action approved by the resolution is effective;
 - (b) the last day for the receipt of demands in terms of subsection (7)(a); or
 - (c) the day the company received a demand as contemplated in subsection (7)(b), if applicable, the company must send to each shareholder who has sent such a demand a written offer to pay an amount considered by the company's directors to be the fair value of the relevant shares, subject to subsection (16), accompanied by a statement showing how that value was determined.

- (12) Every offer made under subsection (11):
- (a) in respect of shares of the same class or series must be on the same terms; and
 - (b) lapses if it has not been accepted within 30 business days after it was made.
- (13) If a shareholder accepts an offer made under subsection (12):
- (a) the shareholder must either in the case of:
 - (i) shares evidenced by certificates, tender the relevant share certificates to the company or the company's transfer agent; or
 - (ii) uncertificated shares, take the steps required in terms of section 53 to direct the transfer of those shares to the company or the company's transfer agent; and
 - (b) the company must pay that shareholder the agreed amount within 10 business days after the shareholder accepted the offer and:
 - (i) tendered the share certificates; or
 - (ii) directed the transfer to the company of uncertificated shares.
- (14) A shareholder who has made a demand in terms of subsections (5) to (8) may apply to a court to determine a fair value in respect of the shares that were the subject of that demand, and an order requiring the company to pay the shareholder the fair value so determined, if the company has:
- (a) failed to make an offer under subsection (11); or
 - (b) made an offer that the shareholder considers to be inadequate, and that offer has not lapsed.
- (15) On an application to the court under subsection (14):
- (a) all dissenting shareholders who have not accepted an offer from the company as at the date of the application must be joined as parties and are bound by the decision of the court;
 - (b) the company must notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to participate in the court proceedings; and
 - (c) the court:
 - (i) may determine whether any other person is a dissenting shareholder who should be joined as a party;
 - (ii) must determine a fair value in respect of the shares of all dissenting shareholders, subject to subsection (16);
 - (iii) in its discretion may:
 - (aa) appoint one or more appraisers to assist it in determining the fair value in respect of the shares; or
 - (bb) allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective, until the date of payment;
 - (iv) may make an appropriate order of costs, having regard to any offer made by the company, and the final determination of the fair value by the court; and
 - (v) must make an order requiring:
 - (aa) the dissenting shareholders to either withdraw their respective demands or to comply with subsection (13)(a); and
 - (bb) the company to pay the fair value in respect of their shares to each dissenting shareholder who complies with subsection (13)(a), subject to any conditions the court considers necessary to ensure that the company fulfils its obligations under this section.
- (15A) At any time before the court has made an order contemplated in subsection (15)(c)(v), a dissenting shareholder may accept the offer made by the company in terms of subsection (11), in which case:
- (a) that shareholder must comply with the requirements of subsection 13(a); and
 - (b) the company must comply with the requirements of subsection 13(b).
- (16) The fair value in respect of any shares must be determined as at the date on which, and time immediately before, the company adopted the resolution that gave rise to a shareholder's rights under this section.

- (17) If there are reasonable grounds to believe that compliance by a company with subsection (13)(b), or with a court order in terms of subsection (15)(c)(v)(bb), would result in the company being unable to pay its debts as they fall due and payable for the ensuing 12 months:
- (a) the company may apply to a court for an order varying the company's obligations in terms of the relevant subsection; and
 - (b) the court may make an order that:
 - (i) is just and equitable, having regard to the financial circumstances of the company; and
 - (ii) ensures that the person to whom the company owes money in terms of this section is paid at the earliest possible date compatible with the company satisfying its other financial obligations as they fall due and payable.
- (18) If the resolution that gave rise to a shareholder's rights under this section authorised the company to amalgamate or merge with one or more other companies, such that the company whose shares are the subject of a demand in terms of this section has ceased to exist, the obligations of that company under this section are obligations of the successor to that company resulting from the amalgamation or merger.
- (19) For greater certainty, the making of a demand, tendering of shares and payment by a company to a shareholder in terms of this section do not constitute a distribution by the company, or an acquisition of its shares by the company within the meaning of section 48, and therefore are not subject to:
- (a) the provisions of that section; or
 - (b) the application by the company of the solvency and liquidity test set out in section 4.
- (20) Except to the extent:
- (a) expressly provided in this section; or
 - (b) that the Panel rules otherwise in a particular case, a payment by a company to a shareholder in terms of this section does not obligate any person to make a comparable offer under section 125 to any other person."



CAXTON AND CTP LIMITED
publishers and printers

Caxton and CTP Publishers and Printers Ltd

(Incorporated in the Republic of South Africa)

(Registration number 1947/026616/06)

Share code: CAT ISIN: ZAE000043345

Preference share code: CATP ISIN: ZAE000043352

("Caxton" or "the Company")

NOTICE OF GENERAL MEETING OF SHAREHOLDERS

All the terms defined in the circular, to which this notice of general meeting is attached, shall bear the same meaning when used in this notice of general meeting.

Notice is hereby given that a general meeting of the Company's shareholders will be held in the boardroom, Caxton House, 368 Jan Smuts Avenue, Craighall Park, Johannesburg at 10:00 on Tuesday, 14 January 2014, for the purpose of considering and, if deemed fit, passing, with or without modification, the following special resolution:

Specific authority to purchase treasury shares

Special resolution number 1 – specific authority, in terms of the Companies Act, for the repurchase by the Company of 44 395 861 of its own shares from CSI and Caxton Publishers and Printers for a purchase consideration of R837 305 938

"Resolved that the Company be and is hereby authorised, by way of a specific authority, in terms of the Companies Act, the Listings Requirements and MOI of the Company, to acquire 44 395 861 Caxton shares at a price of R18.86 per Caxton share, from CSI and Caxton Publishers and Printers for a purchase consideration of R837 305 938."

In terms of sections 48(8)(b), 62(3)(c) and 65(9) of the Companies Act and paragraph 5.69(b) of the Listings Requirements, the requisite percentage of voting rights for the resolution to be adopted is 75%.

The board of directors of the Company is of the opinion that, after considering the effect of the specific purchase:

- the Company and the group will be able to pay its debts as they become due in the ordinary course of business for a period of 12 months after the date of the specific purchase;
- the assets of the Company and the group will be in excess of the liabilities of the Company and the group for a period of 12 months after the date of the specific purchase;
- the share capital and the reserves of the Company and the group will be adequate for ordinary business purposes for a period of 12 months after the date of the specific purchase;
- the working capital of the Company and the group will be adequate for ordinary business purposes for a period of 12 months after the date of approval of the specific purchase.

In addition, in terms of section 46(1) of the Companies Act it is stated as follows:

- the board has authorised the specific repurchase by resolution; and
- the board has, by resolution, acknowledged that it has applied the solvency and liquidity test as set out in section 4 of the Companies Act, and reasonably concluded that the Company will satisfy the solvency and liquidity test immediately after completing the specific repurchase.

Reason for and effect of special resolution number 1

The reason for and effect of special resolution number 1 is to grant the Company's directors a specific authority to approve the purchase of 44 395 861 of its own shares at a price of R18.86 per share, from CSI and Caxton Publishers and Printers, both wholly-owned subsidiaries of the Company, for a purchase consideration of R837 305 938, with 2.5 cents per share paid out of contributed tax capital and the balance in the form of a dividend.

For the purposes of considering special resolution number 1 and in compliance with the Listings Requirements, the information listed below has been included in this circular in which this notice of general meeting is included, at the places indicated:

- Directors and management (page 7);
- Major shareholders (page 7);
- Material changes (page 7);
- Directors' interests in securities (page 8); and
- Share capital of the Company (page 8).

The directors, whose names are set out on page 7 of this circular, collectively and individually, accept full responsibility for the accuracy of the information contained in this special resolution number 1 and certify that, to the best of their knowledge and belief, there are no other facts, the omission of which would make any statements false or misleading and that they have made all reasonable enquiries in this regard, and that this special resolution contains all information required by law and the Listings Requirements.

There are no legal or arbitration proceedings (including any proceedings that are pending or threatened of which the group is aware), which may have or have had a material effect on the group's financial position over the last 12 months.

Record dates

The record date on which shareholders must be recorded as such in the register of shareholders of the Company for the purposes of receiving this notice is Friday, 6 December 2013.

The record date on which shareholders must be recorded as such in the register of shareholders of the Company for the purposes of being entitled to attend, participate and vote at the general meeting is Friday, 3 January 2014. The last day to trade to be entitled to vote at the general meeting is Tuesday, 24 December 2013.

Who may attend and vote

If you hold dematerialised shares which are registered in your name or if you are the registered holder of certificated shares:

- You may attend the general meeting of shareholders in person;
- Alternatively, you may appoint a proxy or proxies, who need not be a shareholder of the Company to represent you at the general meeting of shareholders by completing the attached form of proxy (*blue*) in accordance with the instructions it contains and returning it to Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) ("transfer secretaries") to be received not later than 10:00 on Friday, 10 January 2014. Any form of proxy not handed in or delivered by this time may be handed to the chairman of the general meeting immediately before the appointed proxy exercises any of the shareholder's rights at the general meeting.

If you hold dematerialised shares which are not registered in your name and:

- Wish to attend the general meeting of shareholders, you must obtain the necessary letter of representation from your Central Securities Depository Participant ("CSDP"), broker or nominee;
- Do not wish to attend the general meeting of shareholders but would like your vote to be recorded at the general meeting, you should contact your CSDP, broker or nominee and furnish them with your voting instructions;
- You must **not** complete the attached form of proxy (*blue*).

A shareholder who is entitled to attend and vote at the general meeting is entitled, by completing the attached form of proxy (*blue*) and delivering it to the Company in accordance with the instructions on that form of proxy, to appoint one or more proxies to attend, participate in and vote at the general meeting in that shareholder's place. A proxy need not be a shareholder of the Company.

In terms of the Listings Requirements and the provisions of section 115(4) of the Act, the subsidiaries (and their associates) will be excluded from voting on the special resolution of shareholders required to authorise the specific repurchase.

Electronic participation

Shareholders wishing to participate electronically at the general meeting are required to deliver written notice to the Company secretary, with a copy to the transfer secretaries, at the applicable addresses as set out below, by no later than at 10:00 on Monday, 6 January 2014, stating that they wish to participate via electronic communication at the general meeting (“the electronic notice”). Any reference to “shareholder” in this paragraph includes a reference to that shareholder’s proxy.

Note that shareholders will merely be able to participate, but not vote, via electronic communication.

In order for the electronic notice to be valid it must contain:

- (a) if the shareholder is an individual, a certified copy of his/her identity document and/or passport;
- (b) if the shareholder is not an individual, a certified copy of a resolution by the relevant entity and a certified copy of the identity documents and/or passports of the persons who passed the relevant resolution and the relevant resolution must set out who from the relevant entity is authorised to represent the relevant entity at the general meeting via electronic communication;
- (c) a valid email address and/or facsimile number (the contact address/number).

By no later than 48 hours prior to the time of the general meeting, the Company shall use its reasonable endeavours to communicate with each shareholder who has delivered a valid electronic notice, by notifying such shareholder at its contact address/number of the relevant details through which the shareholder can participate via electronic communication.

The Company reserves the right not to provide for electronic participation at the general meeting in the event that it proves not practical to do so. The costs of accessing any means of electronic participation provided by the Company will be borne by the shareholder so accessing the electronic participation.

Appraisal rights for dissenting shareholders

In terms of section 164 of the Companies Act, at any time before special resolution number 1 as set out in this notice is voted on, a dissenting shareholder may give the Company a written notice objecting to special resolution number 1.

Any such dissenting shareholder must also vote against special resolution number 1 at the general meeting.

Within 10 business days after the Company has adopted special resolution number 1, the Company must send a notice that special resolution number 1 has been adopted to each Caxton shareholder who:

- gave the Company a written notice of objection as contemplated above; and
- has neither withdrawn that notice nor voted in support of special resolution number 1.

A Caxton shareholder may demand that the Company pay the shareholder the fair value for all the Caxton shares of the Company held by that person if:

- the Caxton shareholder has sent the Company a notice of objection;
- the Company has adopted special resolution number 1; and
- the Caxton shareholder voted against special resolution number 1 and has complied with all of the procedural requirements of section 164 of the Companies Act.

A copy of section 164 of the Companies Act is set out in Annexure II to this circular.

By order of the board

Navin Sooka

Company secretary

12 December 2013

Registered office

28 Wright Street
Industria West
Johannesburg, 2093
(PO Box 43587, Industria, 2042)

Transfer secretaries

Computershare Investor Services Proprietary Limited
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)



CAXTON AND CTP LIMITED
publishers and printers

Caxton and CTP Publishers and Printers Ltd
(Incorporated in the Republic of South Africa)
(Registration number 1947/026616/06)
Share code: CAT ISIN: ZAE000043345
Preference share code: CATP ISIN: ZAE000043352
("Caxton")

FORM OF PROXY

This form of proxy is for use only by certificated shareholders or shareholders who have dematerialised their shares with "own name" registration and who are unable to attend the general meeting of shareholders ("the general meeting") to be held in the boardroom, Caxton House, 368 Jan Smuts Avenue, Craighall Park, Johannesburg at 10:00 on Tuesday, 14 January 2014.

Dematerialised shareholders are advised to contact their Central Securities Depository Participant ("CSDP") or broker with their voting instructions in respect of the general meeting. Dematerialised shareholders who wish to attend the general meeting should obtain a letter of representation from their CSDP or broker.

I/We

(Full name in BLOCK LETTERS)

of (address)

being the holder of ordinary shares in the capital of the Company, do hereby appoint (see notes):

1. _____ or failing him/her,

2. _____ or failing him/her,

3. the chairman of the general meeting,

as my/our proxy to attend and speak for me/us and on my/our behalf at the general meeting and at any adjournment thereof and to vote or abstain from voting as indicated on the special resolution to be considered at the general meeting:

	In favour of	Against	Abstain
Special resolution number 1 (specific share repurchase)			

Note: Please indicate with an "X" or the number of shares in the spaces above how you wish your votes to be cast. If no indication is given, the proxy will vote or abstain in his/her discretion.

Any ordinary shareholder of the Company entitled to vote at the general meeting may appoint a proxy or proxies to attend, speak and vote in his/her stead. A proxy need not be a shareholder of the Company.

Every person present and entitled to vote at the general meeting shall, on a show of hands, have one vote only, and on a poll, shall have one vote for every ordinary share held or represented.

Signed at _____ on _____ 2013/2014

Signature/s

Name in BLOCK LETTERS (full name if signing in representative capacity – see note 6)

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

Please read the notes appearing on the reverse hereof.

Instructions for signing and lodging this form of proxy:

1. This form of proxy should only be used by certificated shareholders or shareholders who have dematerialised their shares with own name registration.
2. All other shareholders who have dematerialised their shares through a CSDP or broker and wish to attend the general meeting, must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker.
3. A shareholder may insert the name/s of one or more proxies, none of whom need be a member of the Company, in the space provided, with or without deleting "the chairman of the general meeting". The person whose name appears first on this form of proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow. In the event that no names are indicated, the proxy shall be exercised by the chairman of the general meeting.
4. A shareholder's instructions on this form of proxy must be indicated by the insertion of an "X" or the number of shares in the appropriate space provided. Failure to comply with the above will be deemed to authorise the chairman of the general meeting, if the chairman is the authorised proxy, to vote in favour of the special resolution at the general meeting, or any other proxy to vote or to abstain from voting at the general meeting as he/she deems fit in respect of all of the shareholder's votes exercisable thereat. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or his/her proxy, but the total of the votes cast and in respect whereof abstentions are recorded may not exceed the total of the votes exercisable by the shareholder or by his/her proxy.
5. In order to be effective, completed forms of proxy must reach the registered office of the Company or the transfer secretaries by 10:00 on Friday, 10 January 2014.
6. The completion and lodging of this form of proxy shall in no way preclude the shareholder from attending, speaking and voting in person at the general meeting to the exclusion of any proxy appointed in terms hereof.
7. Should this form of proxy not be completed and/or received in accordance with these notes, the chairman may accept or reject it, provided that, in the case of acceptance, the chairman is satisfied as to the manner in which the shareholder wishes to vote.
8. Documentary evidence establishing the authority of the person signing this form of proxy in a representative or other legal capacity must be attached to this form of proxy unless previously recorded by the transfer secretaries or waived by the chairman of the general meeting.
9. The chairman shall be entitled to reject the authority of a person signing this form of proxy:
 - 9.1 under a power of attorney; or
 - 9.2 on behalf of a company,unless that person's power of attorney or authority is deposited at the registered office of the Company or the transfer secretaries not less than 48 hours before the general meeting.
10. Where shares are held jointly, all joint holders are required to sign this form of proxy.
11. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries.
12. Any alteration of or correction to this form of proxy must be initialled by the signatory/ies.
13. On a show of hands, every shareholder present in person or represented by proxy shall have only one vote, irrespective of the number of shares he/she holds or represents.
14. On a poll, every shareholder present in person or represented by proxy shall have one vote for every share held by such shareholder.
15. A resolution put to the vote shall be decided by a show of hands, unless, before or on the declaration of the results of the show of hands, a poll shall be demanded by any person entitled to vote at the general meeting.

SUMMARY OF RIGHTS ESTABLISHED IN TERMS OF SECTION 58 OF THE COMPANIES ACT, No. 71 OF 2008

In terms of section 58 of the Companies Act, 2008 (as amended) ("Act"):

- 1.1 a shareholder may, at any time and in accordance with the provisions of section 58 of the Act, appoint any individual (including an individual who is not a shareholder) as a proxy to participate in, and speak and vote at, a shareholders' general meeting on behalf of such shareholder (section 58(1)(b));
- 1.2 a proxy may delegate his/her or his authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing such proxy ("proxy instrument") (section 58(3)(b)) (but see note 16);
- 1.3 irrespective of the form of instrument used to appoint a proxy:
 - 1.3.1 the appointment of a proxy is suspended at any time and to the extent that the relevant shareholder chooses to act directly and in person in the exercise of any of such shareholder's rights as a shareholder (see note 5) (section 58(4)(a));
 - 1.3.2 any appointment by a shareholder of a proxy is revocable, unless the form of instrument used to appoint such proxy states otherwise (section 58(4)(b)); and
 - 1.3.3 if an appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by: (i) cancelling it in writing, or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy and to the Company (section 58(4)(c));
- 1.4 a proxy appointed by a shareholder is entitled to exercise, or abstain from exercising, any voting right of such shareholder without direction, except to the extent that the Company's MOI, or the instrument appointing the proxy, provides otherwise (section 58(7)) (see note 3);
- 1.5 the revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered as contemplated in paragraph 1.3.3 above (section 58(5));
- 1.6 if the proxy instrument has been delivered to a company, as long as that appointment remains in effect, any notice required by the Act or the Company's MOI to be delivered by the Company to the shareholder must be delivered by the Company to the shareholder (section 58(6)(a)), or the proxy or proxies, if the shareholder has directed the Company to do so in writing and paid any reasonable fee charged by the Company for doing so (section 58(6)(b));
- 1.7 if the Company issues an invitation to shareholders to appoint one or more persons named by the Company as a proxy, or supplies a form of proxy instrument:
 - 1.7.1 the invitation must be sent to every shareholder entitled to notice of the general meeting at which the proxy is intended to be exercised (section 58(8)(a)); and
 - 1.7.2 the invitation or form of proxy instrument supplied by the Company must:
 - 1.7.2.1 bear a reasonably prominent summary of the rights established in section 58 of the Act (section 58(8)(b)(i));
 - 1.7.2.2 contain adequate blank space, immediately preceding the name(s) of any person(s) named in it, to enable a shareholder to write the name, and if desired, an alternative name of a proxy chosen by the shareholder (section 58(8)(b)(ii)); and
 - 1.7.2.3 provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution(s) to be put at the general meeting, or is to abstain from voting (section 58(8)(b)(iii));
- 1.8 the Company must not require that the proxy appointment be made irrevocable (section 58(8)(c)); and
- 1.9 the proxy appointment remains valid only until the end of the general meeting at which it was intended to be used, subject to paragraph 1.5 above.

Notes:

1. Each shareholder is entitled to appoint one (or more) proxies (none of whom need be a shareholder of Caxton) to attend, speak and vote in place of that shareholder at the general meeting.
2. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space/s provided with or without deleting "the chairman of the general meeting" but the shareholder must initial any such deletion. The person whose name stands first on this form of proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
3. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the shareholder in the appropriate space provided.
4. Failure to comply with the above will be deemed to authorise and direct the chairman of the general meeting, if the chairman is the authorised proxy, to vote in favour of the special resolution, or any other proxy to vote or to abstain from voting at the general meeting as he/she deems fit, in respect of all the shareholder's votes exercisable at the general meeting.
5. Completed forms of proxy and the authority (if any) under which they are signed must be lodged with or posted to the transfer secretaries: Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) to preferably be received by no later than 48 hours before the commencement of the general meeting (or any adjournment or postponement of the general meeting) or handed to the chairman of the general meeting at any time before the appointed proxy/ies exercise/s any of the relevant shareholder's rights at the general meeting (or any adjournment or postponement of the general meeting), provided that should a shareholder lodge a form of proxy with the transfer secretaries at either of the above addresses less than 48 hours before the general meeting, such shareholder will also be required to furnish a copy of such form of proxy to the chairman of the general meeting before the appointed proxy exercises any of such shareholder's rights at the general meeting (or any adjournment of the general meeting).
6. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.
7. The chairman of the general meeting may accept or reject any form of proxy not completed and/or received in accordance with these notes or with the memorandum of incorporation of Caxton.
8. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
9. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity (e.g. for a company, close corporation, trust, pension fund deceased estate, etc.) must be attached to this form of proxy, unless previously recorded by Caxton or the transfer secretaries.
10. Where this form of proxy is signed under power of attorney, such power of attorney must accompany this form of proxy, unless it has been registered by Caxton or the transfer secretaries or waived by the chairman of the general meeting.
11. Where shares are held jointly, all joint holders are required to sign this form of proxy.
12. A shareholder who is a minor must be assisted by his/her parent/guardian, unless the relevant documents establishing his/her legal capacity are produced or have been registered by Caxton or the transfer secretaries.
13. Dematerialised shareholders who do not own shares in "own name" dematerialised form and who wish to attend the general meeting, or to vote by way of proxy, must contact their CSDP, broker or nominee who will furnish them with the necessary letter of representation to attend the general meeting or to be represented thereat by proxy. This must be done in terms of the agreement between the shareholder and his/her CSDP, broker or nominee.
14. This form of proxy shall be valid at any resumption of an adjourned or postponed general meeting to which it relates, although this form of proxy shall not be used at the resumption of an adjourned or postponed general meeting if it could not have been used at the general meeting from which it was adjourned or postponed for any reason other than it was not lodged timely for the meeting from which the adjournment took place. This form of proxy shall, in addition to the authority conferred by the Act, except insofar as it provides otherwise, be deemed to confer the power to act at the general meeting in question, subject to any specific direction contained in this form of proxy as to the manner of voting.
15. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the death or mental disorder of the principal or revocation of the proxy or of the authority under which the proxy was executed, provided that no intimation of such death, insanity, revocation or transfer as aforesaid shall have been received by the transfer secretaries before the commencement of the meeting or adjourned meeting at which the proxy is used.
16. Any proxy appointed pursuant to this form of proxy may not delegate his/her authority to act on behalf of the relevant shareholder.
17. In terms of section 58 of the Act, unless revoked, an appointment of a proxy pursuant to this form of proxy remains valid only until the end of the general meeting or any adjournment or postponement of the general meeting.