

## THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 4 of this Circular apply *mutatis mutandis* throughout this Circular.

Shareholders are referred to page 2 of this Circular which sets out the detailed action required of Shareholders.

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

If you have disposed of all of your Taste Shares, then this Circular should be forwarded to the purchaser to whom, or the broker, agent, CSDP or banker through whom you disposed of your Taste Shares, except that this Circular should not be forwarded or transmitted by you to any person in any territory other than South Africa unless the Rights Offer can lawfully be made to such person or in such territory.

Letters of Allocation, which are renounceable, can only be traded in Dematerialised form, and accordingly, Taste will issue all Letters of Allocation in Dematerialised form. An electronic record for Certificated Shareholders is being maintained by the Transfer Secretaries which has made it possible for Certificated Shareholders to enjoy the same rights and opportunities as holders of Dematerialised Shares in respect of the Letters of Allocation.

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 Entitlement has been applied. Excess applications will not be allowed.

The Entitlements that are represented by Letters of Allocation are negotiable, transferrable and may be traded on the JSE under ticker symbol TASN during the period from Wednesday, 10 January 2018 to Tuesday, 23 January 2018.

### Jurisdiction

The release, publication or distribution of this Circular in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions should inform themselves about and comply with, any such restrictions. Any failure to comply with such restrictions may constitute a violation of the laws of any such jurisdiction. This Circular does not constitute an offer to sell or issue, or the solicitation of an offer to purchase or subscribe for, any shares or other rights or securities to any person in any jurisdiction in which such offer or solicitation would be unlawful.

**Taste does not accept responsibility and will not be held liable for any failure on the part of the CSDP or broker of any holder of Dematerialised Shares to notify such Shareholder of the action required of them in respect of the Rights Offer set out in this Circular.**



## CIRCULAR TO TASTE SHAREHOLDERS

regarding:

- a fully committed renounceable rights offer to Taste Shareholders of 442 222 223 Shares at a price of 90 cents each, in the ratio of 96.28624 Shares for every 100 Shares held at the close of business on Friday, 12 January 2018; and

enclosing

- a Form of Instruction in respect of a Letter of Allocation providing for acceptance and/or renunciation and/or sale by Certificated Shareholders of all or part of the Entitlement contained in the Letter of Allocation.

Rights Offer opens at 09:00 on

Monday, 15 January 2018

Rights Offer closes at 12:00 on

Friday, 26 January 2018

Corporate Adviser and Sponsor

**Merchantec**  
capital

Legal Adviser to Taste



Legal Adviser to RVF



Date of issue: 9 January 2018

*This Circular is available in the English language only. Copies of this Circular may be obtained from the registered office of the Company and the Sponsor at the addresses set out in the "Corporate Information" section of this Circular during normal business hours from Tuesday, 9 January 2018 up to and including Friday, 26 January 2018. This Circular will also be available on the Company's website ([www.tasteholdings.co.za](http://www.tasteholdings.co.za)) from Tuesday, 9 January 2018.*

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## CORPORATE INFORMATION

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### **Taste Holdings Limited**

**Date of incorporation:** 7 February 2000

**Place of incorporation:** South Africa

### **Company Secretary and registered address of Taste**

iThemba Corporate Governance and Statutory Solutions  
Proprietary Limited

(Registration number 2008/008745/07)

12 Gemini Street

Linbro Business Park

Sandton, Johannesburg, 2065

(PO Box 1125, Ferndale, Randburg, 2160)

### **Corporate Adviser and Sponsor**

Merchantec Capital

(Registration number 2008/027362/07)

2nd Floor, North Block

Hyde Park Office Tower

Corner 6th Road and Jan Smuts Avenue

Hyde Park, Johannesburg, 2196

(PO Box 41480, Craighall, 2024)

### **Legal Adviser**

PricewaterhouseCoopers Legal Proprietary Limited

(Registration number 2011/009722/07)

3rd Floor, 30 Melrose Boulevard

Melrose Arch

Melrose North, Johannesburg, 2196

### **Transfer Secretaries**

Computershare Investor Services Proprietary Limited

(Registration number 2004/003647/07)

Rosebank Towers

15 Biermann Avenue

Rosebank, Johannesburg, 2196

(PO Box 61051, Marshalltown, 2107)

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## ACTION REQUIRED BY TASTE SHAREHOLDERS

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### PLEASE TAKE CAREFUL NOTE OF THE FOLLOWING PROVISIONS REGARDING THE ACTION REQUIRED BY TASTE SHAREHOLDERS:

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

#### Dematerialised Shareholders:

If you hold Dematerialised Shares (including where you have elected "own-name" registration), you should not complete the Form of Instruction.

Your CSDP or broker will contact you to ascertain:

- whether you wish to follow some or all of your Entitlements in terms of the Rights Offer;
- whether you wish your CSDP or broker to endeavour to procure the sale, on your behalf, of your Entitlement on the main board of the securities exchange operated by the JSE and, if so, in respect of how much of your Entitlement;
- whether you wish to renounce your Entitlement and, if so, how much of your Entitlement you wish to renounce and the details of the renouncee; or
- whether you wish for your Entitlement to lapse.

Your CSDP or broker will credit your account with your Entitlement in terms of the Rights Offer.

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

#### Certificated Shareholders:

A Form of Instruction is enclosed for use by Certificated Shareholders only. The Entitlement in respect of such Form of Instruction is renounceable and can be sold on the main board of the securities exchange operated by the JSE.

If you hold Certificated Shares and you wish to subscribe for some or all of the Rights Offer Shares represented by your Entitlement, you must complete the relevant sections of the Form of Instruction in accordance with the instructions contained therein and lodge it, together with payment for the amount due in respect thereof, with the Transfer Secretaries, whose details are set out in the Corporate Information section of this Circular, by no later than 12:00 on Friday, 26 January 2018.

If you hold Certificated Shares and do not wish to subscribe for all of the Rights Offer Shares represented by your Entitlement, you may, to the extent of the Rights Offer Shares you do not wish to subscribe for, sell or renounce your Entitlement or allow it to lapse. In such event, you must complete the relevant sections of the Form of Instruction and return it to the Transfer Secretaries to be received by no later than 12:00 on Tuesday, 23 January 2018, if you wish to **sell**, and by no later than 12:00 on Friday, 26 January 2018, if you wish to **renounce** any of your Entitlement. If you intend to allow any of your Entitlement to lapse, you need not take any action in relation to that portion of your Entitlement you intend to allow to lapse.

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## IMPORTANT DATES AND TIMES

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

	<b>2017</b>
Rights Offer Declaration Data announcement released on SENS	Monday, 18 December
Rights Offer Declaration Data published in the press on	Tuesday, 19 December
	<b>2018</b>
Rights Offer Finalisation announcement released on SENS	Thursday, 4 January
Circular distributed to Certificated Shareholders on	Tuesday, 9 January
Last day to trade in Taste Shares in order to be eligible to participate in the Rights Offer on	Tuesday, 9 January
Taste Shares trade ex the Rights Offer from commencement of trade at 09:00 on	Wednesday, 10 January
Listing of and trading of Letters of Allocation on the JSE under JSE code "TASN" and ISIN ZAE000252904 from commencement of trade at 09:00 on	Wednesday, 10 January
Record date for the Rights Offer for purposes of determining which Taste Shareholders will be entitled to participate in Rights Offer at the close of business on	Friday, 12 January
<b>Rights Offer opens at 09:00 on</b>	<b>Monday, 15 January</b>
CSDP or broker accounts credited with Entitlements in respect of holders of Dematerialised Shares at 09:00 on	Monday, 15 January
Letters of Allocation credited to an electronic account held at the Transfer Secretaries in respect of holders of Certificated Shares at 09:00 on	Monday, 15 January
Circular distributed to Dematerialised Shareholders	Tuesday, 16 January
Last day to trade in Letters of Allocation on the JSE on	Tuesday, 23 January
Last day for Form of Instruction to be lodged with the Transfer Secretaries by 12:00 in respect of Certificated Shareholders wishing to <b>sell</b> all or part of their Entitlements	<b>Tuesday, 23 January</b>
Listing and trading of the Rights Offer Shares commences on the JSE at 09:00 on	Wednesday, 24 January
Last day for Form of Instruction to be lodged with the Transfer Secretaries and payment to be made by 12:00 in respect of Certificated Shareholders wishing to <b>subscribe</b> for or <b>renounce</b> all or part of their Entitlements on	Friday, 26 January
Record date for Letters of Allocation	Friday, 26 January
<b>Rights Offer closes at 12:00 on</b>	<b>Friday, 26 January</b>
CSDP or broker accounts credited with Rights Offer Shares and debited with the payments due in respect of holders of Dematerialised Shares on	Monday, 29 January
Share certificates in terms of the Rights Offer Shares posted to Certificated Shareholders on or about	Monday, 29 January
Results of the Rights Offer announced on SENS on	Monday, 29 January
Results of the Rights Offer published in the press on	Tuesday, 30 January
Rights Offer Shares not subscribed for by existing Taste Shareholders in terms of the Rights Offer, issued to RVF on or about	Monday, 5 February

### Notes:

1. All dates and times in this Circular are local dates and times in South Africa. The above dates and times are subject to change. Any changes will be released on SENS and published in the press.
2. Taste Shareholders are referred to page 2 of this Circular for information on the action required to be taken by them.
3. Share certificates may not be Dematerialised or Rematerialised between Wednesday, 10 January 2018 and Friday, 12 January 2018, both days inclusive.
4. Dematerialised Shareholders will have their accounts at their CSDP or broker credited with their Entitlements and Certificated Shareholders will have their Entitlements generated in electronic form and held at the Transfer Secretaries on Monday, 15 January 2018.
5. Dematerialised Shareholders will have their accounts at their CSDP or broker credited with the Rights Offer Shares to the extent to which they have accepted the Rights Offer. Share certificates will be posted, by registered post at the Shareholders' risk, to Certificated Shareholders to the extent to which they have accepted the Rights Offer.
6. CSDPs effect payment in respect of Dematerialised Shareholders on a delivery-versus-payment method.

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## DEFINITIONS AND INTERPRETATIONS

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

<b>“Authorised Dealer”</b>	a person authorised to deal in foreign exchange as contemplated in the Exchange Control Regulations;
<b>“Board” or “Directors”</b>	the board of directors of Taste at the Last Practicable Date whose details are set out on page 8 of this Circular;
<b>“Business Day”</b>	any day other than a Saturday, Sunday or a public holiday in South Africa;
<b>“Certificated Share”</b>	a Taste Share that has not been Dematerialised, title to which is evidenced by a Document of Title;
<b>“Certificated Shareholder”</b>	a Taste Shareholder who holds Certificated Shares;
<b>“Circular”</b>	this bound document, dated Tuesday, 9 January 2018, including the annexures hereto and incorporating a Form of Instruction;
<b>“Commitment Agreement”</b>	the agreement entered into between Taste and RVF on 5 December 2017, in terms of which, <i>inter alia</i> , RVF has agreed to subscribe for the Remaining Rights Offer Shares;
<b>“Commitment Fee”</b>	in terms of the Commitment Agreement, an amount equal to 2.5% of the quantum of the Rights Offer, being R9 950 000.00, excluding any value added taxes thereon;
<b>“Common Monetary Area”</b>	South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
<b>“Companies Act”</b>	the Companies Act 71 of 2008, as amended;
<b>“Computershare Investor Services” or “Transfer Secretaries”</b>	Computershare Investor Services Proprietary Limited (Registration number 2004/003647/07), a private company duly incorporated in accordance with the laws of South Africa;
<b>“CSDP”</b>	a Central Securities Depository Participant, accepted as a participant in terms of the Financial Markets Act, appointed by a Shareholder for the purposes of, and in regard to, Dematerialisation;
<b>“Custody Agreement”</b>	the agreement which regulates the relationship between the CSDP or broker and each beneficial holder of Dematerialised Shares;
<b>“Dematerialisation”</b>	the process by which Certificated Shares are converted into electronic format as Dematerialised Shares and recorded in Taste’s Uncertificated Securities Register;
<b>“Dematerialised Share”</b>	a Taste Share that has been Dematerialised or has been issued in Dematerialised form, and recorded in Taste’s Uncertificated Securities Register;
<b>“Dematerialised Shareholder”</b>	a Taste Shareholder who holds Dematerialised Shares;
<b>“Documents of Title”</b>	share certificates, certified transfer deeds, balance receipts and/or any other form of acceptable document of title acceptable to Taste in respect of Taste Shares;
<b>“EBITDA”</b>	earnings before interest, tax, depreciation and amortisation;
<b>“EFT”</b>	Electronic Funds Transfer;
<b>“Emigrants”</b>	former residents of the Common Monetary Area whose addresses are outside the Common Monetary Area;
<b>“Entitlement”</b>	in respect of a Shareholder, that Shareholder’s entitlement to subscribe for Rights Offer Shares in the ratio of 96.28624 Rights Offer Shares for every 100 Shares held by that Shareholder on the Initial Record Date, which entitlement arises pursuant to the Rights Offer;
<b>“Exchange Control Regulations”</b>	the Exchange Control Regulations, promulgated in terms of section 9 of the Currency and Exchanges Act 9 of 1933, as amended;
<b>“Final Record Date”</b>	the record date for determination of Shareholders entitled to receive the Rights Offer Shares, being Friday, 26 January 2018;
<b>“Financial Markets Act”</b>	Financial Markets Act 19 of 2012, as amended;

<b>“Form of Instruction”</b>	the enclosed form of instruction in respect of a Letter of Allocation reflecting the Entitlement of each Certificated Shareholder, and on which that Certificated Shareholder must indicate to the Transfer Secretaries, whether it wishes to take up, renounce or sell all or part of its Entitlement;
<b>“Group” or “Taste Group”</b>	Taste and its Subsidiaries;
<b>“IFRS”</b>	International Financial Reporting Standards;
<b>“Initial Record Date”</b>	the record date for determination of Shareholders entitled to participate in the Rights Offer, being Friday, 12 January 2018;
<b>“Insolvency Event”</b>	in relation to a person means: <ul style="list-style-type: none"> <li>– an order or declaration is made by any authority, or its board or shareholders pass a resolution, for the business rescue, sequestration, curatorship, liquidation, winding-up, deregistration or dissolution of it (in each case, whether provisional or final);</li> <li>– it seeks the appointment, by reason of actual or anticipated financial difficulties, of a liquidator, business rescue practitioner or other similar official (whether provisional or final) for it, or such a person is appointed, other than where such appointment is withdrawn or discharged within 5 (five) Business Days thereof (or it is demonstrated within such 5 (five) Business Day period that such action is frivolous or vexatious and is being vigorously contested);</li> <li>– it is unable (or admits inability) to pay its debts generally as they fall due or is (or admits to being) otherwise insolvent; or</li> <li>– it proposes or seeks to make or makes, by reason of actual or anticipated financial difficulties, a general assignment or any arrangement or composition or compromise with or for the benefit of its creditors;</li> </ul>
<b>“JSE”</b>	JSE Limited (Registration number 2005/022939/06), a public company duly incorporated in accordance with the laws of South Africa and licensed as an exchange under the Financial Markets Act;
<b>“Last Practicable Date”</b>	Friday, 29 December 2017, being the last practicable date prior to the date of finalisation of this Circular;
<b>“Legal Adviser”</b>	PricewaterhouseCoopers Legal Proprietary Limited (Registration number 2011/009722/07), a personal liability company duly incorporated in accordance with the laws of South Africa;
<b>“Letters of Allocation”</b>	renounceable (nil paid) letters of allocation to be issued to Taste Shareholders, in electronic form, pursuant to the Rights Offer, conferring an entitlement to subscribe for Rights Offer Shares in terms of the Rights Offer and which are also referred to in this Circular in respect of holders of Certificated Shares as the Form of Instruction;
<b>“Listings Requirements”</b>	the Listings Requirements of the JSE, as amended from time to time by the JSE;

**“Material Adverse Event”**

an event, change, circumstance, development, matter or fact (which arises or occurs before, on or after the date of signature of the Commitment Agreement) reasonable details of which RVF only becomes aware on or after the date of signature of the Commitment Agreement, which:

- results in, or can reasonably be expected to result in, a material adverse change in the condition (financial or otherwise), earnings, operations, prospects and/or properties of the Company and its subsidiaries (taken as a whole and considered as one enterprise), whether or not arising in the ordinary course of business; and/or
- reasonably indicates that the condition (financial or otherwise), earnings, operations, prospects and/or properties of the Company and its subsidiaries (taken as a whole and considered as one enterprise) as at 28 February 2017 or 31 August 2017 (as the case may be) was/were materially worse than that reflected in and/or ascertainable from the Company’s audited consolidated financial statements as at 28 February 2017 and/or the Company’s unaudited consolidated interim results as at 31 August 2017 (as the case may be);

provided, however, that none of the following, either alone or in combination, will constitute, or be considered in determining whether there has been, a Material Adverse Event: any event, change, circumstance, development, matter or fact resulting from (but only to the extent it results from) or related to (but only to the extent it is related to):

- any outbreak of or escalation of war or major hostilities or any act of terrorism, unless the Company and its subsidiaries (taken as a whole and considered as one enterprise) are materially disproportionately affected thereby when compared with its/their peers in South Africa;
- changes in laws, IFRS or the enforcement or interpretation thereof;
- changes that generally affect the industries and markets in which the Company and its subsidiaries operate;
- changes in financial markets generally, general economic conditions (including interest rates, sovereign debt ratings, exchange rates, commodity prices and fuel and wage costs) or general political conditions;
- general labour unrest and/or strikes in the industries and markets in which Company and its subsidiaries operate;
- any failure, in and of itself, of any of the Company and its subsidiaries to meet any internally prepared or published projections, budgets, plans or forecasts, including those relating to earnings or other financial performance measures or operating statistics;
- any action taken by the Company or its subsidiaries in relation to the Rights Offer if taken in accordance with the Commitment Agreement or any of the other Transaction Agreements, as defined in the Commitment Agreement, or any omission to act where the Commitment Agreement or any of the other Transaction Agreements, as defined in the Commitment Agreement, oblige the Company or its subsidiaries not to act;
- any action taken by the Company or its subsidiaries at the written request of, or consented to in writing or agreed in writing by, RVF; or
- the execution of the Commitment Agreement or any of the other Transaction Agreements, as defined in the Commitment Agreement, or the implementation of the Rights Offer in accordance with the Commitment Agreement or any of the other Transaction Agreements, as defined in the Commitment Agreement; or
- the public announcement or other publicity with respect to any such aforementioned event, change, circumstance, development, matter or fact;

**“Merchantec Capital” or “Sponsor”**

Merchantec Proprietary Limited (Registration number 2008/027362/07), a private company duly registered and incorporated under the laws of South Africa;

**“Non-resident”**

a person whose registered address is outside the Common Monetary Area;

**“Notes”**

the senior secured notes issued by the Company in terms of the R1 000 000 000 Domestic Medium Term Note Programme as described in the programme memorandum dated 30 July 2014, as amended;

**“QIB”**

Qualified Institutional Buyer, as defined by the Securities and Exchange Commission’s (SEC) Rule 144A under the U.S. Securities Act;

**“Rand” or “R”**

South African Rand, the official currency of South Africa;

**“Register”**

Taste’s securities register, including the Uncertificated Securities Register;



<b>“Remaining Rights Offer Shares”</b>	the number of Rights Offer Shares not acquired by Shareholders pursuant to the Rights Offer, which will, subject to the Commitment Agreement be issued to RVF on Monday, 5 February 2018;
<b>“Rematerialised”</b>	a Dematerialised Share that is converted back into a Certificated Share;
<b>“Rights Offer”</b>	the renounceable Rights Offer by Taste to Taste Shareholders to subscribe for their <i>pro rata</i> portion of the Rights Offer Shares, the details of which are set out in this Circular;
<b>“Rights Offer Shares”</b>	442 222 223 Taste Shares to be offered for subscription by Shareholders pursuant to the Rights Offer;
<b>“RVF”</b>	Riskowitz Value Fund LP, a limited partnership formed in the state of Delaware, USA, in respect of which additional information is set out in <b>Annexure 3</b> to this Circular;
<b>“SENS”</b>	the Securities Exchange News Service of the JSE;
<b>“South Africa”</b>	the Republic of South Africa;
<b>“Strate”</b>	the settlement and clearing system used by the JSE, managed by Strate Proprietary Limited (Registration number 1998/022242/07), a private company duly incorporated in accordance with the laws of South Africa and which company is a registered Central Securities Depository in terms of the Financial Markets Act;
<b>“Subsidiary”</b>	a subsidiary as defined in the Companies Act;
<b>“Taste” or “the Company”</b>	Taste Holdings Limited (Registration number 2000/002239/06), a public company duly registered and incorporated under the laws of South Africa and whose issued shares are listed on the main board of the securities exchange operated by the JSE;
<b>“Taste Shareholders” or “Shareholders”</b>	holders of issued Taste Shares;
<b>“Taste Shares” or “Shares”</b>	authorised ordinary shares with no par value of Taste;
<b>“Terms Announcement”</b>	the announcement released on SENS on Thursday, 16 November 2017 relating, <i>inter alia</i> , to the intended debt reduction and capital raising of R398 million by way of a rights offer;
<b>“Transfer Secretaries”</b>	Computershare Investor Services Proprietary Limited;
<b>“Uncertificated Securities Register”</b>	the record of Dematerialised Shares administered and maintained by a CSDP and which forms part of the Register;
<b>“USA” or “US”</b>	the United States of America; and
<b>“U.S. Securities Act”</b>	the United States Securities Act of 1933, as amended.



## TASTE HOLDINGS LIMITED

Incorporated in the Republic of South Africa

(Registration number 2000/002239/06)

Share code: TAS ISIN: ZAE000081162

("Taste" or "the Company")

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### DIRECTORS

#### Executive

C F Gonzaga (*Chief Executive Officer*)

E Tsatsarolakis (*Financial Director*)

D J Crosson (*Executive Director*)

#### Non-executive

G M Pattison\* (*Chairperson*)

A Berman\*

T Moodley

H R Rabinowitz

K Utian\*

W P van der Merwe\*

\* *Independent*

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## CIRCULAR TO TASTE SHAREHOLDERS

### 1. INTRODUCTION

As advised in the Terms Announcement released on SENS on 16 November 2017, the Board intends to settle, *inter alia*, its term debt and fund the future growth of Starbucks and Domino's Pizza corporate owned stores by way of a fully committed rights offer. Pursuant to the Rights Offer and the Commitment Agreement, the Company intends to raise R398 million. In terms of the Rights Offer, Taste Shareholders will be entitled to subscribe for their *pro rata* portion of 442 222 223 Taste Shares, being 96.28624 Rights Offer Shares for every 100 Shares held on the Initial Record Date, at a subscription price of 90 cents per Rights Offer Share.

In terms of, and subject to, the Commitment Agreement, RVF has agreed to subscribe for the Remaining Rights Offer Shares.

The purpose of this Circular is to furnish Taste Shareholders with the relevant information pertaining to the Rights Offer, including the terms and conditions thereof, in order that they may make an informed decision as to whether or not to participate in the Rights Offer. The enclosed Form of Instruction in respect of the Letters of Allocation contains details of the Entitlement in respect of each Certificated Shareholder, as well as the procedures for acceptance, sale or renunciation of its Entitlement. Dematerialised Shareholders will be advised by their CSDP or broker of the Entitlements to which they are entitled, as well as the procedures for acceptance, sale or renunciation of their Entitlements.

### 2. NATURE OF THE BUSINESS AND PROSPECTS OF TASTE

Taste is a South African based holding company of a group of companies that owns and licenses a portfolio of franchised and owned, category specialist and formula driven quick service restaurants, coffee and luxury retail brands housed within two divisions, namely the food division and the luxury goods division.

The food division licenses the world's leading coffee retailer and roaster, Starbucks; the world's largest pizza delivery chain, Domino's Pizza, and in addition to Zebro's Chicken and Maxi's, owns one of South Africa's leading fish take away chains, The Fish & Chip Co.

Taste's food brands comprise a diversified portfolio of the largest product categories (coffee, pizza, chicken, fish, burgers and breakfasts) which appeal to middle-and-upper income consumers (Starbucks, Domino's Pizza, Maxi's) as well as lower income consumers (The Fish & Chip Co, Zebro's Chicken).

The luxury goods division consists of retail outlets branded under NWJ, Arthur Kaplan and World's Finest Watches. Through Arthur Kaplan and World's Finest Watches, Taste is a leading retailer of luxury Swiss watches in South Africa, with brands like Rolex, Omega, Breitling, Hublot, TAG Heuer, Longines and Rado, among its custodian brands. Additionally, the division recently became custodian of Cartier, IWC and Montblanc in selected outlets.

Its brands appeal to a diversified customer base ranging from premium watch and jewellery buyers (Arthur Kaplan and World's Finest Watches) to first time jewellery and fashion watch buyers (NWJ).

As set out in the Terms Announcement, Taste intends to restructure its food division and luxury goods division with a view to possibly separating them in the future. Part of this intended restructure would see the Group settle, in addition to other debt, its long term debt of R225 million in respect of the Notes and utilise surplus cash resources to fund the continued roll out of Domino's Pizza and Starbucks stores. Having initiated a sale process of the luxury goods division earlier in 2017, deteriorating macro-economic conditions meant that the timing of the disposal was not ideal and the Group therefore stopped the sale process.

The continued roll-out of Starbucks and Domino's Pizza stores is necessary for the food division to achieve EBITDA profitability. In anticipation of a moderate consumer recovery in 2018 and on the assumption that the planned Starbucks and Domino's Pizza corporate stores are opened, the food division would be positioned to achieve a monthly cash breakeven in the second half of 2018.

As part of the debt reduction, the Company intends to raise R398 million by way of a fully committed Rights Offer at 90 cents per Rights Offer Share. The Rights Offer will be fully subscribed for in terms of and subject to the Commitment Agreement. RVF is the Company's largest shareholder and its willingness to enter into the Commitment Agreement to ensure that the Rights Offer is fully subscribed is an indication of RVF's support for the continued roll out of the Company's food services offering. Shareholders will not have the ability to apply for excess allocations. The proceeds of the Rights Offer will be used to settle, *inter alia*, the term debts, including the R225 million of Notes that are currently outstanding, the transaction costs in connection with the Rights Offer and related transactions and the balance of the proceeds from the fully committed Rights Offer will be used to fund the continued roll out of Domino's Pizza and Starbucks stores.

It is the opinion of the Board that this represents the most favourable debt reduction and expansion funding option available to the Company in the current circumstances. Tyrone Moodley, as a result of his association to RVF, has recused himself from all deliberations of the Board relating to the Transactions (as defined in the Terms Announcement).

### **3. TERMS OF THE RIGHTS OFFER**

#### **3.1 Background and rationale**

- 3.1.1** In terms of and subject to the Rights Offer and the Commitment Agreement, Taste will raise R398 million from Shareholders by way of a fully committed Rights Offer, at a price of 90 cents per Rights Offer Share.
- 3.1.2** The Rights Offer, which enables Taste to pursue the aforementioned debt reduction and capital raise, provides each Shareholder with an opportunity, on a *pro rata* basis, to participate in the recapitalisation and growth of the Company.

#### **3.2 Use of funds**

- 3.2.1** As set out in paragraph 2 above, the funds raised in terms of the Rights Offer will be used to settle, *inter alia*, the Company's term debt and transaction costs, and to fund the future growth of Starbucks and Domino's Pizza corporate owned stores.

#### **3.3 Particulars of the Rights Offer**

- 3.3.1** Each Shareholder and/or its renouncee/s will be offered the Entitlement to subscribe for its *pro rata* portion, by way of a renounceable Rights Offer, of the Rights Offer Shares.
- 3.3.2** In terms of the Rights Offer:
  - 3.3.2.1** a total of 442 222 223 Rights Offer Shares will be offered to Shareholders;
  - 3.3.2.2** each Shareholder will be entitled to subscribe for 96.28624 Rights Offer Shares for every 100 Shares held by it on the Initial Record Date;
  - 3.3.2.3** the subscription price will be 90 cents per Rights Offer Share; and
  - 3.3.2.3** excess applications will not be permitted.
- 3.3.3** Upon allotment and issue, the Rights Offer Shares will rank *pari passu* in all respects, including dividends, with the existing ordinary shares of the Company in issue.
- 3.3.4** Shareholders will not be obliged to take up their full Entitlements, and may take up a part only.
- 3.3.5** Letters of Allocation in respect of 442 222 223 Rights Offer Shares will be listed from the commencement of business on Wednesday, 10 January 2018 to close of business on Tuesday, 23 January 2018, both days inclusive. The Letters of Allocation may only be traded in Dematerialised form and, accordingly, Taste will issue all Letters of Allocation in Dematerialised form. The Rights Offer Shares cannot be traded before such Shares are listed on the main board of the securities exchange operated by the JSE on Wednesday, 24 January 2018.

- 3.3.6** The Rights Offer will open at 09:00 on Monday, 15 January 2018 and close at 12:00 on Friday, 26 January 2018.
- 3.3.7** The subscription price payable for each Rights Offer Share will be payable in Rand and in full upon acceptance by Certificated Shareholders, or on a delivery-versus-payment basis by the CSDP or broker of Dematerialised Shareholders who have accepted the Rights Offer.

### **3.4 Entitlements**

- 3.4.1** Subject to 3.4.2 and 3.4.3 below, each Taste Shareholder will receive the Entitlement to subscribe for 96.28624 Rights Offer Shares for every 100 Shares held by it on the Initial Record Date, being Friday, 12 January 2018.
- 3.4.2** Taste Shareholders who hold less than 100 Taste Shares or who do not hold a multiple of 100 Taste Shares, will be entitled, in respect of such holdings, to participate in the Rights Offer in accordance with the table of Entitlements set out in **Annexure 1** to this Circular.
- 3.4.3** The allocation of Rights Offer Shares will be such that Shareholders will not be allocated a fraction of a Rights Offer Share and as such any Entitlement to receive a fraction of a Rights Offer Share which:
- 3.4.3.1** is less than one-half of a Rights Offer Share, will be rounded down to the nearest whole number; or
- 3.4.3.2** is equal to or greater than one-half of a Rights Offer Share but less than a whole Rights Offer Share, will be rounded up to the nearest whole number.
- 3.4.4** 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 Form of Instruction reflects the number of Rights Offer Shares for which the Certificated Shareholder is entitled to subscribe. The procedure to be followed by each Certificated Shareholder for the acceptance, sale or renunciation of its Entitlement is set out in the Form of Instruction. If by 12:00 on Friday, 26 January 2018, any Certificated Shareholder fails to sell, renounce or follow its Entitlement; its Entitlement will lapse and will be allocated to RVF in terms of the Commitment Agreement.
- 3.4.5** Dematerialised Shareholders will not receive a Form of Instruction. Each Dematerialised Shareholder will have its Entitlement automatically credited in electronic form to its account held by its appointed CSDP or broker. The CSDP or broker will advise Dematerialised Shareholders of the procedure to be followed and the timing for the acceptance, sale, renunciation or lapsing of such Entitlements.
- 3.4.6** The Letters of Allocation to which the Form of Instruction relate are transferrable and can be renounced or sold on the main board of the securities exchange operated by JSE.

### **3.5 Excess applications**

- 3.5.1** Taste Shareholders may not apply for any Rights Offer Shares in excess of their Entitlements, and so any Shares not followed by Shareholders or their renouncee/s or transferee/s shall be allocated to RVF in terms of the Commitment Agreement.

## **4. PROCEDURE FOR ACCEPTANCE, RENUNCIATION AND SALE OF ENTITLEMENTS**

### **4.1 Certificated Shares**

Any instruction by a Certificated Shareholder to accept, sell or renounce some or all of the Rights Offer Shares represented by its Entitlement may only be made in terms of a duly completed and executed Form of Instruction.

#### **4.1.1 Acceptance of Entitlements**

- 4.1.1.1** Acceptances are irrevocable and may not be withdrawn.
- 4.1.1.2** Acceptances may be made only by means of the Form of Instruction.
- 4.1.1.3** Any instruction to sell or renounce all or part of an Entitlement may only be made by means of the Form of Instruction.
- 4.1.1.4** The properly completed Form of Instruction together with a cheque crossed "not transferable" and "or bearer" deleted, proof of EFT payment or banker's draft (in the case of foreign Shareholders) in Rand in payment of the price payable for the relevant Rights Offer Shares must be received by the Transfer Secretaries by no later than 12:00 on Friday, 26 January 2018. All acceptances of the Rights Offer sent by post will be accepted provided it is received by no later than 12:00 on Friday, 26 January 2018. No late postal acceptances will be accepted.
- 4.1.1.5** The Form of Instruction will be regarded as complete only when the cheque, proof of EFT payment or banker's draft (in the case of foreign Shareholders) in relation to the amount payable in respect thereof has been cleared for payment.
- 4.1.1.6** Such payment will constitute an irrevocable acceptance of the Rights Offer upon the terms and conditions set out in this Circular once the cheque, EFT or banker's draft has been cleared for payment.

- 4.1.1.7 Certificated Shareholders who wish to subscribe for only a portion of the Rights Offer Shares offered to them must indicate the number of Rights Offer Shares they wish to subscribe for on the Form of Instruction.
- 4.1.1.8 If any Form of Instruction is not received as set out above, the Rights Offer will be deemed to have been declined and the Entitlement will lapse regardless of who holds it.
- 4.1.1.9 No acknowledgement of receipt will be given for a cheque or banker's draft received in respect of the Rights Offer.

#### 4.1.2 Renunciation or sale of Entitlements

- 4.1.2.1 A Certificated Shareholder who does not wish to subscribe for any Rights Offer Shares represented by its Entitlement, may sell or renounce all or part of its Entitlement.
- 4.1.2.2 A Certificated Shareholder who wishes to sell any of its Entitlement must complete the relevant sections of the Form of Instruction and return it to the Transfer Secretaries in accordance with the instructions contained therein, to be received by no later than 12:00 on Tuesday, 23 January 2018.
- 4.1.2.3 The Transfer Secretaries will, on behalf of such Certificated Shareholders, endeavour to procure the sale of the Entitlements on the main board of the securities exchange operated by the JSE and will remit the proceeds in accordance with the payment instructions reflected in the Form of Instruction, net of brokerage charges and associated expenses. Neither the Transfer Secretaries nor the Company nor any broker appointed by it will have any obligation or liability or be responsible for any loss or damage whatsoever in relation to or arising out of the timing of such sales, the price obtained or any failure to sell such Entitlements. References in this paragraph to a Certificated Shareholder include references to the person or persons executing the Form of Instruction and any person or persons on whose behalf such person or persons executing the Form of Instruction is/are acting. In the event of more than one person executing the Form of Instruction, the provisions of this paragraph shall apply to them, jointly and severally.
- 4.1.2.4 A Certificated Shareholder who does not wish to subscribe for Rights Offer Shares offered in terms of the Form of Instruction and also does not wish to sell its corresponding Entitlement but who wishes to renounce its corresponding Entitlement, must complete the relevant sections of the Form of Instruction and return it to the Transfer Secretaries in accordance with the instructions contained therein to be received by no later than 12:00 on Friday, 26 January 2018.
- 4.1.2.5 A Certificated Shareholder who wishes to sell any of its Entitlement will be liable to pay the Transfer Secretaries an amount of R154.48 (one hundred and fifty four Rand and forty eight cents) (all inclusive) for trades having a value of less than or equal to R40 000.00 and an amount equal to R154.48 (one hundred and fifty four Rand and forty eight cents) plus 0.35% of the value of the trades, plus VAT for trades with a value in excess of R40 000.00 (forty thousand Rand).

#### 4.1.3 Payment

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

#### 4.1.4 Payment terms

- 4.1.4.1 A cheque drawn on a South African bank or banker's draft drawn on a registered 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 "**Taste – Rights Offer**" in respect of the amount due, or proof of EFT payment together, in the case of all of the above, with a duly completed Form of Instruction, must be lodged by Certificated Shareholders and/or their renounee/s by no later than 12:00 on Friday, 26 January 2018 in accordance with the instructions contained in the form of instruction and clearly marked "**Taste – Rights Offer**".

##### 4.1.4.2 By hand to:

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

##### 4.1.4.3 By post, at the risk of the Shareholder or renounee concerned to:

Computershare Investor Services Proprietary Limited  
PO Box 61763  
Marshalltown  
2107

**4.1.4.4** All cheques or (in the case of foreign Shareholders) bankers' drafts received by the Transfer Secretaries will be deposited immediately for payment. In the event that any cheque or banker's draft (in the case of foreign Shareholders) is dishonoured, Taste, 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 price for such Rights Offer Shares.

**4.1.4.5** Money received in respect of a Form of Instruction which is rejected or otherwise treated as void by Taste, or which is otherwise not validly received in accordance with the terms stipulated in this paragraph, will be refunded (without interest) by way of an EFT in Rand to the applicant concerned, on or about Monday, 29 January 2018. If Taste is not able to effect the refund by EFT for any reason whatsoever, then the relevant refund will be held by Taste until collected by the Shareholder. No interest will be paid by Taste in respect of such refund.

**4.1.4.6 By EFT:**

EFTs will be accepted. In this regard, Shareholders should contact the Transfer Secretaries' call centre – Corporate Actions on 0861 100 634 to obtain banking details and a reference number for the deposits. Forms of Instruction and proof of EFT payments may be emailed to [corporate.events@computershare.co.za](mailto:corporate.events@computershare.co.za).

**4.1.4.7** Shareholders should note that the aforementioned applies only in respect of the subscription for Rights Offer Shares and not in respect of the disposal of any Entitlements.

**4.1.4.8** Computershare Investor Services will not be responsible for any loss and/or damage whatsoever in relation to or arising from the late and/or non-receipt of emailed Form of Instruction or owing to any Forms of Instruction being sent to any email address other than that provided in 4.1.4.6 above.

**4.1.4.9** Forms of Instruction shall be deemed to be received on the date reflected in Computershare Investor Service's electronic systems. Notwithstanding anything to the contrary, it is the Shareholder's responsibility to ensure that its Form of Instruction is received by Computershare Investor Services no later than the due date and time thereof.

**4.1.5 Taste Share Certificates**

**4.1.5.1** Share Certificates in respect of Rights Offer Shares will be posted by registered post by the Transfer Secretaries, at the risk of the Certificated Shareholders concerned, on or about Monday, 29 January 2018. As Taste uses the "certified transfer deeds and other temporary documents of title" procedure approved by the JSE, only "block" certificates will be issued in respect of Rights Offer Shares.

**4.1.5.2** Certificated Shareholders receiving Rights Offer Shares in Certificated format must note that such Shares cannot trade on the main board of the securities exchange operated by the JSE until they have been Dematerialised. Dematerialisation could take between one and ten days.

**4.2 DEMATERIALISED SHARES**

**4.2.1 Acceptance, renunciation or sale of Entitlements**

**4.2.1.1** The CSDP or broker appointed by a Dematerialised Shareholder is obliged to contact such Shareholder to ascertain:

- whether such Shareholder wishes to follow its Entitlement and, if so, in respect of how many Rights Offer Shares;
- whether such Shareholder wishes to renounce its Entitlement and, if so, in respect of how many Rights Offer Shares; and/or
- whether the Shareholder concerned wishes to sell any of its Entitlement and if so, in respect of how many Rights Offer Shares.

**4.2.1.2** Shareholders not contacted by their CSDPs or brokers, should contact them and furnish them with their instruction. Should a CSDP or broker not obtain instructions from a Dematerialised Shareholder, it is obliged to act in terms of the Custody Agreement entered into between it and such Dematerialised Shareholder, or if the agreement is silent in this regard, they are obliged to not accept the Entitlement on behalf of such Shareholder.

**4.2.2 Payment**

**4.2.2.1** The CSDP or broker will effect payment directly on behalf of a Dematerialised Shareholder in respect of and to the extent of its Entitlement followed, in Rand, on Monday, 29 January 2018 on a delivery-versus-payment basis.

**4.2.2.2** Dematerialised Shareholders who wish to accept the Rights Offer should ensure that the necessary funds are deposited with the relevant CSDP or broker.

#### **4.2.3 Rights Offer Shares**

**4.2.3.1** Each Dematerialised Shareholder will have its account credited with the Rights Offer Shares subscribed for by it in terms of the Rights Offer, on Monday, 29 January 2018.

### **5. COMMITMENT AGREEMENT**

**5.1** Taste has entered into an agreement with RVF in terms of which, *inter alia*:

**5.1.1** Taste will notify RVF, in writing, of the number of Rights Offer Shares not taken up by Shareholders and/or their renounee/s pursuant to the Rights Offer and the consequent number of Remaining Rights Offer Shares to be allocated to RVF. For the avoidance of doubt, all Entitlements which lapse will be allocated to RVF pursuant to the Commitment Agreement;

**5.1.2** RVF will subscribe for, and Taste will issue to RVF, the Remaining Rights Offer Shares for a subscription price of R0.90 per Remaining Rights Offer Share, after completion of the allocations referred to in paragraph 5.1.1 above.

**5.2** The Commitment Agreement is subject to termination by RVF in the following circumstances:

**5.2.1** the occurrence of a Material Adverse Event;

**5.2.2** the occurrence of an Insolvency Event, in relation to the Company or any material subsidiary of the Company;

**5.2.3** if the Company is required to prepare and issue a supplement to this Circular in terms of paragraph 11.56 of the Listings Requirements;

**5.2.4** if the Company breaches any warranty given by the Company in the Commitment Agreement, or commits a material breach of the Commitment Agreement and such breach cannot be remedied or is not remedied in accordance with that agreement; or

**5.2.5** if an order suspending the Rights Offer or the Commitment Agreement, or any other agreement defined as a "Transaction Agreement" in the Commitment Agreement, or declaring them to be voidable at the election of someone other than RVF or illegal, invalid or void, is issued, or proceedings for any such purpose shall have been instituted by any person having the necessary *locus standi* to do so.

**5.3** In terms of the Commitment Agreement, the Commitment Fee is payable by Taste to RVF.

**5.4** As at the date of signature of the Commitment Agreement, the Board is satisfied that RVF will be able to meet its financial commitments in terms of the Commitment Agreement.

**5.5** Details of RVF, as required in terms of the Listings Requirements, are set out in **Annexure 3** to this Circular.

### **6. JSE LISTINGS**

The JSE has approved the listing for the Letters of Allocation and the Rights Offer Shares as follows:

**6.1** Letters of Allocation in respect of 442 222 223 Rights Offer Shares will be listed on the main board of the securities exchange operated by the JSE from the commencement of trade on Wednesday, 10 January 2018 to close of business on Monday, 23 January 2018, both days inclusive, under the JSE code: TASN and ISIN: ZAE000252904; and

**6.2** 442 222 223 Rights Offer Shares will be listed on the main board of the securities exchange operated by the JSE with effect from the commencement of trade on Wednesday, 24 January 2018.

### **7. EXCHANGE CONTROL REGULATIONS**

The following summary is intended only as a guide and is therefore not a comprehensive statement of the Exchange Control Regulations. Taste Shareholders who are in any doubt as to implications of the Exchange Control Regulations for them in relation to the Rights Offer should consult their professional advisers.

The Rights Offer Shares to be issued pursuant to the Rights Offer to Taste Shareholders who are not resident in the Common Monetary Area are not freely transferable from South Africa and must be dealt with in terms of the Exchange Control Regulations.

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

#### **7.1 Non-residents**

**7.1.1** In terms of the Exchange Control Regulations of South Africa, non-residents of the Common Monetary Area will be allowed to:

**7.1.1.1** take up rights allocated in terms of the offer;

**7.1.1.2** purchase letters of allocation on the JSE Limited;

**7.1.1.3** subscribe for new ordinary shares arising from letters of allocation purchased on the JSE Limited; and

**7.1.1.4** purchase excess shares that have been applied for in terms of the offer (if applicable);

provided that payment is received in foreign currency or in Rand from a Non-resident Rand account.

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

**7.1.2** Share Certificates issued pursuant to the application must be endorsed "non-resident". In respect of Taste Shareholders taking up their Entitlements in terms of the Rights Offer:

**7.1.2.1** a "non-resident" endorsement will be applied to forms of instruction issued to non-resident Certificated Shareholders; or

**7.1.2.2** a "non-resident" annotation will appear in the CSDP or broker's register for non-resident Dematerialised Shareholders.

**7.1.3** Where Entitlements are sold on the main board of the securities exchange operated by the JSE on behalf of non-residents, the proceeds of such sale are freely remittable through an Authorised Dealer in foreign exchange.

## **7.2 Emigrants**

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

**7.2.1.1** purchase letters of allocation on the JSE Limited;

**7.2.1.2** subscribe for new ordinary shares arising from the letters of allocation purchased on the JSE Limited; and

**7.2.1.3** purchase excess shares that have been applied for in terms of the offer (if applicable).

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

**7.2.3** Where Entitlements are sold on the main board of the securities exchange operated by the JSE on behalf of emigrants, which Entitlements are represented by Shares which are blocked in terms of the Exchange Control Regulations, the proceeds of such sales will be credited to the blocked Rand accounts of the Taste Shareholders concerned.

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

## **8. JURISDICTION**

**8.1** The release, publication or distribution of this Circular and/or the transfer of the Rights Offer Shares and/or the Entitlement to subscribe for Rights Offer Shares in jurisdictions other than South Africa may be restricted by law and failure to comply with any of those restrictions may constitute a violation of the laws of any such jurisdiction. This Circular does not constitute an offer to sell or issue, or the solicitation of an offer to purchase or subscribe for, any shares, securities or other rights to any person in any jurisdiction in which such offer or solicitation would be unlawful, and this Circular should not be forwarded or transmitted by recipients thereof to any person in any jurisdiction if it would be unlawful to make the Rights Offer to such person in such jurisdiction.

**8.2** Any Shareholder resident outside the Common Monetary Area who receives this Circular, should obtain appropriate advice as to whether (i) it is subject to any legal or regulatory restriction in relation to the Rights Offer, or (ii) any governmental and/or any other legal or regulatory consent is required and/ or any other formality must be observed to enable such Shareholder to exercise any rights or otherwise take any action in terms of this Circular.

**8.3** The Rights Offer Shares have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States. This Circular does not constitute an offer to sell or issue or a solicitation of an offer to buy or subscribe for any of the Rights Offer Shares within the USA, and the Rights Offer Shares may not be offered, issued or sold in or into the United States or to U.S. persons unless registered under the Securities Act and applicable state securities laws, or pursuant to an exemption from such registration requirements, including for example, to shareholders that are, or who are acting on behalf of, or for the account or benefit of a QIB as such terms is defined in rule 144A under the U.S. Securities Act or an accredited investor as such term is defined in Rule 501(a) of Regulation D under the U.S. Securities Act pursuant to an available exemption from registration under the U.S. Securities Act or, in the sole discretion of the Company, to others who may be offered the securities mentioned herein pursuant to an available exemption from such registration. "United States" and "U.S. persons" are defined in Regulation S under the U.S. Securities Act.



**8.4** The Rights Offer does not constitute an offer in the District of Columbia, the USA, the Dominion of Canada, the Commonwealth of Australia, Japan or in any other jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. Shareholders holding Rights Offer Shares on behalf of persons who are non-qualifying Shareholders are responsible for ensuring that taking up the Rights Offer, or trading in their Entitlements under that offer, do not breach the laws applicable in the relevant overseas jurisdictions.

**8.5** To the extent that non-qualifying Shareholders are not permitted to participate in the Rights Offer, the allocated Entitlements in respect of such non-qualifying Shareholders will lapse.

## 9. TAX CONSEQUENCES OF THE RIGHTS OFFER

Taste Shareholders are advised to consult their professional advisers regarding any tax consequences which may arise in relation to the Rights Offer.

## 10. DIRECTORS OF TASTE

The Board is currently comprised of nine Directors, six of whom are non-executive Directors (of which four are independent) and three are executive Directors.

There will be no change to the composition of the Board, nor will the remuneration of the Directors be varied, as a result of the Rights Offer.

## 11. DIRECTORS' INTEREST

As at the Last Practicable Date, the following Directors (and their associates) and persons who are no longer Directors (having resigned during the last 18 months), held, directly or indirectly, approximately 12.13% of the total issued shares of Taste as follows:

Director	Beneficial		Total shares	Total %
	Direct	Indirect		
H R Rabinowitz and associates	426 358	32 039 954	32 466 312	7.07
C F Gonzaga and associates	-	5 491 891	5 491 891	1.20
R L Daly and associates	85 000	4 489 758	4 574 758	1.00
D J Crosson	4 711 082	-	4 711 082	1.03
G M Pattison and associates	-	2 422 642	2 422 642	0.53
A Berman and associates	-	2 640 983	2 640 983	0.58
W P van der Merwe and associates	-	1 938 000	1 938 000	0.42
K Utian and associates	-	1 292 000	1 292 000	0.28
E Tsatsarolakis	195 628	-	195 628	0.04
<b>Total</b>	<b>5 418 068</b>	<b>50 315 228</b>	<b>55 733 296</b>	<b>12.13</b>

### Notes:

- The Directors may participate in the Rights Offer. Such participation may result in a change to the number of Shares held by the Directors on implementation of the Rights Offer.
- Apart from the increase in shareholding of E Tsatsarolakis by 34 128, A Berman by 460 733 and G Pattison by 422 642, as a result of following their respective claw-back offer entitlements in June 2017, as well as the decrease in shareholding of R Daly and associates from 4 779 758 to 4 574 758, there have been no changes to Directors' interests between the end of the preceding financial year and the date of this Circular.

## 12. SHARE CAPITAL

The authorised and issued shares of Taste before and after the Rights Offer is set out in the table below.

Before the Rights Offer	R'000
<b>Authorised shares</b>	
2 000 000 000 ordinary shares of no par value	
<b>Issued shares</b>	
<b>459 278 725</b> ordinary shares of no par value	744 450
<b>Total issued shares</b>	<b>744 450</b>

Note: Taste has 2 531 443 treasury shares in issue which are held by Taste Holdings Share Trust.

After the Rights Offer	R'000
<b>Authorised shares</b>	
2 000 000 000 ordinary shares of no par value	
<b>Issued shares</b>	
<b>901 500 948</b> ordinary shares of no par value	1 142 450
<b>Total issued shares</b>	<b>1 142 450</b>

Note: Taste has 2 531 443 treasury shares in issue which are held by Taste Holdings Share Trust. The Taste Holdings will not subscribe for its Rights Offer Shares and accordingly its Entitlement will lapse.

### 13. SHARE TRADING HISTORY OF TASTE

The highest, lowest and closing prices of Taste Shares traded on the main board of the securities exchange operated by the JSE for the 12 months prior to the Last Practicable Date and for the 30 trading days up to and including the Last Practicable Date, together with the relevant volumes in respect thereof, are set out in **Annexure 2** to this Circular.

### 14. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names are set out on page [8] of this Circular, collectively and individually, accept full responsibility for the accuracy of the information contained in this Circular and certify that, to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and all reasonable enquiries to ascertain such facts have been made and that this Circular contains all information required by law and the Listings Requirements. Tyrone Moodley, as a result of his association to RVF, has recused himself from all deliberations of the Board relating to the Transactions (as defined in the Terms Announcement).

### 15. CONSENTS

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

### 16. COSTS

The total estimated costs relating to the Rights Offer, which amount to approximately R13 927 000 million excluding VAT, are detailed in the table below:

<b>Nature of cost</b>	<b>Paid/Payable to</b>	<b>Estimated amount (R)</b>
Corporate Adviser and Sponsor fee	Merchantec Capital	2 600 000
Legal fees	PwC Legal	900 000
Commitment Fee	RVF	9 950 000
JSE documentation fee	JSE	25 000
JSE listing fee	JSE	182 000
Transfer Secretaries	Computershare Investor Services	25 000
Strate	Strate	20 000
Exchange Control fees	FirstRand Bank	5 000
Other		100 000
Printing, publication and distribution	Midnight Star	120 000
<b>Total</b>		<b>13 927 000</b>

### 17. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection at the registered office of Taste and the office of the Sponsor which addresses are set out in the "Corporate Information" section of this Circular, during normal business hours from Tuesday, 9 January 2018 up to and including Friday, 26 January 2018:

- the Commitment Agreement;
- this Circular;
- copies of the written consents referred to in paragraph 15 above;
- powers of attorney signed by the Directors;
- the Memoranda of Incorporation of Taste and its major Subsidiaries; and
- copies of the audited annual financial results of Taste for the three financial years ended 28 February 2017, 29 February 2016 and 28 February 2015.

**SIGNED BY C F GONZAGA, ON HIS OWN BEHALF AS A DIRECTOR AND ON BEHALF OF ALL THE OTHER DIRECTORS OF TASTE HOLDINGS LIMITED, HE BEING DULY AUTHORISED IN TERMS OF POWERS OF ATTORNEY GRANTED TO HIM BY SUCH DIRECTORS**

**C F Gonzaga**

*Chief Executive Officer*

9 January 2018

Johannesburg

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**TABLE OF ENTITLEMENT**


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

<b>Number of Taste Shares held</b>	<b>Entitlement</b>	<b>Number of Taste Shares held</b>	<b>Entitlement</b>	<b>Number of Taste Shares held</b>	<b>Entitlement</b>
1	0.96286	6 000	5 777.17440	11 000 000	10 591 486.40000
2	1.92572	7 000	6 740.03680	12 000 000	11 554 348.80000
3	2.88859	8 000	7 702.89920	13 000 000	12 517 211.20000
4	3.85145	9 000	8 665.76160	14 000 000	13 480 073.60000
5	4.81431	10 000	9 628.62400	15 000 000	14 442 936.00000
6	5.77717	20 000	19 257.24800	16 000 000	15 405 798.40000
7	6.74004	30 000	28 885.87200	17 000 000	16 368 660.80000
8	7.70290	40 000	38 514.49600	18 000 000	17 331 523.20000
9	8.66576	50 000	48 143.12000	19 000 000	18 294 385.60000
10	9.62862	60 000	57 771.74400	20 000 000	19 257 248.00000
20	19.25725	70 000	67 400.36800	21 000 000	20 220 110.40000
30	28.88587	80 000	77 028.99200	22 000 000	21 182 972.80000
40	38.51450	90 000	86 657.61600	23 000 000	22 145 835.20000
50	48.14312	100 000	96 286.24000	24 000 000	23 108 697.60000
60	57.77174	200 000	192 572.48000	25 000 000	24 071 560.00000
70	67.40037	300 000	288 858.72000	26 000 000	25 034 422.40000
80	77.02899	400 000	385 144.96000	27 000 000	25 997 284.80000
90	86.65762	500 000	481 431.20000	28 000 000	26 960 147.20000
100	96.28624	600 000	577 717.44000	29 000 000	27 923 009.60000
200	192.57248	700 000	674 003.68000	30 000 000	28 885 872.00000
300	288.85872	800 000	770 289.92000	31 000 000	29 848 734.40000
400	385.14496	900 000	866 576.16000	32 000 000	30 811 596.80000
500	481.43120	1 000 000	962 862.40000	33 000 000	31 774 459.20000
600	577.71744	2 000 000	1 925 724.80000	34 000 000	32 737 321.60000
700	674.00368	3 000 000	2 888 587.20000	35 000 000	33 700 184.00000
800	770.28992	4 000 000	3 851 449.60000	36 000 000	34 663 046.40000
900	866.57616	5 000 000	4 814 312.00000	37 000 000	35 625 908.80000
1 000	962.86240	6 000 000	5 777 174.40000	38 000 000	36 588 771.20000
2 000	1 925.72480	7 000 000	6 740 036.80000	39 000 000	37 551 633.60000
3 000	2 888.58720	8 000 000	7 702 899.20000	40 000 000	38 514 496.00000
4 000	3 851.44960	9 000 000	8 665 761.60000	50 000 000	48 143 120.00000
5 000	4 814.31200	10 000 000	9 628 624.00000	60 000 000	57 771 744.00000

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## SHARE TRADING HISTORY OF TASTE

The highest, lowest and closing price of shares of Taste on the JSE for each month commencing from 1 December 2016 to 30 November 2017 and aggregated monthly volume is as follows:

<b>Month ended</b>	<b>High (cents)</b>	<b>Low (cents)</b>	<b>Close (cents)</b>	<b>Volume</b>
31 December 2016	195	190	195	10 691
31 January 2017	190	186	190	1 061 383
28 February 2017	190	179	179	69 605
31 March 2017	211	205	210	271 237
30 April 2017	206	205	205	451 989
31 May 2017	180	172	172	1 273 063
30 June 2017	149	140	149	29 587
31 July 2017	148	131	131	327 903
31 August 2017	134	126	134	26 349
30 September 2017	118	102	118	99 168
31 October 2017	84	79	79	63 804
30 November 2017	88	75	76	1 712 988

The highest, lowest and closing price of Taste Shares on the JSE, for the 30 trading days up to and including 29 December 2017 (being the Last Practicable Date prior to the finalisation of this Circular) and the daily volume are as follows:

<b>Day ended</b>	<b>High (cents)</b>	<b>Low (cents)</b>	<b>Close (cents)</b>	<b>Volume</b>
16 November 2017	85	75	76	144 666
17 November 2017	82	77	82	25 056
20 November 2017	85	77	80	158 048
21 November 2017	85	80	80	25 477
22 November 2017	85	80	85	93 491
23 November 2017	85	79	83	25 467
24 November 2017	82	79	82	49 694
27 November 2017	80	76	77	117 719
28 November 2017	84	76	77	142 130
29 November 2017	80	77	80	86 057
30 November 2017	82	76	76	74 518
1 December 2017	84	76	84	30 800
4 December 2017	–	–	84	–
5 December 2017	80	75	80	25 796
6 December 2017	80	76	79	163 855
7 December 2017	84	75	79	85 059
8 December 2017	78	73	76	51 574
11 December 2017	76	73	76	10 052
12 December 2017	76	72	73	163 203
13 December 2017	79	73	75	189 884
14 December 2017	75	70	75	112 757
15 December 2017	73	71	73	17 500
18 December 2017	75	72	72	1 803 476
19 December 2017	74	71	73	49 853
20 December 2017	75	70	75	101 447
21 December 2017	75	71	73	25 383
22 December 2017	73	67	70	23 831
27 December 2017	74	67	67	111 824
28 December 2017	70	65	65	244 265
29 December 2017	68	65	67	43 079

Source: JSE

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## INFORMATION ON RVF

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The Rights Offer is fully committed by RVF, subject to the terms of the Commitment Agreement. Details pertaining to RVF as required in terms of the Listings Requirements are set out below.

### 1. NATURE OF BUSINESS

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

### 2. DIRECTORS

Not applicable.

### 3. COMPANY SECRETARY

Not applicable.

### 4. DATE AND PLACE OF FORMATION

10 March 2010, Delaware, United States

### 5. REGISTRATION NUMBER

4797702 (Delaware File Number)

### 6. REGISTERED OFFICE

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

### 7. AUDITORS

Patke & Associates, Ltd.  
300 Village Green Dr., Ste 210  
Lincolnshire,  
Illinois, 60069  
USA

### 8. BANKERS

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

### 9. AUTHORISED SHARE CAPITAL

Not applicable

### 10. ISSUED SHARE CAPITAL

Not applicable

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## NOTES

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