

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 4 of this circular have been used throughout the circular.

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

ACTION REQUIRED

If you have disposed of all your shares in Stenprop, then this circular should be handed to the purchaser of such shares or to the broker, CSDP, BSD, banker, investment dealer or other agent through whom the disposal was effected.

Stenprop shareholders are referred to page 3 of this circular, which sets out the detailed action required of them in respect of the proposals set out in this circular.

Stenprop has a dual primary listing on the BSX and on the Main Board of the JSE.

All times indicated are local times in the country to which they refer.

THE ATTENTION OF SHAREHOLDERS IS DRAWN TO THE FACT THAT SHOULD THEY NOT ACTION THE CONTENTS OF THIS CIRCULAR, THEY WILL BE DEEMED TO HAVE ELECTED TO RECEIVE THE CASH DIVIDEND.

Stenprop does not accept responsibility and will not be held liable for any failure on the part of the CSDP, BSD, broker, banker, investment dealer or other agent of a shareholder to notify such shareholder of the proposals set out in this circular.



Stenprop Limited

(Incorporated in Bermuda)

(Registration number 47031)

BSX share code: STP.BH JSE share code: STP

ISIN: BMG8465Y1093

("Stenprop" or "the Company")

CIRCULAR TO STENPROP SHAREHOLDERS

relating to:

- an election being offered to Stenprop shareholders to receive either a cash dividend or a scrip dividend by way of an issue of new Stenprop shares;

and enclosing:

For shareholders on the SA share register:

- a scrip election form for use by certificated shareholders wishing to receive the scrip dividend.

For shareholders on the Bermudian share register:

- a scrip election form for use by shareholders wishing to receive the scrip dividend;
- a currency election form for use by shareholders wishing to receive the cash dividend in Sterling instead of in Euros; and
- a dividend mandate form for use by shareholders electing to receive the cash dividend in Sterling, and wishing to receive such payment, and future Sterling payments, by BACS.

**South African corporate advisor
and JSE sponsor**

JAVACAPITAL

BSX listing sponsor

**Appleby Securities
(Bermuda) Ltd**

Date of issue: Friday, 11 December 2015

This circular is available in English only. Electronic copies of this circular may be obtained from the Company's SA transfer secretaries, Computershare Investor Services Proprietary Limited (please email maria.gomes@computershare.co.za), and hard copies of this circular may be obtained from the Bermudian registrars, Computershare Investor Services (Bermuda) Limited, 2nd Floor, Queensway House, Hilgrove Street, St. Helier, Jersey Channel Islands, JE1 1ES from Friday, 11 December 2015 to Friday, 22 January 2016 during business hours. It will also be available on the website of the Company (www.stenprop.com) as from Friday, 11 December 2015.

CORPORATE INFORMATION

Registered office of the Company

Stenprop Limited
(Registration number 47031)
20 Reid Street
Williams House 3rd Floor
Hamilton HM11
Bermuda

Company secretary

Apex Corporate Services Ltd.
(Registration number 43607)
20 Reid Street
3rd Floor, Williams House
Hamilton HM11, Bermuda
(PO Box 2460 HM JX, Bermuda)

JSE sponsor

Java Capital Trustees and Sponsors Proprietary Limited
(Registration number 2006/005780/07)
6A Sandown Valley Crescent
Sandown
Sandton, 2196
(PO Box 2087, Parklands, 2121)

SA transfer secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
70 Marshall Street
Johannesburg 2001
South Africa

Correspondence address:
PO Box 61763
Marshalltown
2107
South Africa

Date and place of incorporation of the Company:

26 October 2012, Bermuda

Postal address of the Company

Kingsway House
Havilland Street
St. Peter Port
Guernsey GY1 2QE

South African corporate advisor

Java Capital Proprietary Limited
(Registration number 2012/089864/07)
6A Sandown Valley Crescent
Sandown
Sandton, 2196
(PO Box 2087, Parklands, 2121)

BSX sponsor

Appleby Securities (Bermuda) Ltd
(Registration number 25105)
Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda
(Postal address the same as the physical address above)

Bermudian registrars

Computershare Investor Services (Bermuda) Limited
(Company number 41776)
Corner House
20 Parliament Street
Hamilton HM12
Bermuda

Correspondence address:
2nd Floor, Queensway House
Hilgrove Street
St. Helier
Jersey Channel Islands
JE1 1ES

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IMPORTANT DATES AND TIMES

FOR SHAREHOLDERS ON THE SA SHARE REGISTER

2015

Record date to receive this circular	Friday, 4 December
Declaration announcement on SENS and posting of the circular on	Friday, 11 December

2016

Announcement of Euro to Rand and Euro to Sterling conversion rates and scrip dividend reference price released on SENS at 07:00 (SAST) on	Friday, 8 January
Last day to trade on the JSE in order to be eligible for the cash dividend or alternatively the scrip dividend on	Friday, 15 January
Shares commence trading ex the cash dividend or scrip dividend on the JSE on	Monday, 18 January
Record date for shareholders recorded on the SA share register	Friday, 22 January
Closing date for receipt of completed election forms by no later than 12:00 noon (SAST) on	Friday, 22 January
Announcement on SENS of the amount of new Stenprop shares issued on	Monday, 25 January
Dispatch of share certificates, payment of cash dividend, CSDP/broker accounts credited/ updated and new Stenprop shares listed on the JSE on	Thursday, 28 January

Notes:

1. All dates and times quoted above are local dates and times in South Africa. The above dates and times are subject to change. Any changes will be released on SENS.
2. Stenprop shareholders are referred to page 3 of this circular for information on the action required to be taken by them.
3. Shareholders should note that new Stenprop shares should not be traded until the new Stenprop shares are issued or reflect in their accounts with their CSDP or broker on Thursday, 28 January 2016.
4. Share certificates may not be dematerialised or rematerialised between Monday, 18 January 2016 and Friday, 22 January 2016, both days inclusive nor may transfers of shares between sub-registers in South Africa and Bermuda take place between Monday, 18 January 2016 and Friday, 22 January 2016 both days inclusive.
5. Shareholders on the SA share register who do not elect to receive a scrip dividend will receive a cash dividend in South African Rand, based on the exchange rate to be obtained by the Company on or before Friday, 8 January 2016. An announcement in this respect will be made on Friday, 8 January 2016.

FOR SHAREHOLDERS ON THE BERMUDIAN SHARE REGISTER

2015

Record date to receive this circular	Friday, 4 December
Declaration announcement on the BSX website and posting of the circular on	Friday, 11 December

2016

Announcement of Euro to Rand and Euro to Sterling conversion rates and scrip dividend reference price released on the BSX website at 17:00 (AST)/ 21:00 (GMT) on	Thursday, 7 January
Last day to trade on the BSX in order to be eligible for the cash dividend or alternatively the scrip dividend on	Friday, 15 January
Shares commence trading ex the cash dividend or scrip dividend on the BSX on	Monday, 18 January
Record date for shareholders recorded on the Bermudian share register	Friday, 22 January
Closing date for receipt of completed election forms by no later than 08:00 (AST)/ 12:00 noon (GMT) on	Friday, 22 January
Announcement on the BSX website of the amount of new Stenprop shares issued on	Monday, 25 January
Payment of cash dividend, BSD accounts credited/updated and new Stenprop shares listed on the BSX on	Thursday, 28 January

Notes:

1. Unless stated otherwise, all dates and times quoted above are local dates and times in Bermuda. The above dates and times are subject to change. Any changes will be released on the BSX website.
2. Stenprop shareholders are referred to page 3 of this circular for information on the action required to be taken by them.
3. Shareholders should note that new Stenprop shares should not be traded until the new Stenprop shares reflect in their BSD accounts with their broker on Thursday, 28 January 2016.
4. No transfers of shares can take place between sub-registers in South Africa and Bermuda between Monday, 18 January 2016 and Friday, 22 January 2016 both days inclusive.

ACTION REQUIRED BY SHAREHOLDERS

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

The following information pertains to all of the Company's shareholders.

On Thursday, 26 November 2015 it was announced that the board had approved a distribution of 4.2 Euro cents per share in respect of the six months ended 30 September 2015 and that the board intends to offer shareholders the option to receive cash dividends or new Stenprop shares *in lieu* of cash. Accordingly, you are entitled to receive either a cash dividend or a scrip dividend.

Should you wish to receive the cash dividend or should you take no action, regardless of being a certificated or dematerialised shareholder, you will, on Thursday, 28 January 2016, receive the cash dividend. Shareholders who do not elect to receive the scrip dividend will, without any action on their part, be deemed to have chosen to receive the cash dividend. Dividend payments will be made in accordance with the payment instructions held.

Shareholders may elect the scrip dividend in respect of all or part of their shares.

Shareholders on the Bermudian register wishing to receive the cash dividend may make a further election to receive the dividend in Sterling instead of in Euros. Shareholders making such election are invited to complete the Dividend Mandate Form enclosed.

Instructions for completing each election form and relevant return address are given on each election form.

All times indicated below are local times in the country to which they refer.

If you elect to receive the scrip dividend, please note the following action is required to be taken by you:

SHAREHOLDERS RECORDED ON THE SA SHARE REGISTER

1. CERTIFICATED SHAREHOLDERS

Certificated shareholders must complete the attached election form in accordance with the instructions contained in it and lodge it with the SA transfer secretaries, Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg 2001, South Africa, to be received by them by no later than 12:00 noon (SAST) on Friday, 22 January 2016. Election forms received after this date and time will not be accepted.

Where applicable, share certificates will be dispatched to all certificated shareholders by registered post at the risk of such shareholders, on Thursday, 28 January 2016 or in accordance with the instructions given to the SA transfer secretaries.

2. DEMATERIALISED SHAREHOLDERS

Dematerialised shareholders are required to notify their duly appointed CSDP, broker or custodian if they wish to receive the new Stenprop shares pursuant to the scrip dividend in the manner and the time stipulated in the agreement governing the relationship between such shareholders and their CSDP, broker or custodian, failing which they will receive the cash dividend.

Dematerialised shareholders' CSDP/broker accounts will be credited and updated on Thursday, 28 January 2016 with the new Stenprop shares.

SHAREHOLDERS RECORDED ON THE BERMUDIAN SHARE REGISTER

Shareholders must complete the attached election form in accordance with the instructions contained in it and lodge it by post to Computershare Investor Services (Bermuda) Limited, 2nd Floor, Queensway House, Hilgrove Street, St. Helier, Jersey Channel Islands, JE1 1ES so as to arrive by no later than 08:00 (AST)/ 12:00 noon (GMT) on Friday, 22 January 2016. Election forms received after this date and time will not be accepted.

Shareholders' BSD accounts will be credited/updated on Thursday, 28 January 2016 with the new Stenprop shares.

Note:

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

Stenprop does not accept responsibility and will not be held liable for any failure on the part of the CSDP, BSD, broker, banker or other agent of a shareholder to notify such shareholder of the proposals set out in this circular.

DEFINITIONS AND INTERPRETATIONS

In this circular and the election form attached to it, unless the context indicates a contrary intention, 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 gender; a natural person includes a juristic person and *vice versa* and cognate expressions shall bear corresponding meanings.

"Apex Corporate Services Ltd." or "company secretary"	Apex Corporate Services Ltd. (Registration number 43607), a private company incorporated and registered in Bermuda and the company secretary to the Company further details of which are set out in the "Corporate Information" section;
"AST"	Atlantic Standard Time;
"BACS"	a scheme for the electronic processing of financial transactions within the United Kingdom;
"Bermuda Companies Act"	the Bermuda Companies Act 1981, as amended;
"Bermuda Exchange Control Regulation"	the Exchange Control Act 1972, and related regulations of Bermuda, as amended;
"Bermudian record date"	the date on which a Stenprop shareholder on the Bermudian share register must be recorded in the register in order to participate in the cash dividend or the scrip dividend being the close of business on Friday, 22 January 2016;
"Bermudian share register"	the register of shareholders maintained on behalf of the Company by the Bermudian registrars;
"Bermudian registrars"	Computershare Investor Services (Bermuda) Limited (Company number 41776), a private company incorporated and registered in Bermuda and the Bermudian registrars to the Company, further details of which are set out in the "Corporate Information" section;
"BSD"	Bermuda Securities Depository service operated by the BSX;
"BSX"	the Stock Exchange of Bermuda Limited established under the repealed Stock Exchange Act of Bermuda;
"BSX sponsor"	Appleby Securities (Bermuda) Ltd, (Registration number 25105), a private company incorporated and registered in Bermuda and the BSX sponsor to the Company, further details of which are set out in the "Corporate Information" section;
"Bye-Laws"	the bye-laws of the Company, dated 31 October 2014 and as amended from time to time which together with the Memorandum of Association comprise the constitutional documents of the Company;
"cash dividend"	the cash dividend of 4.2 Euro cents per share payable to shareholders out of the Company's distributable profits in accordance with their shareholding in the Company as at the record date, unless receipt of the scrip dividend has been elected;
"certificated shareholder"	Stenprop shareholders holding certificated shares in the Company;
"certificated shares"	shares in respect of which physical share certificates have been or will be issued;
"circular" or "this circular"	this circular dated Friday, 11 December 2015 including the election form;
"common monetary area"	collectively, South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;

"CSDP"	a Central Securities Depository Participant appointed by a shareholder for purposes of, and in regard to, dematerialisation and to hold and administer securities or an interest in securities on behalf of a shareholder in South Africa;
"dematerialise" or "dematerialisation"	the process whereby physical share certificates are replaced with electronic records of ownership under BSD in respect of shares on the Bermudian share register or the process whereby certificated shares are converted to an electronic form as dematerialised shares under Strate and recorded in the sub-register of shareholders by the CSDP or broker in the case of shares on the SA share register;
"dematerialised shareholder"	Stenprop shareholder holding dematerialised shares;
"dematerialised shares"	shares which have been dematerialised and deposited in the BSD or incorporated into the Strate system;
"directors" or "the board of directors" or "the board"	the board of directors of Stenprop;
"election form"	the election form enclosed with this circular to be completed by certificated shareholders on the SA share register and shareholders on the Bermudian share register wishing to receive the scrip dividend;
"emigrant"	an emigrant from South Africa whose address is outside of the common monetary area;
"EUR", "€" or "Euro"	Euro, the lawful currency of those member states of the European Union who have adopted it as such;
"GMT"	Greenwich Mean Time;
"Java Capital" or "JSE sponsor" or "South African corporate advisor"	collectively, Java Capital Proprietary Limited (Registration number 2012/089864/07), the South African corporate advisor and Java Capital Trustees and Sponsors (Proprietary) Limited (Registration number 2008/005780/07), the JSE sponsor, full details of which are set out in the "Corporate Information" section;
"JSE"	Johannesburg Stock Exchange, being the exchange operated by the JSE Limited (Registration number 2005/022939/06), a public company registered and incorporated in accordance with the laws of South Africa and licensed as an exchange under the Financial Markets Act of South Africa, 2012 (Act 19 of 2012), as amended;
"last practical date"	the last practical date prior to finalisation of this circular, being Friday, 27 November 2015;
"non-resident"	a person not ordinarily resident in South Africa;
"new Stenprop shares" or "scrip dividend shares"	new fully-paid ordinary Stenprop shares to be issued at the scrip dividend reference price per share pursuant to the scrip dividend;
"Rand" or "R" or "ZAR"	the South African Rand, the lawful currency of South Africa;
"Rand exchange rate"	the Euro to Rand conversion rate to be announced on 8 January 2016;
"record date"	the SA record date and/or the Bermudian record date as the context may indicate;
"SA Exchange Control Regulations"	the Exchange Control Regulations of South Africa issued under the Currency and Exchanges Act, 1933 (Act 9 of 1933), as amended;
"SA record date"	the date on which a Stenprop shareholder on the SA share register must be recorded in the register in order to participate in the cash dividend or the scrip dividend being the close of business on Friday, 22 January 2016;

"SA share register"	the register of shareholders maintained on behalf of the Company in South Africa by Computershare Investor Services;
"SA transfer secretaries" or "Computershare Investor Services"	Computershare Investor Services Proprietary Limited (Registration number 2004/003647/07), a private company incorporated and registered in South Africa and the SA transfer secretaries to the Company, further details of which are set out in the "Corporate Information" section;
"SAST"	South African Standard Time;
"scrip dividend"	the issue to Stenprop shareholders who have elected to receive the scrip dividend, of new Stenprop shares in proportion to the portion of those Stenprop shareholders' shareholding in Stenprop as at the record date in respect of which they have elected to receive the scrip dividend;
"scrip dividend reference price"	<p>(i) for Stenprop shares on the Bermudian share register, 97% of the total of:</p> <ul style="list-style-type: none"> • the 5 day volume weighted average traded price of the Stenprop shares on the JSE prior to the announcement of the Rand exchange rate, converted to Euro at the Rand exchange rate, • less the amount of the dividend per Stenprop share, or <p>(ii) for Stenprop shares on the SA share register, 97% of the total of:</p> <ul style="list-style-type: none"> • the 5 day volume weighted average traded price of the Stenprop shares on the JSE prior to the announcement of the Rand exchange rate, • less the amount of the dividend per Stenprop share where the dividend amount is converted to Rand at the Rand exchange rate;
"SENS"	the Stock Exchange News Service, being the news service operated by the JSE;
"South Africa" or "SA"	the Republic of South Africa;
"Stenprop" or "the Company"	Stenprop Limited (Registration number 47031), a company registered and incorporated in accordance with the laws of Bermuda;
"Stenprop shares" or "shares"	ordinary shares with a par value of EUR0.000001258 in the share capital of the Company;
"Stenprop shareholders" or "shareholders"	holders of Stenprop shares;
"Sterling"	Pound Sterling, the lawful currency of the United Kingdom;
"Sterling exchange rate"	the Euro to Sterling conversion rate to be announced on or before 8 January 2016;
"Strate"	Strate Proprietary Limited (Registration number 1998/022242/07), a private company registered and incorporated in terms of the laws of South Africa, which is licensed to operate, in terms of the Financial Markets Act (Act 19 of 2012), as amended, and which is responsible for the electronic settlement system of the JSE; and
"transfer secretaries and /or registrars"	collectively, the SA transfer secretaries and the Bermudian registrars.

STENPROP

Stenprop Limited

(Incorporated in Bermuda)
(Registration number 47031)
BSX share code: STP.BH JSE share code: STP
ISIN: BMG8465Y1093
("Stenprop" or "the Company")

CIRCULAR TO STENPROP SHAREHOLDERS

1. INTRODUCTION

On Thursday, 26 November 2015 it was announced that the board had approved and declared a distribution of 4.2 Euro cents per share in respect of the six months ended 30 September 2015 and that the board intends offering to shareholders the option to receive in respect of all or a part of their Stenprop shareholding either a scrip dividend by way of an issue of new Stenprop shares (of the same class as existing shares) credited as fully paid up, or a cash dividend. Accordingly, a cash dividend will be paid to shareholders unless shareholders elect to receive a scrip dividend in respect of all or a part of their Stenprop shareholding by way of an issue of new Stenprop shares credited as fully paid up. Shareholders of Stenprop on the record date who elect to receive the scrip dividend instead of the cash dividend, must ensure that their election forms are received by the relevant transfer secretaries in accordance with the salient dates and times mentioned in this circular.

2. CASH DIVIDEND

2.1 Shareholders on the SA share register

- 2.1.1 South African resident shareholders and non-resident shareholders who hold shares on the SA share register and who do not elect to receive the scrip dividend will receive the cash dividend in Rand.
- 2.1.2 Shareholders not electing to receive the scrip dividend will, without any action on their part, be deemed to have elected to receive the cash dividend.
- 2.1.3 The cash dividend will be paid out of the Company's distributable profits.

2.2 Shareholders on the Bermudian share register

- 2.2.1 South African resident and non-resident shareholders who hold Stenprop shares on the Bermudian share register and who do not elect to receive the scrip dividend will receive the cash dividend.
- 2.2.2 By completing the attached currency election form shareholders may elect to receive the cash dividend in Sterling instead of Euros. Shareholders making such an election will receive a cash dividend in Sterling, based on the Sterling exchange rate to be obtained by the Company on or before Friday, 8 January 2016. An announcement in this respect will be made on or before Friday, 8 January 2016. Shareholders electing to receive the cash dividend in Sterling may also complete the attached Dividend Mandate Form if they wish to receive the payment by BACS.
- 2.2.3 Shareholders not electing to receive the scrip dividend will, without any action on their part, be deemed to have elected to receive the cash dividend in Euro.
- 2.2.4 The cash dividend will be paid out of the Company's distributable profits.

2.3 Other information

2.3.1 Maximum value of cash dividends

If no shareholders were to elect to receive the scrip dividend, the value of the cash dividends will amount to €11,748,280.

2.3.2 Maximum number of Stenprop shares and share capital in case all shareholders elect to receive the scrip dividend

Should all shareholders elect to receive the scrip dividend, the maximum total number of new Stenprop shares to be issued by Stenprop will be calculated as €11,748,280 divided by the scrip dividend reference price.

3. SCRIP DIVIDEND

3.1 Terms of the scrip dividend and calculation of the scrip dividend

3.1.1 The scrip dividend will take place in accordance with bye-law 35 and bye-law 37 of the Company's Bye-Laws and Section 54 of the Bermuda Companies Act.

3.1.2 Should a shareholder validly elect to receive the scrip dividend *in lieu* of cash for all or part of his Stenprop shareholding, such shareholder will become entitled to a number of new Stenprop shares which value will be at a premium to the cash dividend such shareholder would have otherwise received, derived from a scrip dividend reference price discounted by 3%. A shareholder's entitlement to new Stenprop shares will be calculated by multiplying the number of elected shares held by that shareholder at the record date by the dividend per share of 4.2 Euro cents (converted to Rand at the exchange rate for Stenprop shares on the SA share register) and dividing it by the scrip dividend reference price. The new Stenprop shares to be issued pursuant to the scrip dividend will be funded from the Company's distributable reserves.

3.1.3 The election may be made by shareholders, including nominee shareholders in respect of all or part of their shareholdings held at the close of business on the record date only.

3.2 Fractions

The allocation of new Stenprop shares will be such that shareholders who elect to receive the scrip dividend will not be allocated a fraction of a new Stenprop share and as such any entitlement to receive a fraction of a new Stenprop share which:

3.2.1 is less than one-half of a new Stenprop share, will be rounded down to the nearest whole number;

3.2.2 is equal to or greater than one-half of a new Stenprop share but less than a whole new Stenprop share, will be rounded up to the nearest whole number; and

3.2.3 no fractions of new Stenprop shares will be issued, nor will any residual entitlements be carried forward to any future scrip dividend issue, and any amount of dividend not represented by scrip dividend shares will not be paid or payable to the relevant shareholders in respect of that dividend, but will be retained by the Company.

4. RATIONALE FOR THE SCRIP DIVIDEND

The rationale for the scrip dividend is to afford shareholders the opportunity to increase their shareholding in Stenprop and to retain flexibility with regard to the Company's cash resources.

5. SHARE CAPITAL

The share capital of the Company as at the last practical date is as follows:

	EUR
Share capital	
<i>Authorised</i>	
1 000 000 000 ordinary shares with a par value of EUR 0.000001258 each	1 258
<i>Issued share capital</i>	
279 720 942 ordinary shares with a par value of EUR 0.000001258 each	352
Share premium	385 036 228
Total	385 036 580

6. TAX IMPLICATIONS

6.1 SA resident shareholders

The receipt of the cash dividend or electing to receive the scrip dividend may have tax implications for shareholders.

For those South African resident shareholders receiving the cash dividend, such amount will be regarded as a foreign dividend and may be subject to South African dividends withholding tax at a rate of 15%, unless an exemption as set out in the South African tax legislation applies.

The receipt of new Stenprop shares by South African resident shareholders should not be classified as a dividend or a foreign dividend for South African tax purposes and, accordingly, South African dividends withholding tax should not be levied on the new Stenprop shares. However, the legislation in this regard is complex and its implementation is uncertain. Accordingly, shareholders should seek independent professional tax advice.

Stenprop shareholders are advised to consult their professional advisors regarding the tax consequences of the cash dividend and the scrip dividend or should they be in any doubt as to the appropriate action to take.

There is no withholding tax payable in Bermuda.

6.2 Shareholders residing outside of South Africa

The receipt of the cash dividend or electing to receive the scrip dividend may have tax implications for shareholders who are resident in countries other than South Africa and such shareholders are advised to obtain appropriate advice from their professional advisors in this regard.

7. LISTING OF NEW STENPROP SHARES

Application will be made to the JSE and the BSX to list the new Stenprop shares issued in terms of the scrip dividend, with effect from the commencement of trade on Thursday, 28 January 2016.

8. SOUTH AFRICAN LAW AND BERMUDIAN LAW

All transactions arising from the provisions of this circular and the election form shall be governed by and be subject to the laws of South Africa and Bermuda and in the event of any conflict, such conflict will be resolved in accordance with recognised and established principles of conflict of laws.

9. EXCHANGE CONTROL REGULATIONS (FOR SHAREHOLDERS ON THE BERMUDIAN SHARE REGISTER)

Although the Company is incorporated in Bermuda, it is designated as a non-resident of Bermuda for exchange control purposes by the Bermuda Monetary Authority ("**BMA**"). Pursuant to its non-resident status, the Company may engage in transactions in currencies other than Bermuda dollars and there are no restrictions on its ability to transfer funds (other than funds denominated in Bermuda dollars) in and out of Bermuda or to pay dividends to non-Bermuda residents.

Securities may be offered or sold in Bermuda only in compliance with the provisions of the Investment Business Act 2003, and the Bermuda Exchange Control Regulation which regulate the sale of securities in Bermuda. In addition, specific permission is required from the BMA, pursuant to the provisions of the Bermuda Exchange Control Regulation, for all issuances and transfers of securities (which includes the new Stenprop shares) of Bermuda companies, other than in cases where the BMA has granted a general permission. The BMA, in its policy dated June 1, 2005, provides that where any equity securities of a Bermuda company, which would include the new Stenprop shares, are listed on an appointed stock exchange (the BSX and JSE are deemed to be appointed stock exchanges under Bermudian law), general permission is given for the issue and subsequent transfer of any securities of the Company, including the new Stenprop shares, from and/or to a non-resident of Bermuda, for as long as an equity securities of the Company remain so listed.

10. EXCHANGE CONTROL REGULATIONS (FOR SHAREHOLDERS ON THE SA SHARE REGISTER)

The following is intended only as a guide and is therefore not a comprehensive statement of the SA Exchange Control Regulations applicable to shareholders on the SA share register.

Stenprop shareholders who are in any doubt as to the appropriate course of action to take should consult their professional advisors.

Any new Stenprop shares issued in terms of the scrip dividend are not freely transferable from South Africa and must be dealt within the terms of the SA Exchange Control Regulations.

Shareholders who hold shares on the SA share register can only receive shares on that register.

10.1 Shareholders who elect to receive:

10.1.1 *The cash dividend*

Non-residents and emigrants

As the cash dividend will be paid out of the Company's distributable profits, such dividends are freely transferable from South Africa.

The election of the cash dividend by emigrants must be made through an authorised dealer in foreign exchange controlling the shareholder's emigrant blocked assets.

10.1.2 *New Stenprop shares*

10.1.2.1 **In the case of certificated shareholders:**

10.1.2.1.1 **Non-residents**

Share certificates will be issued with a "non-resident" endorsement and will be sent to the registered address of the shareholder concerned or in accordance with the instructions given to the SA transfer secretaries.

10.1.2.1.2 **Emigrants**

Any new share certificates based on emigrants' shares controlled in terms of the SA Exchange Control Regulations will be forwarded to the authorised dealer in foreign exchange controlling their blocked assets. The election by emigrants for the above purpose must be made through the authorised dealer in foreign exchange controlling their blocked assets. Such share certificates will be endorsed "non-resident".

10.1.2.2 **In the case of dematerialised shareholders:**

All aspects relating to the SA Exchange Control Regulations will be managed by their CSDP or broker, as follows:

10.1.2.2.1 **Non-residents**

Ordinary shares issued will be credited to their CSDP or broker accounts and a "non-resident" annotation will appear in the CSDP or broker register.

Dividend payments will be credited directly to the bank accounts nominated for them by their CSDP or broker.

10.1.2.2.2 **Emigrants**

New Stenprop shares issued, based on ordinary shares controlled in terms of the SA Exchange Control Regulations, will be credited to the emigrant blocked share accounts at the CSDP or broker controlling their blocked assets and a "non-resident" annotation will appear in the CSDP or broker register.

11. **CONSENTS**

The South African corporate advisor, JSE sponsor, BSX sponsor, SA transfer secretaries, Bermudian registrars and the company secretary, whose names are set out in the "Corporate information" section, have consented in writing to act in the capacities stated and to their names appearing in this circular and have not withdrawn their consent prior to the publication of this circular.

Signed by Neil Marais on his own behalf and on behalf of all of the other directors of the Company on Thursday, 26 November 2015, he being duly authorised in terms of a written resolution signed by each director on 25 November 2015 .

26 November 2015

