

## 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 primary listing on the Main Board of the JSE and a secondary listing on the BSX.

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:

- proposed amendments to the Deferred Share Bonus Plan; and
- the adoption of a Long Term Incentive Plan for executive directors and senior management;

### and enclosing:

- a notice convening an extraordinary general meeting; and
- a form of proxy.

Corporate advisor and JSE sponsor



BSX listing sponsor



### Date of issue: 14 December 2017

*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 [corporate.events@computershare.co.za](mailto:corporate.events@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 Thursday, 14 December 2017 to Wednesday, 24 January 2018 during business hours. It will also be available on the website of the Company ([www.stenprop.com](http://www.stenprop.com)) from Thursday, 14 December 2017.*

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## CORPORATE INFORMATION

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### Registered office of the Company

Stenprop Limited  
(Registration number 47031)  
20 Reid Street  
3rd Floor, Williams House  
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)  
Rosebank Towers  
15 Biermann Avenue  
Rosebank, 2196  
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

Estera Securities (Bermuda) Limited  
(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

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

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Circular (together with notice of extraordinary general meeting) posted to shareholders on	Thursday, 14 December 2017
Announcement relating to the issue of the circular (together with notice of extraordinary general meeting) released on SENS on	Thursday, 14 December 2017
Record time and date for attending and voting at the extraordinary general meeting at 3.30 pm (GMT)/5.30 pm (SAST) on	Friday, 19 January 2018
Last day to lodge forms of proxy for the extraordinary general meeting (by 3.30 pm (GMT)/5.30 pm (SAST)) on	Friday, 19 January 2018
Forms of proxy not lodged with the transfer secretaries in time may be handed to the chairman of the general meeting immediately before the commencement thereof	
Extraordinary general meeting held (at 09:30 (GMT)/11:30 am (SAST)) on	Wednesday, 24 January 2018
Results of the extraordinary general meeting released on SENS on	Thursday, 25 January 2018

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### Notes:

1. The above dates and times are subject to change. Any changes will be released on SENS and in the press.
2. Stenprop shareholders are referred to page 3 of this circular for information on the action required to be taken by them.

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## **ACTION REQUIRED BY STENPROP SHAREHOLDERS**

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### **THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

If you are in any doubt as to what action you should take in relation to this circular, please consult your CSDP, BSD, broker, banker, investment dealer or other professional advisor immediately.

### **THE EXTRAORDINARY GENERAL MEETING**

The adoption of the share plans is subject to, *inter alia*, Stenprop shareholders passing the requisite resolutions at the extraordinary general meeting of Stenprop shareholders to be held at Kingsway House, Havilland Street, St. Peter Port, Guernsey, GY1 2QE on Wednesday, 24 January 2018.

A notice convening the extraordinary general meeting is attached to and forms part of this circular.

### **ATTENDANCE AND VOTING INSTRUCTIONS**

#### **For shareholders on the Bermudian share register only**

Shareholders unable to attend are requested to complete the attached form of proxy and return it via email to [externalproxyqueries@computershare.co.uk](mailto:externalproxyqueries@computershare.co.uk), vote online in accordance with the instructions in the form or deposit it physically at the address stated in the notes to the form of proxy no later than 3:30 pm GMT/5:30 pm SAST on Friday, 19 January 2018.

#### **For shareholders on the South African share register only**

- Dematerialised shareholders who wish to attend the extraordinary general meeting must instruct their CSDP or broker to provide them with the necessary authority to attend.
- Certificated shareholders unable to attend the extraordinary general meeting, but who wish to vote, are requested to complete the attached form of proxy and return it (together with the power of attorney and other authority, if any, under which it is signed, or a notarially certified office copy thereof) to Computershare Investor Services (South Africa) Proprietary Limited, either by depositing it at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, South Africa, via email to [proxy@computershare.co.za](mailto:proxy@computershare.co.za), or via post to PO Box 61763, Marshalltown, 2107, South Africa, to be received no later than 3:30 pm GMT/5:30 pm SAST on Friday, 19 January 2018.
- Dematerialised shareholders who are unable to attend the extraordinary general meeting, but who wish to vote, must timeously provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between that shareholder and the CSDP or broker.

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## DEFINITIONS AND INTERPRETATIONS

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In this circular and the notice of extraordinary general meeting 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.

<b>"Apex Corporate Services Ltd." or "company secretary"</b>	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 of this circular;
<b>"Bermuda Companies Act"</b>	the Bermuda Companies Act, 1981, as amended;
<b>"Bermudian share register"</b>	the register of shareholders maintained on behalf of the Company by the Bermudian registrars;
<b>"Bermudian registrars"</b>	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 of this circular;
<b>"Board of Directors" or "Board"</b>	means all executive and non-executive directors of the Company;
<b>"BSD"</b>	Bermuda Securities Depository service operated by the BSX;
<b>"BSX"</b>	the Stock Exchange of Bermuda Limited established under the repealed Stock Exchange Act of Bermuda;
<b>"BSX sponsor"</b>	Estera Securities (Bermuda) Limited (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 of this circular;
<b>"Bye-Laws"</b>	the bye-laws of the Company, as amended from time to time;
<b>"certificated shareholder"</b>	Stenprop shareholders holding certificated shares in the Company;
<b>"certificated shares"</b>	shares in respect of which physical share certificates have been or will be issued;
<b>"this circular"</b>	all the documents contained in this document, including the notice of extraordinary general meeting and the form of proxy;
<b>"CSDP"</b>	a Central Securities Depository Participant in South Africa 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;
<b>"Deferred share bonus plan" or "Stenprop deferred share bonus plan"</b>	the Stenprop deferred share bonus plan adopted by the Board on 30 July 2015 and approved by ordinary resolution passed by a 75% majority of the votes of shareholders present or represented by proxy at the annual general meeting of the Company held on 9 September 2015;
<b>"dematerialisation" or "dematerialised"</b>	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;

<b>"dematerialised shares"</b>	ordinary shares having been dematerialised and incorporated into the Strate system, title to which is not represented in any other way than by the sub-register of shareholders maintained by a CSDP or broker;
<b>"EUR", "€" or "Euro"</b>	Euro, the lawful currency of those member states of the European Union who have adopted it as such;
<b>"extraordinary general meeting" or "EGM"</b>	the extraordinary general meeting of Stenprop shareholders to be held at 09:30 am (GMT)/11:30 am (SAST) at Kingsway House, Havilland Street, St.Peter Port, Guernsey, GY1 2QE on Wednesday, 24 January 2018;
<b>"GMT"</b>	Greenwich Mean Time;
<b>"grant date"</b>	the date on which an award is granted or deemed to be granted, in terms of the share incentive plans;
<b>"Java Capital" or "South African corporate advisor"</b>	collectively, Java Capital Proprietary Limited (Registration number 2002/031862/07), in its capacity as corporate advisor and Java Capital Trustees and Sponsors Proprietary Limited (Registration number 2006/005780/07), in its capacity as sponsor, both private companies incorporated in accordance with the laws of South Africa, full details of which are set out in the "Corporate Information" section of this circular;
<b>"JSE"</b>	means JSE Limited, a company duly registered and incorporated with limited liability under the Company laws of the Republic of South Africa, licensed to operate an exchange under the Financial Markets Act, 2012 (Act No. 19 of 2012) and any measure prescribed thereunder by the Minister of Finance or the Registrar (South Africa) and/or any subsequent legislation;
<b>"JSE Listings Requirements"</b>	the Listings Requirements, as issued by the JSE from time to time;
<b>"Long Term Incentive Plan" or "LTIP"</b>	the Stenprop Long Term Incentive Plan, the salient features of which are described in this circular, which the Board proposes be approved at the extraordinary general meeting;
<b>"market value option"</b>	a right, designated as a market value option, to acquire shares in accordance with the terms of the LTIP;
<b>"nil-cost option"</b>	a right, designated as a nil-cost option, to acquire shares in accordance with the terms of the LTIP;
<b>"participant"</b>	a senior executive or key senior manager of the Company and its subsidiaries who, in the opinion of the remuneration committee, exercise an influence on the performance of the Stenprop group;
<b>"performance targets"</b>	the performance targets set by the remuneration committee and approved by the Board;
<b>"record date"</b>	the date on which a Stenprop shareholder must be recorded in the Bermudian share register or in the SA share register in order to participate and vote in the EGM, being 3.30 pm (GMT)/5.30 pm (SAST) on Friday, 19 January 2018;
<b>"remuneration committee"</b>	the remuneration committee of the board of directors of Stenprop;
<b>"SA share register"</b>	the register of shareholders maintained on behalf of the Company in South Africa by Computershare Investor Services;
<b>"SA transfer secretaries" or "Computershare Investor Services"</b>	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 of this circular;
<b>"SAST"</b>	South African Standard Time;
<b>"SENS"</b>	Stock Exchange News Service of the JSE;

<b>"share incentive plans"</b>	collectively, the Stenprop deferred share bonus plan (including the amendments proposed by the Board and described in this circular) and the Long Term Incentive Plan;
<b>"South Africa" or "SA"</b>	the Republic of South Africa;
<b>"Stenprop" or the "Company"</b>	Stenprop Limited (Registration number 47031), a company registered and incorporated in accordance with the laws of Bermuda;
<b>"Stenprop share purchase plan" or "Company's share purchase plan"</b>	the share purchase plan adopted by the Board on 30 July 2015 and approved by ordinary resolution passed by a 75% majority of the votes of shareholders present or represented by proxy at the annual general meeting of the Company held on 9 September 2015;
<b>"Stenprop shares" or "shares"</b>	ordinary shares with a par value of EUR0.000001258 in the share capital of the Company;
<b>"Stenprop shareholders" or "shareholders"</b>	holders of Stenprop shares;
<b>"Strate"</b>	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
<b>"transfer secretaries and/or registrars"</b>	collectively, the SA transfer secretaries and the Bermudian registrars.



# STENPROP

## Stenprop Limited

(Incorporated in Bermuda)

(Registration number 47031)

BSX share code: STPBH JSE share code: STP

ISIN: BMG8465Y1093

("Stenprop" or "the Company")

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## CIRCULAR TO STENPROP SHAREHOLDERS

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### 1. INTRODUCTION

- 1.1 As part of its annual review of executive remuneration, the remuneration committee undertook a detailed analysis of the Company's remuneration policies and incentive schemes to determine whether they remained relevant, appropriate and in line with best practice with particular regard to Stenprop's previously announced strategic decisions to (i) actively invest in UK multi-let industrial assets with the objective of establishing itself as a leading player in this sector; and (ii) actively investigate the merits of conversion to a REIT status and a London listing.
- 1.2 The analysis – which included a comparison of the remuneration policies and incentive schemes of a number of comparable listed companies – reflected the following:
- 1.2.1 the fixed element of the remuneration paid by the Company to the executive directors is at the lower end of the spectrum paid by comparable companies;
  - 1.2.2 the Company's annual bonus awards are broadly in line with that of comparable companies, although the maximum annual award (at 125% of base salary if all key performance indicators are met in full) tends toward the lower end of the comparable range; and
  - 1.2.3 the current long-term incentive (the Stenprop share purchase plan) is very different to the approach adopted almost universally by London-listed property companies. Under the Stenprop share purchase plan, executive directors can, subject to meeting certain performance targets, receive up to 10 times their base salaries in loans used to acquire Stenprop shares at market value. London-listed property companies favour an annual award of nil-paid options (or equivalent securities) vesting after a three-year period subject to a number of vesting conditions. The vesting conditions include a range of performance targets. Options usually representing up to 200% of base salary (at the grant date) may vest and become exercisable subject to all the performance targets being met at the end of the vesting period.
- 1.3 Having regards to the above factors and to ensure the Company's incentive schemes are appropriate for a London listing, the remuneration committee made the following recommendations to the Board:
- 1.3.1 in relation to the annual bonus awards – it was recommended that the maximum annual award be increased from 125% to 150% of base salary;
  - 1.3.2 in relation to the long-term incentive – it was recommended that the current Stenprop share purchase plan be discontinued and replaced with the new Long Term Incentive Plan, which is in line with the long-term incentive schemes adopted by London-listed property companies. Please see paragraph 2.1 below and **Annexure 1** for additional information on the new LTIP; and
  - 1.3.3 it was recommended that the maximum number of shares of the Company that may be utilised under the Stenprop deferred share bonus plan and the LTIP shall not exceed 5% of the issued share capital of the Company – this limit is currently set at 10% under the Stenprop deferred share bonus plan and the Stenprop share purchase plan.

- 1.4 The Board approved the recommendations of the remuneration committee subject to all necessary shareholders' approvals. Accordingly, the Board is now proposing a number of amendments to the existing arrangements to give effect to these recommendations.
- 1.5 The proposed changes do not reflect a change in Stenprop's remuneration policy or to the objectives of the incentive schemes. They continue to provide the executive directors and key senior management employees with the opportunity of sharing in the success of the Company whilst ensuring that the interests of participants remain aligned with shareholders' interests and incentivising management to achieve the short and long-term strategic objectives set by the Board.
- 1.6 The purpose of this circular is to provide Stenprop shareholders with information regarding the proposed new LTIP and the proposed amendments to the existing deferred share bonus plan and to convene an extraordinary general meeting of Stenprop shareholders to consider and, if deemed fit, pass, with or without modification, the resolutions contained in the notice of extraordinary general meeting of Stenprop shareholders attached to this circular.

## 2. THE SHARE INCENTIVE PLANS

### 2.1 The LTIP

#### 2.1.1 ***Awards and basis upon which awards are made***

- 2.1.1.1 The LTIP allows for two different type of awards to be granted: (i) nil-cost options; and (ii) market value options.
- 2.1.1.2 Participants will not be entitled to receive both types of awards, the intention being that senior executives will receive nil-cost options whilst other key senior management employees receive market value options. Both senior executives and key senior management employees will stop receiving loans to purchase shares of the Company under the Stenprop share purchase plan.
- 2.1.1.3 In terms of the proposed LTIP, nil-cost options and market value options will be granted to participants on a basis determined by the remuneration committee and approved by the Board. The remuneration committee will at all times comprise non-executive directors who do not qualify as participants under the LTIP.

#### 2.1.2 ***Nil-cost options***

- 2.1.2.1 Senior executives who were previously entitled to receive loans equal to up to 10 times their base salary to acquire shares of the Company will now be granted nil-cost options.
- 2.1.2.2 Nil-cost options will vest in participants at the end of three years, calculated from the grant date (or deemed grant date), provided the vesting conditions have been met and the participants are still in the employ of the Company. The LTIP includes a further two-year post-vesting holding period, during which senior executives cannot dispose of shares issued upon the exercise of the nil-cost options, other than for tax purposes. The vesting conditions include certain performance targets set by the remuneration committee at the grant date. Subject to the performance targets being achieved, nil-cost options representing up to 200% of base salary may vest at the end of the three-year vesting period.
- 2.1.2.3 During the five-year period following the grant of nil-cost options (being the three-year vesting period and the two-year post-vesting holding period), the Board has absolute discretion to require a participant to pay back or return all or some of the amounts received or shares issued upon vesting if it determines that there has been a material misstatement of the results of the Company or any act or omission of the participant which contributed to serious reputational damage or amounted to serious misconduct or fraud.
- 2.1.2.4 Save as otherwise approved by the Board, nil-cost options which have not vested will lapse and cease to be of any force should any participant leave the employment of the Stenprop group.

- 2.1.2.5 If a participant leaves the employment of the group otherwise than due to gross misconduct, nil-cost options which have vested may be exercised for a further period of 12 months. All vested awards will lapse if the participant leaves as a result of gross misconduct.
- 2.1.2.6 In the event of a change of control of the Company, all rights which have not vested will vest and be exercisable for one month. In the case of nil-cost options, the remuneration committee will determine the level of performance achieved by the Company during the period since the grant date and decide on the appropriate number of shares to be allotted and issued in each case. In addition, unless otherwise determined by the Board, the number of nil-cost options which will vest will be reduced *pro rata* on a time basis.

### 2.1.3 **Market value options**

- 2.1.3.1 Key senior management employees (other than senior executives receiving nil-cost options) will be entitled to receive market value options with a value equivalent to up to 100% of their base salary, subject to achieving certain performance targets. Market value options will vest in three tranches over a three-year period, one third vesting on each anniversary of the grant date (or deemed grant date). The vesting (as opposed to the grant) of the market value options will not be subject to performance criteria. Exercise of the options will be conditional on the payment of a price equal to the prevailing market price at the time of the grant (or deemed grant) of the options.
- 2.1.3.2 Save as otherwise approved by the Board and subject to the exceptions set out below, market value options which have not vested will lapse should any participant leave the employment of the Stenprop group.
- 2.1.3.3 Where a participant leaves the employment of the group as a result of:
  - 2.1.3.3.1 death;
  - 2.1.3.3.2 ill-health, injury or disability;
  - 2.1.3.3.3 the transfer of a participant's employing company to a person who is not a member of the Stenprop group; or
  - 2.1.3.3.4 redundancy,a market value option which has not vested will vest in full and may be exercised for a further period of 12 months, after which time, it will lapse.
- 2.1.3.4 If a participant leaves the employment of the group otherwise than due to gross misconduct, market value options which have vested may be exercised for a further period of 12 months. All vested awards will lapse if the participant leaves as a result of gross misconduct.
- 2.1.3.5 In the event of a change of control of the Company, all market value options which have not vested as at the effective date of such corporate action, will vest and be exercisable for one month.

### 2.1.4 **Further terms of the LTIP**

- 2.1.4.1 Rights under the LTIP (nil-cost option and market value options) do not confer on participants any shareholder rights. Upon the vesting of rights and the allotment and issue of shares, the shares allotted and issued will rank *pari passu* in all respects with the issued shares of the Company.
- 2.1.4.2 The shares required for delivery when rights vest and are exercised will be allotted and issued by the Company. Shares will only be issued once a participant or group of participants to whom such shares will be allocated has been formally identified by the remuneration committee, and the performance and other conditions set by the remuneration committee have been satisfied.
- 2.1.4.3 In the event of the Company being put into liquidation for the purpose of reorganisation, being a party to a scheme of arrangement affecting the structure of its share capital, making a distribution of a capital asset, reducing its share capital or undertaking a

rights issue, splitting or consolidating its shares or being a party to a reorganisation, the number of rights granted to participants (in respect of which shares have as yet not been allotted or issued) may be adjusted to ensure that participants remain entitled to the same proportion of equity capital and/or economic benefit as that to which participants were previously entitled.

2.1.4.4 Extracts from the LTIP are set out in **Annexure 1** of this circular.

## 2.2 **Proposed amendments to the Stenprop deferred share bonus plan**

Awards under the deferred share bonus plan will continue to be granted to participants subject to performance criteria determined by the remuneration committee. However, the maximum aggregate value of awards being granted to any one participant in any one financial year is increased from 125% to 150% of the annual gross basic salary of a participant.

Subject to a change to the aggregate number of shares that may be utilised for the purpose of the plan (as set out in paragraph 2.3 below), the remaining features of the Stenprop deferred share bonus plan remain unchanged. Extracts from the deferred share bonus plan are set out in **Annexure 2** of this circular.

## 2.3 **Shares utilised for the LTIP and deferred share bonus plan**

Under the existing deferred share bonus plan and Stenprop share purchase plan, the maximum aggregate number of shares that can be utilised during the previous 10-year period under both plans is 10% of the number of shares in issue at the relevant time.

Under the amended deferred share bonus plan and the new LTIP, this number will be reduced to 5%, in aggregate of the shares in issue at the relevant time for the purposes of both the deferred share bonus plan and LTIP.

The maximum aggregate number of rights which may be held at any one time by any one participant (under each of the LTIP and deferred share bonus plan) will be rights over shares representing 2% of the number of shares in issue as at the date of approval of the plans.

## 3. **THE EXTRAORDINARY GENERAL MEETING**

The adoption of the LTIP and the amendments to the Stenprop deferred share bonus plan are subject to Stenprop shareholders passing the requisite resolutions at the extraordinary general meeting of Stenprop shareholders to be held at 09.30 (GMT)/11:30 am (SAST) at Kingsway House, Havilland Street, St. Peter Port, Guernsey, GY1 2QE on Wednesday, 24 January 2018.

A notice convening the extraordinary general meeting is attached to and forms part of this circular.

## 4. **OPINION AND RECOMMENDATIONS**

The Board of Directors has considered the general terms and conditions of the share incentive plans and believes that it is in the best interests of the Company and its shareholders and necessary to achieve the objectives of the remuneration policy of the Company. The Board of Directors accordingly recommends that Stenprop shareholders vote in favour of the resolutions set out in the attached notice necessary to, *inter alia*, effect the adoption of the LTIP and amendments to the Stenprop deferred share bonus plan.

## 5. **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.

## 6. **DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents, or copies thereof, will be available for inspection during normal business hours at the Company's corporate advisor and JSE Sponsor and at the office of the Company at the addresses set out in the "Corporate Information" section from Thursday, 14 December 2017 to Wednesday, 24 January 2018:

- the LTIP (including its schedules);
- the deferred share bonus plan, as amended (including its schedules);
- a signed copy of the circular; and
- the letters of consent referred to in paragraph 5.

Signed by Neil Marais on his own behalf and on behalf of all of the other directors of the Company on Thursday, 14 December 2017, he being duly authorised in terms of a written resolution signed by each director on 28 November 2017.

14 December 2017

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## SALIENT FEATURES OF THE LONG TERM INCENTIVE PLAN

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The salient features of the Long Term Incentive Plan are set out in the extracts below:

### 2. GRANT OF AWARDS

- 2.1 Subject to Rule 2.2, during a Grant Period, the Board may grant an Award to an Eligible Employee in its absolute discretion but following a recommendation from the Company's Remuneration Committee subject to the Rules of the Plan and upon such additional terms as the Board may determine (provided such additional terms are not inconsistent with the Rules of the Plan).
- 2.2 The grant of an Award will be subject to obtaining any approval or consent required by any relevant stock exchange (or other relevant authority), any Dealing Restrictions and any other applicable laws or regulations (whether in the UK or overseas).
- 2.3 An Award will be granted over such number of Shares as determined by the Board subject to the limits set out in Rule 4 (Individual limits).
- 2.4 Awards must be granted by deed. If required by the Board, a Participant must on exercise pay up the nominal value of the Shares comprised in an Award to the extent that the Exercise Price is less than the nominal value of the Shares.
- 2.5 No Award may be granted under the Plan after the 10th anniversary of its adoption by the Board.

### 3. PERFORMANCE TARGETS

- 3.1 At the Grant Date, the Board may impose a Performance Target and such other conditions on the Vesting of a Nil-Cost Option as it may determine. The Board may determine that a Nil-Cost Option should be subject to multiple Performance Targets or that a Nil-Cost Option should be sub-divided and that each part be subject to a different Performance Target. The Performance Target or other conditions must be objective.
- 3.2 A Nil-Cost Option will Vest as to the quantum of Shares determined in accordance with the Performance Target.
- 3.3 The Board may amend or substitute the Performance Target or any other condition imposed under Rule 3.1 provided that any amendment is in accordance with the terms of the Performance Target or an event or transaction occurs which causes the Board, acting fairly and reasonably, to consider that a substituted or amended Performance Target or other condition would be appropriate (taking into account the interests of the shareholders of the Company) and that the substituted or amended Performance Target or other condition would continue to achieve its original purpose and be not materially less or more difficult to satisfy than the unaltered Performance Target or other condition would have been but for the event in question.
- 3.4 The Board shall, as soon as reasonably practicable, notify a Participant of any determination made under Rule 3.3.

### 4. INDIVIDUAL LIMITS

- 4.1 Subject to the rest of this Rule 4 (Individual limits), no Eligible Employee shall be granted Market Value Options which would, at the time they are granted, cause the aggregate of:
  - (a) the VWAP of Shares which he may acquire on the Vesting of that Market Value Option (as determined at the proposed Grant Date); and
  - (b) the aggregate of the VWAP of the Shares which he may acquire under all other subsisting Market Value Options granted under the Plan in the Financial Year of the Company during which the proposed Grant Date would fall (such VWAP to be determined as at the respective Grant Dates of the relevant Market Value Options),

to exceed 100% of his Salary as at the end of the Financial Year immediately preceding the proposed Grant Date or such greater amount as the Board may determine to be justified in the circumstances.

- 4.2 Subject to the rest of this Rule 4 (Individual limits) no Eligible Employee shall be granted Nil-Cost Options which would, at the time they are granted, cause the aggregate of:
- (a) the VWAP of Shares which he may acquire on the Vesting of that Nil-Cost Option (as determined at the proposed Grant Date); and
  - (b) the aggregate of the VWAP of the Shares which he may acquire on Vesting of all other subsisting Nil-Cost Options granted under the Plan in the Financial Year of the Company during which the proposed Grant Date would fall (such VWAP to be determined as at the respective Grant Dates of the relevant Nil-Cost Options),
- to exceed 200% of his Salary as at the Grant Date or such greater amount as the Board may determine to be justified in the circumstances.
- 4.3 For the purposes of Rule 4.1 and Rule 4.2 the VWAP of Shares comprised in Awards made prior to 31 March 2018 shall be calculated as if the Grant Date were 8 June 2017.
- 4.4 In calculating the individual limits under Rule 4.1 or Rule 4.2 no account shall be taken of any additional Shares which may be acquired under Rule 7 (Dividend equivalents).
- 4.5 In addition to Rule 4.1 and Rule 4.2, but subject to rule 4.6, the aggregate maximum number of Shares which any one Participant shall be entitled to acquire under the Plan shall not exceed 5 834 369 (five million eight hundred and thirty four thousand three hundred and sixty nine) Shares.
- 4.6 Subject to Rule 5.4, the limit in Rule 4.5 and the Exercise Price shall be adjusted in such manner as the Auditors certify to be in their opinion fair and reasonable as a result of:
- (a) the issue of additional Shares by way of a capitalisation of the company's profits and/or reserves (including the unit premium account and the capital redemption reserve fund); and/or
  - (b) a rights issue; and/or
  - (c) a reduction of capital.
- 4.7 If the grant of an Award would have the result of breaching the limits in Rule 4 (Individual limits ) that Award shall be treated as taking effect over the maximum number of Shares over which it could have been granted without breaching such limits. Where more than one Award is granted on the same day each Award will suffer a *pro rata* reduction.

## 5. PLAN LIMITS

- 5.1 Subject to Rule 5.2, at the proposed Grant Date, the aggregate number of Shares which may be utilised for the purposes of the Plan shall not exceed the lower of:
- (a) 20 420 293 (twenty million four hundred and twenty thousand two hundred and ninety three) Shares; and
  - (b) such number of Shares which, when added to the total number of Shares utilised under the Plan and the Company's Deferred Share Bonus Plan during the previous 10 years, does not exceed 5% of the ordinary share capital of the Company in issue at the time.
- 5.2 In determining the above limit:
- (a) Shares are treated as utilised if they have been issued or may be issued for the purposes of satisfying an award;
  - (b) the number of Shares utilised includes:
    - (i) Shares which have been issued or may be issued to the Trustee to satisfy awards; and
    - (ii) treasury shares which have been or may be transferred out of treasury to satisfy awards (unless the Board determines that it is no longer best practice to include these);
  - (c) the number of Shares utilised does not include:
    - (i) any Shares purchased through the JSE or any other stock exchange or off-market; or
    - (ii) any Shares where the right to acquire such Shares is released or lapses in part or in whole;
- 5.3 The limit in Rule 5.1(a) and the Exercise Price shall be adjusted in such manner as the Auditors certify to be in their opinion fair and reasonable as a result of any sub-division or consolidation of the Shares.

- 5.4 Any adjustment in terms of Rule 4.6 and Rule 5.3 should give a Participant entitlement to the same proportion of Shares as that to which he was entitled before the event in Rule 4.6 and Rule 5.3 which gave rise to the adjustment.
- 5.5 Upon finalisation of any adjustment in terms of Rule 4.6 and Rule 5.3 the Auditors shall confirm to the JSE, in writing, that such adjustment was made in accordance with the terms of the Plan.
- 5.6 The Company shall report any adjustment in terms of Rule 4.6 and Rule 5.3 in its annual financial statements for the year during which the adjustments were made.
- 5.7 The rolling over of Shares (including the arrangement which assumes that Shares which have already vested and been issued to Participants in terms of the Plan, and which then revert back to the limit in Rule 5.1(a)) is prohibited.
- 5.8 If the grant of an Award would have the result of breaching the limit in Rule 5.1, the Award shall be treated as taking effect over the maximum number of Shares over which it could have been granted without breaching such limit. Where more than one Award is granted on the same day each Award will suffer a *pro rata* reduction."

## 15. ADJUSTMENTS

- 15.1 The number of Shares subject to an Award and the Exercise Price may be adjusted by the Board in such manner as the Auditors, acting as experts and not as arbitrators, certify as being fair and reasonable in the circumstances if the Company:
  - (a) is put into liquidation for the purpose of reorganisation; or
  - (b) is a party to a scheme of arrangement affecting the structure of its share capital; or
  - (c) makes a distribution, whether by way of the declaration of a distribution or by way of a disposal at less than fair value, of a capital asset of the Company; or
  - (d) reduces its share capital or undertakes a rights issue; or
  - (e) splits or consolidates its shares; or
  - (f) is a party to a reorganisation.
- 15.2 The adjustment in Rule 15.1(d) and Rule 15.1(e) should give the Participant entitlement to the same proportion of the equity to which the Participant was entitled prior to the event contemplated by Rule 15.1(d) and Rule 15.1(e).
- 15.3 Upon finalisation of the adjustment in terms of Rule 15.1, the Auditors shall confirm to the JSE, in writing, that such adjustment was made in accordance with the terms of the Plan.

## 16. AMENDMENTS

- 16.1 Provided that all amendments are, where necessary, approved by the primary stock exchange(s) on which the Shares are listed or traded, these Rules may be amended from time to time by the Board, but
  - (a) no amendment to the material disadvantage of existing rights of Participants will be made under Rule 16.1 unless:
    - (i) every Participant who may be affected by such amendment has been invited to indicate whether or not he approves the amendment; and
    - (ii) the amendment is approved by a majority of those Participants who have so indicated;
  - (b) no amendment in respect of the following matters shall operate unless such amendment has been approved by shareholders passing an ordinary resolution (requiring a 75% (seventy-five percent) majority of the votes cast in favour of such resolution by all shareholders present or represented by proxy at the general meeting to approve such resolution):
    - (i) the basis upon which Awards are made;
    - (ii) the persons who may become Participants under the Plan;
    - (iii) the voting, distribution, transfer and other rights (including those arising on the liquidation of the Company) attaching to Shares under the Plan;
    - (iv) the total number of the securities which may be utilised for purposes of the Plan;



- (v) a fixed maximum entitlement for any one Participant;
- (vi) the basis for determining the price payable by the Participant for the Shares under and Award which must be a fixed mechanism for all Participants under the Plan;
- (vii) the treatment of Awards (vested and unvested) in instances of mergers, takeovers or corporate actions; or
- (viii) the procedure to be adopted on termination of employment, retirement or death of a Participant.

16.2 Notwithstanding the provisions of Rule 16.1, but subject to the listing rules of the primary stock exchange/s on which the Company's securities are listed, if it should become necessary or desirable by reason of the enactment of any new Act or regulation at any time after the signing of these Rules, to amend the provisions of these Rules so as to preserve the substance of the provisions contained in these Rules but to amend the form so as to achieve the objectives embodied in these Rules in the best manner having regard to such new legislation and without prejudice to the Participants concerned, then the Board may amend these Rules accordingly."

**"19. VOTING OF SHARES WHICH ARE SUBJECT TO THE PLAN**

Until Shares which are subject to Awards have been transferred to a Participant in terms of Rule 9.5, such Shares will not have their votes taken into account at annual general meetings or general meetings of the Company for purposes of resolutions proposed in terms of the Listings Requirements of the JSE, nor for purposes of determining categorisations in terms of section 9 of the Listings Requirements of the JSE."

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## SALIENT FEATURES OF THE DEFERRED SHARE BONUS PLAN

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The salient features of the deferred share bonus plan are set out in the extracts below:

### 2. GRANT OF AWARDS

- 2.1 Subject to Rule 2.2 and Rule 2.3, during a Grant Period, the Board may grant an Award to an Eligible Employee in its absolute discretion but following a recommendation from the Company's Remuneration Committee, subject to the rules of the Plan and upon such additional terms as the Board may determine (provided that such additional terms are not inconsistent with the rules of the Plan).
- 2.2 The grant of an Award will be subject to obtaining any approval or consent required by any relevant stock exchange (or other relevant authority), any Dealing Restrictions and any other applicable laws or regulations (whether in the UK or overseas).
- 2.3 An Award may only be granted to an Eligible Employee who has earned a Bonus for the relevant Financial Year.
- 2.4 An Award will be granted over such number of Shares which, at the VWAP per Share on the Grant Date, have an aggregate value equal to the Deferred Bonus.
- 2.5 Awards must be granted by deed. If required by the Board, a Participant must pay up the nominal value of the Shares comprised in a Conditional Award or to the extent that the Exercise Price is less than the nominal value of the Shares, the shortfall in respect of the Shares comprised in a Nil-Cost Option prior to the relevant Shares being issued to the Participant.
- 2.6 No Award may be granted under the Plan after the 10th anniversary of its adoption by the Board.

### 3. INDIVIDUAL LIMITS

- 3.1 Subject to the rest of this Rule 3 (Individual limits), no Eligible Employee shall be granted Awards which would, at the time they are granted, cause the aggregate of:
  - (a) the value of Shares which he may acquire on the Vesting of that Award (as determined at the proposed Grant Date); and
  - (b) the aggregate of the value of the Shares which he may acquire on Vesting of all other subsisting Awards granted under the Plan in the Financial Year of the Company during which the proposed Grant Date would fall (such values to be determined as at the respective Grant Dates of the relevant Awards),
 to exceed 150% of his Salary or such greater amount as the Board may determine to be justified in the circumstances.
- 3.2 For the purposes of Rule 3.1 the aggregate value on any day will be calculated by reference to the VWAP of a Share.
- 3.3 In calculating the individual limits under Rule 3.1 no account shall be taken of any additional Shares which may be acquired under Rule 6 (Dividend equivalents).
- 3.4 In addition to Rule 3.1, but subject to Rule 3.5, the aggregate maximum number of Shares which any one Participant shall be entitled to acquire under the Plan shall not exceed 5 834 369 (five million eight hundred and thirty four thousand three hundred and sixty nine) Shares.
- 3.5 The limits in Rule 3.4 shall be adjusted in such manner as the Auditors certify to be in their opinion fair and reasonable as a result of:
  - (a) the issue of additional Shares by way of a capitalisation of the Company's profits and/or reserves (including the unit premium account and the capital redemption reserve fund); and/or
  - (b) a rights issue.
- 3.6 If the grant of an Award would have the result of breaching the limit in Rule 3.1 that Award shall be treated as taking effect over the maximum number of Shares over which it could have been granted without breaching such limit. Where more than one Award is granted on the same day, each Award will suffer a *pro rata* reduction.

#### 4 PLAN LIMITS

- 4.1 Subject to Rule 4.2, at the proposed Grant Date, the aggregate number of Shares which may be utilised for the purposes of the Plan shall not exceed the lower of:
- (a) 20 420 293 (twenty million four hundred and twenty thousand two hundred and ninety three) Shares; and
  - (b) such number of Shares which, when added to the total number of Shares allocated under the Plan and the Company's Long Term Incentive Plan during the previous 10 years, does not exceed 5% of the ordinary share capital of the Company in issue at the time.
- 4.2 In determining the above limit:
- (a) Shares are treated as utilised if they have been issued or may be issued for the purposes of satisfying an award;
  - (b) the number of Shares utilised includes:
    - (i) Shares which have been issued or may be issued to the Trustee to satisfy awards; and
    - (ii) treasury shares which have been or may be transferred out of treasury to satisfy awards (unless the Board determines that it is no longer best practice to include these);
  - (c) the number of Shares utilised does not include:
    - (i) any Shares purchased through the JSE or any other stock exchange or off-market; or
    - (ii) any Shares where the right to acquire such Shares is released or lapses in part or in whole;
- 4.3 The limit in Rule 4.1(a) shall be adjusted in such manner as the Auditors certify to be in their opinion fair and reasonable as a result of any sub-division or consolidation of the Shares.
- 4.4 Any adjustment in terms of Rules 3.5 and 4.3 should give a Participant entitlement to the same proportion of Shares as that to which he was entitled before the event in Rule 3.5 and 4.3 which gave rise to the adjustment.
- 4.5 Upon finalisation of any adjustment in terms of Rule 3.5 and 4.3 the Auditors shall confirm to the JSE, in writing, that such adjustment was made in accordance with the terms of the Plan.
- 4.6 The Company shall report any adjustment in terms of Rule 3.5 and 4.3 in its annual financial statements for the year during which the adjustments were made.
- 4.7 The rolling over of Shares (including the arrangement which assumes that Shares which have already vested and been issued to Participants in terms of the Plan, and which then revert back to the limit in Rule 4.1(a)) is prohibited.
- 4.8 If the grant of an Award would have the result of breaching the limit in Rule 4.1, the Award shall be treated as taking effect over the maximum number of Shares over which it could have been granted without breaching such limit. Where more than one Award is granted on the same day each Award will suffer a *pro rata* reduction."

#### "13. ADJUSTMENTS

- 13.1 The number of Shares subject to an Award may be adjusted by the Board in such manner as the as the Auditors, acting as experts and not as arbitrators, certify as being fair and reasonable in the circumstances if the Company:
- (a) is put into liquidation for the purpose of reorganisation of its share capital; or
  - (b) is a party to a scheme of arrangement affecting the structure of its share capital; or
  - (c) makes a distribution, whether by way of the declaration of a distribution or by way of a disposal at less than fair value, of a capital asset of the Company; or
  - (d) reduces its share capital or undertakes a rights issue; or
  - (e) splits or consolidates its shares; or
  - (f) is a party to a reorganisation of its share capital.
- 13.2 The adjustment in Rule 13.1(e) should give a Participant entitlement to the same proportion of equity to which the Participant was entitled prior to the event contemplated in Rule 13.1(e).

13.3 Upon finalisation of the adjustment in terms of Rule 13.1, the Auditors shall confirm to the JSE, in writing, that such adjustment was made in accordance with the terms of the Plan.

#### 14. **AMENDMENTS**

14.1 Provided that all amendments are approved by the primary stock exchange(s) on which the Shares are listed, these rules may be amended from time to time by the Board, but:

14.1.1 no amendment to the material disadvantage of existing rights of Participants will be made under Rule 14.1 unless:

- (a) every Participant who may be affected by such amendment has been invited to indicate whether or not he approves the amendment; and
- (b) the amendment is approved by a majority of those Participants who have so indicated;

14.1.2 no amendment in respect of the following matters shall operate unless such amendment has been approved by shareholders passing an ordinary resolution (requiring a 75% (seventy-five percent) majority of the votes cast in favour of such resolution by all shareholders present or represented by proxy at the general meeting to approve such resolution):

- (a) the basis upon which Awards are made;
- (b) the persons who may become Participants under the Plan;
- (c) the voting, distribution, transfer and other rights (including those arising on the liquidation of the Company) attaching to Shares under the Plan;
- (d) the total number of the securities which may be utilised for purposes of the Plan;
- (e) a fixed maximum entitlement for any one Participant;
- (f) the basis for determining the price payable by Participants for the Shares under an Award which is a fixed mechanism for all Participants under the Plan;
- (g) the treatment of Awards (vested and unvested) in instances of mergers, takeovers or corporate actions; and
- (h) the procedure to be adopted on termination of employment, retirement or death of a Participant.

14.2 Notwithstanding the provisions of Rule 14.1, but subject to the listing rules of the primary stock exchange/s on which the Company's securities are listed, if it should become necessary or desirable by reason of the enactment of any new Act or regulation at any time after the signing of these rules, to amend the provisions of these rules so as to preserve the substance of the provisions contained in these rules but to amend the form so as to achieve the objectives embodied in these rules in the best manner having regard to such new legislation and without prejudice to the Participants concerned, then the Board may amend these rules accordingly."

#### "17. **VOTING OF SHARES WHICH ARE SUBJECT TO THE PLAN**

Until Shares which are subject to awards have been transferred to a Participant in terms of clause 8.2, such Shares will not have their votes taken into account at annual general meetings or general meetings of the Company for purposes of resolutions proposed in terms of the Listings Requirements of the JSE, nor for purposes of determining categorisations in terms of section 9 of the Listings Requirements of the JSE."

# STENPROP

## Stenprop Limited

(Incorporated in Bermuda)

(Registration number 47031)

BSX share code: STPBH JSE share code: STP

ISIN: BMG8465Y1093

("Stenprop" or "the Company")

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## NOTICE CONVENING EXTRAORDINARY GENERAL MEETING

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This document is important and requires your immediate attention. If you are in any doubt as to any aspect of this notice, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisor.

When considering what action you should take, you are recommended to seek your own personal financial advice from a suitable adviser.

If you sell or have sold or transferred all your shares in Stenprop you should hand this document and the documents accompanying it to the purchaser or agent through whom the sale was effected for transmission to the purchaser.

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**NOTICE IS HEREBY GIVEN** of the extraordinary general meeting (the "**EGM**") of the shareholders of Stenprop Limited.

Date of EGM Wednesday, 24 January 2018 at 09:30 (GMT)/11:30 am (SAST)

Location of EGM Kingsway House, Havilland Street, St. Peter Port, Guernsey, GY1 2QE

### Resolutions

The resolutions to be proposed at the EGM (the "**Resolutions**"), and the corresponding explanatory notes, are set out below.

The directors of the Company unanimously recommend that you vote in favour of the Resolutions.

### Action to be taken by shareholders

Date on which proxies must be received 3.30 pm GMT/5.30 pm SAST on Friday, 19 January 2018

Record date to attend and vote at the meeting 3.30 pm GMT/5.30 pm SAST on Friday, 19 January 2018

All shareholders whose names appear on the register of members at 3:30 pm GMT/5.30 pm SAST on Friday, 19 January 2018 are encouraged to attend the meeting. For those unable to attend, please complete the hard copy proxy form enclosed and return it to the Registrars by 3:30 pm GMT/5.30pm SAST on Friday, 19 January 2018. Shareholders on the Bermuda register are also able to vote online by following the instructions contained in the proxy form.

### ORDINARY RESOLUTION NUMBER 1: ADOPTION OF THE PROPOSED AMENDMENTS TO THE STENPROP DEFERRED SHARE BONUS PLAN

**"Resolved that**, the Stenprop deferred share bonus plan, as amended, a copy of which has been tabled at this meeting and initialled by the chairman for the purposes of identification, is hereby approved."

In accordance with the JSE Listings Requirements, in order for ordinary resolution number 1 to be adopted, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required to pass this resolution.

## **ORDINARY RESOLUTION NUMBER 2: ADOPTION OF THE STENPROP LONG TERM INCENTIVE PLAN**

**“Resolved that**, the Stenprop LTIP, a copy of which has been tabled at this meeting and initialled by the chairman for the purposes of identification, is hereby approved.”

In accordance with the JSE Listings Requirements, in order for ordinary resolution number 2 to be adopted, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required to pass this resolution.

By order of the board

### **Sharon Ward**

Signing for and on behalf of

### **Apex Corporate Services Limited**

*Corporate Secretary*

14 December 2017

### **Notes**

*For shareholders on the Bermudian share register only:*

- *Shareholders unable to attend are requested to complete the attached form of proxy and return it via email to [externalproxyqueries@computershare.co.uk](mailto:externalproxyqueries@computershare.co.uk), vote online in accordance with the instructions in the form or deposit it physically at the address stated in the notes to the form of proxy no later than 3.30 pm GMT/5.30 pm SAST on Friday, 19 January 2018.*

*For shareholders on the South African share register only:*

- *Dematerialised shareholders who wish to attend the Extraordinary General Meeting must instruct their CSDP or broker to provide them with the necessary authority to attend.*
- *Certificated shareholders unable to attend the Extraordinary General Meeting, but who wish to vote, are requested to complete the attached form of proxy and return it (together with the Power of Attorney and other authority, if any, under which it is signed, or a notarially certified office copy thereof) to Computershare Investor Services (South Africa) Proprietary Limited, either by depositing it at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, via email to [proxy@computershare.co.za](mailto:proxy@computershare.co.za), or via post to PO Box 61763, Marshalltown, 2107, South Africa, to be received no later than 3.30 pm GMT/5.30 pm SAST on Friday, 19 January 2018.*
- *Dematerialised shareholders who are unable to attend the Extraordinary General Meeting, but who wish to vote, must timeously provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between that shareholder and the CSDP or broker.*

This form of proxy is for use by shareholders on the South African register ONLY



**Stenprop Limited**

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

Form of proxy for use by holders of ordinary shares at the Extraordinary General Meeting of the Company to be held at Kingsway House, Havilland Street, St. Peter Port, Guernsey, GY1 2QE, Channel Islands on Wednesday, 24 January 2018 at 09:30 am (GMT)/11:30 am (SAST).

**This form of proxy is for use by certificated shareholders only.** Dematerialised shareholders who are unable to attend the Extraordinary General Meeting, but who wish to vote, must timeously provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between that shareholder and the CSDP or broker, and must not complete this form.

I/We \_\_\_\_\_ (full name(s) in block capitals)

of \_\_\_\_\_ (address in block capitals)

being a Shareholder(s) of the Company, hereby appoint the Chairman of the Extraordinary General Meeting and grant authority to the Chairman to appoint any such person to act in his stead whom he deems fit, failing whom

\_\_\_\_\_ (name and address of proxy in block capitals)

as my/our proxy to attend, and on a poll, vote for me/us and on my/our behalf at the Extraordinary General Meeting of the Company to be held on Wednesday, 24 January 2018 at 09:30 am (GMT)/11:30 am (SAST) and at any adjournment thereof.

I/We wish my/our proxy to vote as indicated below in respect of the resolutions to be proposed at the meeting. Please indicate which way you wish your proxy to vote by ticking the appropriate box alongside each resolution (see note 2 below).

<b>ORDINARY RESOLUTION</b>	<b>*FOR</b>	<b>*AGAINST</b>	<b>*VOTE WITHHELD</b>
<b>Resolved that</b> , the Stenprop deferred share bonus plan, as amended, a copy of which has been tabled at this meeting and initialled by the chairman for the purposes of identification, is hereby approved.			
<b>Resolved that</b> , the Stenprop LTIP, a copy of which has been tabled at this meeting and initialled by the chairman for the purposes of identification, is hereby approved.			

\* Please indicate how you wish your proxy to vote by placing a tick on the appropriate box. If you do not do so, your proxy will abstain or vote for or against the ordinary resolution(s) at his or her discretion.

Signature \_\_\_\_\_ Date \_\_\_\_\_

**NOTES TO THE FORM OF PROXY:**

1. This form of proxy is for use by certificated shareholders only. Certificated shareholders unable to attend the Extraordinary General Meeting, but who wish to vote, are requested to complete this form of proxy and return it (together with the Power of Attorney and other authority, if any, under which it is signed, or a notarially certified office copy thereof) to Computershare Investor Services (South Africa) Proprietary Limited, either by depositing it at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, via email to proxy@computershare.co.za, or via post to PO Box 61763, Marshalltown, 2107, South Africa, to be received no later than 3.30 pm GMT/5.30 pm SAST on Friday, 19 January 2018.
2. If you wish to appoint as your proxy some person, other than the Chairman of the Extraordinary General Meeting, please insert in BLOCK CAPITALS the full name of the person of your choice, delete the words "the Chairman of the Extraordinary General Meeting, failing whom" and initial the amendment.
3. If the appointer is a Corporation, this proxy must be executed under its Common Seal or under the hand of some Officer or Attorney duly authorised on its behalf.
4. In the case of joint holders, any one such person may sign.
5. Dematerialised shareholders who are unable to attend the Extraordinary General Meeting, but who wish to vote, must timeously provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between that shareholder and the CSDP or broker, and must not complete this form.





