

# **STENPROP**

## **RULES OF STENPROP LIMITED**

### **AMENDED SHARE PURCHASE PLAN**

The definitions commencing on page 1 of this scheme have, to the extent appropriate, been used on the cover page.

Requires to be 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 Stenprop Limited to be held at 9.30 am BST on 9 September 2015

**Adopted by the Directors on 30 July 2015**



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## Contents

<b>Clause</b>	<b>Name</b>	<b>Page</b>
1	Definitions and interpretation.....	1
2	Loans and purchase of shares.....	3
3	Individual limits.....	3
4	Plan limits .....	3
5	Taxation.....	4
6	Amendments.....	4
7	Legal entitlement .....	5
8	General .....	6

## Appendix Name

Form of Loan and Subscription Agreement

## 1 DEFINITIONS AND INTERPRETATION

1.1 In this Plan:

**"Acquisition Price"** means the price per Share at which an Eligible Employee acquires Shares with a Loan, as contemplated in rule 2.1.

**"Associated Person"** means a person nominated by an Eligible Employee and approved by the Board.

**"Auditors"** means the auditors of the Company from time to time;

**"Board"** means the board of the Company or any duly authorised committee of the board.

**"Company"** means Stenprop Limited, a company incorporated in Bermuda under registration No. 47031.

**"Dealing Day"** means any day on which the Bermuda Stock Exchange is open for business.

**"Dealing Restrictions"** means restrictions imposed by the Company's share dealing code, the Listing Rules or any applicable laws or regulations which impose restrictions on share dealing.

**"Eligible Employee"** means an employee (including an executive director) of the Company or any of its Subsidiaries.

**"Employer"** means, in relation to a Participant, such Group Member as is the Relevant Employee's employer or if he has ceased to hold office or employment with the Group, was his employer or such other Group Member, or such other person (including the Trustee) as under any statutory or regulatory enactment (in any jurisdiction) is obliged to account for any Tax Liability.

**"Grant Date"** means the date on which Plan Shares are to be acquired.

**"Grant Period"** means the period of 42 days commencing on:

- (a) the Dealing Day after the day on which the Plan is adopted by the Board;
- (b) the Dealing Day after the day on which the Company makes an announcement of its results for any period;
- (c) the Dealing Day after the day on which any changes to relevant legislation are proposed or made;
- (d) the Dealing Day after the date on which an individual becomes an Eligible Employee; or
- (e) any day on which the Board resolves that exceptional circumstances exist which justify the acquisition of Plan Shares, by an Eligible Employee,

unless the Company is restricted from awarding Plan Shares under the Plan during the periods specified above as a result of any Dealing Restrictions, in which case the relevant Grant Period will be 42 days commencing on the Dealing Day after such Dealing Restrictions are lifted.

**"Group Member"** means the Company, or any Subsidiary of the Company, any company which is (within the meaning of section 1159 of the Companies Act 2006) the Company's holding company or a Subsidiary of the Company's holding company and "Group" will be construed accordingly.

**"Listing Rules"** means the relevant applicable rules governing the listing or trading of shares of the Company on any stock exchange on which its shares are listed or traded, as amended from time to time.

**"Loan"** means a loan made by a Group Member to fund the acquisition by an Eligible Employee or an Associated Person of Shares.

**"Participant"** means any person who has an outstanding Loan or following his death, his personal representatives.

**"Plan"** means the Stenprop Limited Share Purchase Plan in its present form or as from time to time amended.

**"Plan Shares"** means Shares acquired under the Plan.

**"Relevant Employee"** means where the Participant is an Eligible Employee, that Employee and where the Participant is an Associated Person means the Eligible Employee who nominated the Associated Person.

**"Salary"** means an Eligible Employee's annual gross basic salary in respect of his employment with the Group.

**"Share"** means a fully paid ordinary share in the capital of the Company.

**"Subsidiary"** means the meaning given by section 1159 of the Companies Act 2006.

**"Tax Liability"** means any tax or social security contributions liability (but excluding for the avoidance of doubt secondary class 1 national insurance contributions (employer's national insurance contributions)) in connection with a Loan or Plan Shares for which the Relevant Employee is liable and for which the Employer is obliged to account to any relevant authority.

**"Trustee"** means the trustee or trustees for the time being of any employee benefit trust, the beneficiaries of which include Eligible Employees.

**"VWAP"** means the volume weighted average trading price of the Shares listed on the exchange operated by the JSE for the 10 (ten) trading days immediately preceding a relevant date.

1.2 References in the Plan to:

- (a) any statutory provisions are to those provisions as amended or re-enacted from time to time;
- (b) the singular include the plural and vice versa; and
- (c) the masculine include the feminine and vice versa.

1.3 Headings do not form part of the Plan.

## **2 LOANS AND PURCHASE OF SHARES**

- 2.1 During a Grant Period the Board may, in its absolute discretion, but following a recommendation from the Company's Remuneration Committee, arrange for a Group Member to make a Loan to an Eligible Employee or an Associated Person to fund the acquisition of Shares, whether by the issue of Shares to the Participant, or the purchase of such Shares through the JSE or off-market on behalf of the Participant for purposes of the Plan. The Acquisition Price shall be the VWAP as at the Grant Date.
- 2.2 The acquisition of the Shares and the making of the Loan 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 The Loan and Share acquisition shall be made on the terms of the agreement set out in the Appendix to these rules or in such other form as the Board, in its absolute discretion, may determine, provided that such other form shall not be inconsistent with these rules.
- 2.4 No Loan may be granted under the Plan after the tenth anniversary of its adoption by the Board.

## **3 INDIVIDUAL LIMITS**

- 3.1 No Eligible Employee shall be made Loans which would, at the time they are granted, cause the aggregate outstanding capital amount of all Loans in respect of a Relevant Employee to exceed 100% of his Salary or such greater amount as the Board may determine to be justified in the circumstances.
- 3.2 In addition to rule 3.1, but subject to rule 3.3, the aggregate maximum number of Plan Shares which any one Participant shall be entitled to acquire under the Plan shall not exceed 13,986,047 (thirteen million nine hundred and eighty six thousand and forty seven) Shares.
- 3.3 The limits in rule 3.2 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.

## **4 PLAN LIMITS**

- 4.1 Subject to Rule 4.2, the aggregate number of Plan Shares which may be utilised for purposes of the Plan shall not exceed the lower of –
  - (a) 41,958,141 (forty one million nine hundred and fifty eight thousand one hundred and forty one) Shares; and
  - (b) such number of Shares which, when added to the total number of Shares allocated under any other employee share plan relating to Shares and operated by a Group Member, does not exceed 10% 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 under the Plan if they have been issued or may be issued for the purposes of satisfying an award;
  - (b) the number of Shares allocated 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 allocated does not include:
    - (i) any Shares purchased through the JSE 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 rule 3.3 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 3.3 and 4.3 which gave rise to the adjustment.
- 4.5 Upon finalisation of any adjustment in terms of rule 3.3 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 3.3 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.

## **5 TAXATION**

A Relevant Employee will be responsible for and indemnifies the Employer against any Tax Liability relating to a Loan and the Plan Shares. Any Group Member and/or the Trustee may withhold an amount equal to such Tax Liability from any amounts due (including wages or salary) to the Participant (to the extent such withholding is lawful) and/or make any other arrangements as it considers appropriate to ensure recovery of such Tax Liability including, without limitation, the sale of sufficient Plan Shares to realise an amount equal to the Tax Liability.

## **6 AMENDMENTS**

- 6.1 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 –
- 6.1.1 no amendment to the material disadvantage of existing rights of Participants will be made under Rule 6.1 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;
- 6.1.2 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 and Loans are made to Participants;
  - (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 Plan Shares;
  - (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 purchase or subscription price of Plan Shares which is a fixed mechanism for all Participants under the Plan;
  - (g) the terms of any loan as set out in these rules, including, without limitation, the term after which the loan must be repaid and the rate of interest accruing on the loan; and
  - (h) the treatment of Plan Shares in instances of mergers, takeovers or corporate actions
  - (i) the procedure to be adopted on termination of employment, retirement or death of a Participant.
- 6.2 Notwithstanding the provisions of rule 6.1, 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.

## **7      LEGAL ENTITLEMENT**

- 7.1 This Rule 7 (*Legal entitlement*) applies during a Relevant Employee's employment with any Group Member and after the termination of such employment, whether or not the termination is lawful.
- 7.2 Nothing in the Plan or its operation forms part of the terms of employment of a Relevant Employee and the rights and obligations arising from a Relevant Employee's employment with any Group Member are separate from, and are not affected by, his or an Associated Person's participation in the Plan. Participation in the Plan does not create any right to continued employment for any Relevant Employee.

- 7.3 The grant of a Loan to a Participant does not create any right for that Participant or a Relevant Employee to be granted any further Loans or to be granted Loans on any particular terms.
- 7.4 By participating in the Plan either personally or through an Associated Person, each Relevant Employee and/or Associated Person waives all rights to compensation for any loss in relation to the Plan, including:
- (a) any loss or reduction of any rights or expectations under the Plan in any circumstances or for any reason (including lawful or unlawful termination of the Relevant Employee's employment);
  - (b) any exercise of a discretion or a decision taken in relation to a Loan or to the Plan, or any failure to exercise a discretion or take a decision;
  - (c) the operation, suspension, termination or amendment of the Plan.

## **8 ADJUSTMENTS ON REORGANISATION OF COMPANY OR SHARE CAPITAL**

- 8.1 If the Company, at any time before the Loan, plus accrued interest, on any Plan Shares, has been paid in full –
- (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) splits or consolidates its shares; or
  - (e) is a party to a reorganisation of its share capital,

the directors shall be entitled to effect such adjustments to the Acquisition Price in respect of those Plan Shares and/or the number of Plan Shares as the Auditors, acting as experts and not as arbitrators, certify as being fair and reasonable in the circumstances.

- 8.2 Upon finalisation of the adjustment in terms of rule 8.1, the auditors shall confirm to the JSE, in writing, that such adjustment was made in accordance with the terms of the Plan.
- 8.3 If the company is placed in liquidation otherwise than in terms of rule 8.1(a) –
- (a) the full amount owing by each Participant shall forthwith become due and payable, provided that the directors may release a Participant from any balance owing by him to the Company or the Employer;
  - (b) save as provided in rule (a), the Plan shall ipso facto lapse as from the date of liquidation.

For the purposes hereof "**date of liquidation**" shall mean the date upon which any application (whether provisional or final) for the liquidation of the Company is lodged at the relevant court.

9

## **TAKEOVER OF COMPANY OR BUSINESSES**

Should an offer be made to the shareholders of the Company or a scheme of arrangement between the Company and its shareholders (or any class of them) be proposed, by virtue of which control of the Company would pass to another person or company, the directors will use their best endeavours to procure, insofar as they are able, that the same or a similar offer be made or scheme of arrangement proposed, as the case may be, to all Participants in respect of all Plan Shares and the Participant shall, subject to payment of the Loan, including accrued interest, to the Company in full, be entitled to the transfer of those Plan Shares pursuant to such offer.

10

## **DISCLOSURE BY THE COMPANY IN ITS ANNUAL FINANCIAL STATEMENTS**

The company shall disclose in its annual financial statements such disclosures as may be required in terms of the Listings Requirements of the JSE and such other securities exchange on which the company's shares are listed from time to time.

11

## **VOTING OF PLAN SHARES**

For as long as Plan Shares remain subject to the Plan, 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.

12

## **GENERAL**

- 12.1 The Plan will terminate on the date on which all Plan Shares acquired in terms of these Rules cease to be subject to the Plan (it being recorded that no Loans may be granted to acquire Plan Shares after the date stated in Rule 2.4), or at any earlier time by the passing of a resolution by the Board or an ordinary resolution of the Company in general meeting. Termination of the Plan will be without prejudice to the existing rights of Participants.
- 12.2 By participating in the Plan, a Relevant Employee consents to the collection, holding and processing of his personal data by any Group Member or any third party for all purposes relating to the operation of the Plan, including but not limited to, the administration and maintenance of Participant records, providing information to future purchasers of the Company or any business in which the Relevant Employee works and to the transfer of information about the Relevant Employee to a country or territory outside the European Economic Area or elsewhere.
- 12.3 The Plan will be administered by the Board. The Board will have full authority, consistent with the Plan, to administer the Plan, including authority to interpret and construe any provision of the Plan and to adopt regulations for administering the Plan. Decisions of the Board will be final and binding on all parties.
- 12.4 Any notice or other communication in connection with the Plan may be delivered personally or sent by electronic means or post, in the case of a company to its registered office (for the attention of the company secretary), and in the case of an individual to his last known address, or, where he is a director or employee of a Group Member, either to his last known address or to the address of the place of business at which he performs the whole or substantially the whole of the duties of his office or employment. Where a notice or other communication is given by post, it will be deemed to have been received 72 hours after it was put into the post properly addressed and stamped, and if by electronic means, when the sender receives electronic confirmation of delivery or if not available, 24 hours after sending the notice.

- 12.5 No third party other than a member of the Group, the Employer and the Trustee will have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Plan (without prejudice to any right of a third party which exists other than under that Act).
- 12.6 These rules will be governed by and construed in accordance with the laws of Guernsey. Any person referred to in this Plan submits to the non-exclusive jurisdiction of the Courts of Guernsey.

## Appendix

### **Form of Loan and Subscription Agreement**

**STENPROP LIMITED SHARE PURCHASE PLAN  
LOAN AND SUBSCRIPTION AGREEMENT**

Name of Participant:	.....
Address of Participant:	..... .....
Signature of or on behalf of the Participant:	.....
Witness signature:	.....
Witness name (in blocks):	.....
Witness address:	.....
<b>Name of Relevant Employee</b>	.....
Signature of or on behalf of the Relevant Employee:	.....
Witness signature:	.....
Witness name (in blocks):	.....
Witness address:	.....
	.....
No of Plan Shares	.....
Acquisition Price	£
Loan	£
Grant Date	[•] 2015
Lender	[ ]
EXECUTED as a deed ) on behalf of STENPROP ) LIMITED by: )	..... ..... Director ..... Director/Secretary
EXECUTED as a deed ) on behalf of the LENDER ) by: )	..... ..... Director ..... Director/Secretary

## **1 SUBSCRIPTION**

- 1.1 The Participant agrees to subscribe for the number of Plan Shares specified above at a purchase price equal to the Subscription Price per Share set out above.
- 1.2 The Participant will pay the total purchase price for the Plan Shares to the Company on the Grant Date by means of the Loan referred to below.
- 1.3 Ownership in the Plan Shares will vest in the Participant from the Grant Date, from which date all voting rights attaching to such Plan Shares shall vest in the Participant and be exercised by the Participant.

## **2 LOAN**

- 2.1 The Lender agrees to lend to the Participant the Loan (being the amount set out above equal to the total Acquisition Price for the Plan Shares).
- 2.2 The principal amount of the Loan outstanding from time to time will attract interest at a rate equal to the average interest cost incurred by the Stenprop Group from time to time as determined in its absolute discretion by the Board. Interest shall be payable six months in arrears.
- 2.3 The Participant agrees to draw down the full amount of the Loan on the Grant Date and irrevocably instructs the Lender to apply the Loan in satisfaction of the total purchase price for the Shares.
- 2.4 The Loan (and accrued interest) may be prepaid in whole or in part at any time at the election of the Participant.
- 2.5 Any distribution in respect of the Plan Shares shall be applied in discharging any outstanding interest on the Loan. The Participant shall still be responsible for any interest in the event that the distribution is insufficient. Any dividend in excess of the amounts required to discharge such interest shall be paid to the Participant unless he is in default of his obligations under this document.
- 2.6 The entire outstanding Loan (including accrued interest) shall be repaid within 12 months of the Employment Termination Date if the Relevant Employee is a Good Leaver otherwise within 30 days of the Employment Termination Date.
- 2.7 The Loan (including accrued interest) must be repaid not later than the tenth anniversary of the Grant Date.
- 2.8 The Participant may at any time sell some or all of the Shares provided that not less than the Relevant Percentage of the Loan (and accrued interest) is discharged out of the sales proceeds or if the sale proceeds are insufficient an amount equal to the sales proceeds is discharged.

## **3 SECURITY FOR LOAN**

- 3.1 As continuing security to secure the repayment of the Loan (and accrued interest), the Participant:
  - (a) charges by way of fixed charge in favour of the Lender the Plan Shares;

- (b) irrevocably appoints the Lender to sell as agent for the Participant at any time (irrespective of whether an amount is due under the Loan) (at the best price which can reasonably expect to be obtained at the time of sale) such number of the Plan Shares, as in the opinion of the Lender will enable the Lender to realise sufficient monies out of the net proceeds of sale, after deduction of all fees, commissions and expenses incurred in relation to such sale to repay the Loan (and accrued interest) to the Participant and to use such proceeds to discharge such amount accordingly;
  - (c) irrevocably authorises each Group Member to deduct amounts up to the amount of any Loan (and accrued interest) which has become due from payments otherwise payable to the Participant, including but not limited to authority to deduct from wages or salary and apply such amounts in discharging the amounts which have become due.
- 3.2 The Plan Shares shall, if required by the Lender, be held in the name of such nominee as the Lender may determine.
- 3.3 If required by the Lender, the Participant shall execute and deliver blank stock transfer forms in respect of the Plan Shares to the Lender.
- 4 TAXATION**
- 4.1 The Relevant Employee will be responsible for and must indemnify the Employer against any Tax Liability relating to the Plan Shares and the Loan.
- 4.2 As security for the indemnity under Clause 4.1, the Participant:
- (a) irrevocably appoint the Company to sell as agent for the Participant (at the best price which can reasonably expect to be obtained at the time of sale) such number of the Plan Shares, as in the opinion of the Company will enable the Company to realise sufficient monies out of the net proceeds of sale, after deduction of all fees, commissions and expenses incurred in relation to such sale to discharge any Tax Liability and apply such amounts in discharging such Tax Liability;
  - (b) irrevocably authorises each Group Member, former Group Member and the Trustee to deduct amounts up to the total Tax Liability from payments otherwise payable to the Relevant Employee, including but not limited to authority to deduct from wages or salary and apply such amounts in discharging such Tax Liability.

**5 PLAN RULES**

The Participant and the Relevant Employee will be bound by the Rules of the Plan a copy of which are attached hereto.

**6 DATA PROTECTION**

The Relevant Employee consents to the collection, holding and processing of his personal data by any Group Member or any third party for all purposes relating to the operation of the Plan, including but not limited to, the administration and maintenance of Participant records, providing information to future purchasers of the Company or any business in which the Relevant Employee works and to the transfer of information about

the Relevant Employee to a country or territory outside the European Economic Area or elsewhere.

7

## **DEFINITIONS**

Words defined in the Plan shall have the same meanings in this document and

**"Employment Termination Date"** means the date on which the Relevant Employee no longer holds:

- (a) an office or employment with any Group Member; or
- (b) a right to return to work.

**"Good Leaver"** means a Relevant Employee ceasing to hold an office or employment with a Group Member as a result of:

- (a) death or ill-health, injury or disability evidenced to the satisfaction of the Board;
- (b) the Relevant Employee's employing company ceasing to be a Group Member or the transfer of an undertaking or part of an undertaking (in which the Participant is employed) to a person who is not a group Member;
- (c) redundancy (as determined by the Board); or
- (d) any other reason at the Board's discretion, except where a Relevant Employee is dismissed for gross misconduct.

**"Relevant Percentage"** means  $\frac{A}{B} \times 100$  where

A is the number of Shares sold; and B is the total number of Plan Shares identified on page 1. Appropriate adjustments will be made to the Relevant Percentage under the circumstances and in accordance with rule 8 of the Plan Rules.

**"Relevant Shares"** means the Plan Shares subscribed for under this document together with all dividends, interest and other monies payable in respect of the Shares and all other rights, benefits and proceeds in respect of or derived from the Plan Shares (whether by way of redemption, bonus, preference, option, substitution, conversion, sale or otherwise), including for the avoidance of doubt any such held for the Participant by any nominee, trustee, fiduciary or clearing system.

8

## **GENERAL**

This document has been executed by the parties as a deed.