



Stellar Capital Partners Limited

(Incorporated in the Republic of South Africa)
(Registration number 1998/015580/06)
ISIN Code: ZAE000198586 Share code: SCP
(“**Stellar Capital**” or the “**Company**”)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a general meeting of shareholders will be held at **09:30** on **Tuesday, 12 June 2018** at the registered office of Stellar Capital situated at Fourth Floor, The Terraces, 25 Protea Road, Claremont, Cape Town, South Africa (“**General Meeting**”).

Introduction and Purpose

Shareholders are referred to the circular published on 22 October 2015, in terms of which the shareholders approved the creation and issue of 600 cumulative, redeemable, convertible preference shares (“**Preference Shares**”) under the terms and conditions contained in the offering circular dated 27 November 2015 read with the terms and conditions of the Preference Shares annexed thereto (“**Preference Share Terms**”).

The board of directors of the Company (“**Board**”) has approved an increase in the rate applicable to the Preference Shares to 110% of the Prime Rate with effect from 1 January 2018 (“**First Rate Increase**”). The First Rate Increase has also been approved by the requisite majority of the holders of the Preference Shares (“**Preference Shareholders**”) in accordance with the Preference Share Terms. The First Rate Increase requires an amendment to the Company’s memorandum of incorporation (“**MOI**”) for the First Rate Increase to become effective, which amendment requires the approval of the shareholders of the Company. Accordingly, at the General Meeting, shareholders will be requested to consider, and if deemed fit, approve the amendment to the MOI to give effect to the First Rate Increase.

Shareholders will further be requested to approve a potential further rate increase as may be approved by the Board and the Preference Shareholders, to a rate of 120% of the Prime Rate, and with effect from not earlier than 1 July 2018 to the date of redemption of the Preference Shares (“**Second Rate Increase**”). Accordingly, at the General Meeting, shareholders will be requested to consider, and if deemed fit, approve an amendment to the MOI to incorporate the Second Rate Increase, provided that such Second Rate Increase will only become effective if also approved by the Board and the requisite majority of Preference Shareholders.

In addition, the Company wishes to increase the authorised share capital of the Company by the creation of 10 000 cumulative, redeemable, non-convertible B preference shares, having the preferences, rights, limitations and other terms as determined by the Board prior to the issue thereof (“**B Preference Shares**”). The purpose of creating the B Preference Shares is to allow the Company to in future procure preference share funding instead of, or in addition to, conventional debt financing, should the Board deem the terms of such preference share funding to be more favourable compared to other forms of debt financing. Unlike the Preference Shares currently in issue, the B Preference Shares will not be convertible into ordinary shares or other securities, and will accordingly not constitute equity securities (as contemplated in the Listings Requirements of the JSE Limited) upon their issue.

The purpose of the General Meeting is to consider and, if deemed appropriate, to approve, with or without modification, the resolutions set out in this notice of General Meeting.

Note:

1. For an ordinary resolution to be approved by shareholders, it must be supported by more than 50% of the voting rights exercised on the resolution.
2. For a special resolution to be approved by shareholders, it must be supported by at least 75% of the voting rights exercised on the resolution.
3. Quorum requirement for resolutions to be approved: Sufficient persons being present to exercise, in aggregate, at least 25% of all voting rights that are entitled to be exercised on the respective resolutions.

Electronic participation

Shareholders entitled to attend and vote at the General Meeting or proxies of such shareholders shall be entitled to participate in the meeting by electronic communication. It should be noted, however, that voting will not be possible via the electronic facilities and for shareholders wishing to vote, their shares will need to be represented at the General Meeting either in person, or by proxy or by letter of representation, as provided for in this notice of General Meeting.

Should a shareholder or proxy wish to participate in the meeting by electronic communication, the shareholder concerned should kindly make application to the Transfer Secretaries, Computershare Investor Services Proprietary Limited, of Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 and the Company Secretary on 021 657 8760. The application should be received by them by no later than **09:30 on Friday, 8 June 2018**. The application should include all relevant contact details as well as full details of the shareholder's title to securities issued by the Company and proof of identity, in the form of certified copies of identity documents and share certificates (in the case of certificated shares) and (in the case of dematerialised shares) written confirmation from the shareholder's CSDP confirming the shareholder's title to the dematerialised shares. Upon receipt of the required information, the shareholder concerned will be provided with a secure code and instructions to access the electronic communication during the General Meeting. Shareholders must note that access to the electronic communication will be at the expense of the shareholders who wish to utilise the facility.

1. SPECIAL RESOLUTION NUMBER 1

"RESOLVED THAT, as a special resolution, the authorised share capital of the Company be and is hereby increased by the creation of 10 000 cumulative, redeemable, non-convertible B preference shares of no par value ("**B Preference Shares**"), being a class of shares contemplated in section 36(1)(d) of the Companies Act without any associated preferences, rights, limitations or other terms for that class, on the basis that the B Preference Shares will have the rights, privileges, restrictions and conditions as determined by the Board prior to issue thereof, so that after such increase the authorised share capital of the Company shall comprise:

- 2 000 000 000 ordinary shares;
- 600 Preference Shares; and
- 10 000 B Preference Shares,

and that such consequential changes be made to the MOI as may be required to give effect to the creation of the B Preference Shares and the resultant increase in the Company's authorised share capital, as set out in **Annexure A** to this notice of General Meeting."

The reason for and effect of Special Resolution Number 1 is to (i) increase the authorised share capital of the Company by the creation of 10 000 B Preference Shares; and (ii) incorporate the changes required for the creation of the B Preference Shares and the increase in authorised share capital, in the MOI.

This special resolution requires the approval of at least 75% of the voting rights of Shareholders exercised on the resolution, in accordance with section 65(9) of the Companies Act and the MOI.

2. SPECIAL RESOLUTION NUMBER 2

"RESOLVED THAT the MOI be and is hereby amended by amending condition 1.38 of the Preference Share Terms to read as follows (additions are underlined and deletions are indicated by strikethrough)

"1.38 "**Dividend Rate**" means for the period –

- 1.38.1 commencing on (and including) the Issue Date and ending on ~~(but excluding) the Redemption Date 31 December 2017~~, a rate of 95% (ninety five percent) of the Prime Rate, ~~subject to any adjustment pursuant to the occurrence of an Adjustment Event by the addition of the Adjustment Margin in terms of Condition 10.1.1.2;~~
- 1.38.2 commencing on (and including) 1 January 2018 and ending on (but excluding) the Redemption Date, a rate of 110% (one hundred and ten percent) of the Prime Rate, subject to any adjustment pursuant to the occurrence of an Adjustment Event by the addition of the Adjustment Margin in terms of Condition 10.1.1.2;

The reason for and effect of Special Resolution Number 2 is to obtain the approval from ordinary shareholders for an increase in the dividend rate applicable to the Preference Shares with effect from 1 January 2018 to 110% of the Prime Rate.

This special resolution requires the approval of at least 75% of the voting rights of Shareholders exercised on the resolution, in accordance with section 65(9) of the Companies Act and the MOI.

The Preference Shareholders will be allowed to vote on this special resolution, in accordance with clause 4.1 of Schedule 2 of the MOI and condition 22.1 of the Preference Share Terms. Each Preference Share shall confer on the Preference Shareholder 1 (one) vote per Preference Share on a poll, provided that the total number of votes conferred on all Preference Shareholders shall not in aggregate exceed 24.99% (twenty four point nine nine percent) of all the votes in respect of all the issued ordinary shares of the Company.

3. SPECIAL RESOLUTION NUMBER 3

“RESOLVED THAT, subject to Special Resolution Number 2 being adopted by the requisite majority of ordinary shareholders, the MOI be and is hereby amended by amending condition 1.38 of the Preference Share Terms to read as follows (additions are underlined):

“1.38 **“Dividend Rate”** means for the period –

1.38.1 commencing on (and including) the Issue Date and ending on 31 December 2017, a rate of 95% (ninety five percent) of the Prime Rate;

1.38.2 commencing on (and including) 1 January 2018 and, subject to Condition 1.38.3, ending on (but excluding) the Redemption Date, a rate of 110% (one hundred and ten percent) of the Prime Rate, subject to any adjustment pursuant to the occurrence of an Adjustment Event by the addition of the Adjustment Margin in terms of Condition 10.1.1.2;

1.38.3 commencing not earlier than (and including) 1 July 2018 and ending on (but excluding) the Redemption Date, a rate of 120% (one hundred and twenty percent) as may be approved by the (i) board of directors of the Issuer and (ii) an Extraordinary Resolution of the Holders, subject to any adjustment pursuant to the occurrence of an Adjustment Event by the addition of the Adjustment Margin in terms of Condition 10.1.1.2;”

The reason for and effect of Special Resolution Number 3 is to obtain the approval from ordinary shareholders for a further potential increase in the dividend rate applicable to the Preference Shares as may be approved by the Board and the requisite majority of Preference Shareholders, with a rate of 120% of the Prime Rate, and with effect from not earlier than 1 July 2018.

This special resolution requires the approval of at least 75% of the voting rights of Shareholders exercised on the resolution, in accordance with section 65(9) of the Companies Act and the MOI.

The Preference Shareholders will be allowed to vote on this special resolution, in accordance with clause 4.1 of Schedule 2 of the MOI and condition 22.1 of the Preference Share Terms. Each Preference Share shall confer on the Preference Shareholder 1 (one) vote per Preference Share on a poll, provided that the total number of votes conferred on all Preference Shareholders shall not in aggregate exceed 24.99% (twenty four point nine nine percent) of all the votes in respect of all the issued ordinary shares of the Company.

4. ORDINARY RESOLUTION NUMBER 1

“RESOLVED THAT, any director or the company secretary of the Company be and is hereby authorised, instructed and empowered to do all such things, sign all such documents and take all such actions as may be necessary for, or incidental to, the implementation of the resolutions contained herein and if and to the extent that any director has already signed all or any of the documents necessary for the implementation of the resolutions prior to the passing of the resolutions in this document, such actions and anything already done in good faith in relation thereto be and are hereby approved of and ratified by the Company.”

This resolution is necessary to give effect to any of the above resolutions which may be approved by Shareholders.

This resolution requires the approval of more than 50% of the voting rights of Shareholders exercised on the resolution.

RECORD DATES

The posting record date, being the date that shareholders must have been recorded in the register to be eligible to receive this notice of General Meeting, is Friday, 4 May 2018. The last day to trade in order to be eligible to vote at the General Meeting is Tuesday, 29 May 2018.

The voting record date, being the date that shareholders must be recorded in the register to be eligible to speak and vote at the General Meeting, is Friday, 1 June 2018.

VOTING AND PROXIES

Section 63(1) of the Companies Act requires that meeting participants provide satisfactory identification. Accordingly, meeting participants will be required to provide proof of identification to the reasonable satisfaction of the chairman of the General Meeting and must accordingly bring a copy of their identity document, passport or drivers' license to the General Meeting. If in doubt as to whether any document will be regarded as satisfactory proof of identification, meeting participants should contact the Transfer Secretaries for guidance.

A shareholder entitled to attend, speak and vote at the General Meeting is entitled to appoint one or more proxies to attend, speak and vote in his stead. A proxy need not be a shareholder of Stellar Capital. For the convenience of certificated shareholders and dematerialised shareholders with "own name" registration, a form of proxy is attached hereto. Completion of a form of proxy will not preclude such shareholder from attending and voting (in preference to that shareholder's proxy) at the General Meeting.

Duly completed forms of proxy and the authority (if any) under which it is signed must reach the Transfer Secretaries at the address given below for administrative purposes by not later than **09:30 on Friday, 8 June 2018**. Forms of proxy may also be handed to the chairman of the General Meeting or adjourned General Meeting before the General Meeting is due to commence or recommence.

Dematerialised shareholders without "own name" registration who wish to attend the General Meeting in person should request their CSDP or stockbroker to provide them with the necessary Letter of Representation in terms of their custody agreement with their CSDP or stockbroker. Dematerialised shareholders without "own name" registration who do not wish to attend but wish to be represented at the General Meeting must advise their CSDP or stockbroker of their voting instructions. Dematerialised shareholders without "own name" registration should contact their CSDP or stockbroker with regard to the cut-off time for their voting instructions.

SIGNED AT CAPE TOWN ON BEHALF OF THE BOARD ON 15 MAY 2018 IN TERMS OF AUTHORITY GRANTED BY THE DIRECTORS.

By order of the Board



STELLAR CAPITAL PARTNERS LIMITED

Peter J van Zyl
Chief Executive Officer
15 May 2018

Registered Office

Fourth Floor, The Terraces
25 Protea Road
Claremont
Cape Town
7708

Transfer Secretaries

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

AMENDMENTS TO THE MOI

SPECIAL RESOLUTION NUMBER 1

MOI amendments resulting from the creation of the B Preference Shares:

1. **CLAUSE 1.1.5**

The insertion of the following new definition of “B Preference Shares” as a new clause 1.1.5, with the consequential renumbering and cross referencing of the remaining clauses of the MOI:

“1.1.5 **“B Preference Shares”** means cumulative redeemable non-convertible preference shares of no par value in the share capital of the Company having the rights, privileges, restrictions and conditions as determined by the Board upon issue thereof, as contemplated in section 36(1)(d) of the Act;”

2. **CLAUSE 1.1.32**

The amendment of the existing definition of “Share” in existing clause 1.1.32 of the MOI to read as follows (additions are underlined):

“1.1.32 **“Share”** means one of the units into which the proprietary interest in the Company is divided, including the Ordinary Shares but excluding the Preference Shares and the B Preference Shares;”

3. **CLAUSE 5**

The amendment of clause 5 of the MOI to read as follows (additions are underlined and deletions are indicated by strikethrough):

“5 **CAPITAL**

The authorised share capital of the Company consists of –

5.1 2 000 000 000 Ordinary Shares; ~~and~~

5.2 600 Preference Shares; and

5.3 10 000 B Preference Shares.”

4. **CLAUSE 10.1.3**

The insertion of the following new clause 10.1.3 after the existing clause 10.1.2 of the MOI, with the consequential renumbering and cross referencing of the remaining clauses of the MOI:

“10.1.3 10 000 B Preference Shares, having the rights, privileges, restrictions and conditions as determined by the Board upon issue thereof, as contemplated in section 36(1)(d) of the Act; and”

5. **CLAUSE 10.4**

The amendment of the existing clause 10.4 of the MOI to read follows (additions are underlined):

“10.4 The Board shall have the power to determine the preferences, rights, limitations or other terms of the Preference Shares, the B Preference Shares and any other class of shares contemplated in section 36(1)(d) of the Act, and the powers of the Board in this regard are not limited.”



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FORM OF PROXY

The definitions and interpretations of the notice of General Meeting to which this form of proxy is attached apply, *mutatis mutandis*, to this section.

For use by certificated shareholders, and "own name" dematerialised shareholders at the General Meeting of the Company to be held at the registered office of Stellar Capital situated at Fourth Floor, The Terraces, 25 Protea Road, Claremont, Cape Town, South Africa at 09:30 on Tuesday, 12 June 2018.

If dematerialised shareholders, other than "own name" dematerialised shareholders, have not been contacted by their CSDP or stockbroker with regard to how they wish to cast their vote, they should contact their CSDP or stockbroker and instruct their CSDP or stockbroker as to how they wish to cast their vote at the General Meeting in order for their CSDP or stockbroker to vote in accordance with such instructions. If dematerialised shareholders, other than "own name" dematerialised shareholders, have not been contacted by their CSDP or stockbroker, it would be advisable for them to contact their CSDP or stockbroker, as the case may be, and furnish them with their instructions.

Dematerialised shareholders who are not "own name" dematerialised shareholders and who wish to attend the General Meeting must obtain their necessary Letter of Representation from their CSDP or stockbroker, as the case may be, and submit same to the Transfer Secretaries to be received by no later than **09:30 on Friday, 8 June 2018**. This must be done in terms of the agreement entered into between dematerialised shareholders and their CSDP or stockbroker. If the CSDP or stockbroker, as the case may be, does not obtain instructions from such dematerialised shareholders, it will be obliged to act in terms of the mandate furnished to it, or if the mandate is silent in this regard, to abstain from voting. **Such dematerialised shareholders, other than "own name" dematerialised shareholders, must not complete this form of proxy and should read note 11 of the overleaf.**

I/We (please print)

of (address)

Telephone number ()

Cellphone number

Email address

being the holder/s of ordinary shares of no par value in Stellar Capital, appoint (see note 1 on page 7):

1. _____ or failing him,
2. _____ or failing him,
3. the Chairperson of the General Meeting, as my/our proxy to act for me/us and on my/or behalf at the General Meeting which will be held for the purpose of considering and, if deemed fit, approving, with or without modification, the resolutions to be proposed thereat and/or at any adjournment thereof; and to vote for and/or against the resolutions and/or abstain from voting in respect of the shares registered in my/our name/s, in accordance with the following instructions (see note 2 on page 7):

		Number of shares		
		For	Against	Abstain
1.	Special Resolution Number 1 Creation of B Preference Shares			
2.	Special Resolution Number 2 Amendment to the Preference Share Terms			
3.	Special Resolution Number 3 Further Amendment to the Preference Share Terms			
4.	Ordinary Resolution Number 1 Authorising Resolution			

Signed at _____ on _____ 2018

Signature Assisted by me (where applicable)

Name

Capacity

Signature

NOTES TO THE FORM OF PROXY

A shareholder entitled to attend and vote at the General Meeting may appoint one or more persons as his proxy to attend, speak or vote in his stead at the General Meeting. A proxy need not be a shareholder.

In accordance with clause 27.3.3 of Stellar's memorandum of incorporation, the Chairperson will demand that voting shall be conducted by means of a polled vote. On a poll, every shareholder shall have, for each share held by him, that proportion of the total votes in Stellar Capital which the aggregate amount of the nominal value of that share held by him bears to the aggregate amount of the nominal value of all the shares issued by Stellar Capital.

SUMMARY OF RIGHTS CONTAINED IN SECTION 58 OF THE COMPANIES ACT

In terms of section 58 of the Companies Act:

- **a shareholder may, at any time and in accordance with the provisions of section 58 of the Companies Act, appoint any individual (including an individual who is not a shareholder) as a proxy to participate in, and speak and vote at, a general meeting on behalf of such shareholder;**
- **a proxy may delegate his authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing such proxy;**
- **irrespective of the form of instrument used to appoint a proxy, the appointment of a proxy is suspended at any time and to the extent that the relevant shareholder chooses to act directly and in person in the exercise of any of such shareholder's rights as a shareholder;**
- **any appointment by a shareholder of a proxy is revocable, unless the form of instrument used to appoint such proxy states otherwise;**
- **if an appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by: (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and (ii) delivering a copy of the revocation instrument to the proxy and to the relevant company; and**
- **a proxy appointed by a shareholder is entitled to exercise, or abstain from exercising, any voting right of such shareholder without direction, except to the extent that the MOI, or the instrument appointing the proxy, provides otherwise.**

Notes:

1. A shareholder may insert the name of a proxy or the names of two alternative proxies of his choice in the spaces provided with or without deleting "the chairperson of the General Meeting", but any such deletion must be initialled by the shareholder. The person whose name appears first on the form of proxy and who is present at the General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. Please insert the number of shares in the relevant spaces according to how you wish your votes to be cast. If you wish to cast your votes in respect of a lesser number of Stellar Capital shares exercisable by you, insert the number of Stellar Capital shares held in respect of which you wish to vote. Failure to comply with the above will be deemed to authorise and compel the chairperson, if the chairperson is an authorised proxy, to vote in favour of the resolutions, or to authorise any other proxy to vote for or against the resolutions or abstain from voting as he deems fit, in respect of all the shareholder's votes exercisable thereat. A shareholder or its/his proxy is not obliged to use all the votes exercisable by the shareholder or its/his proxy, but the total of the votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the shareholder or its/his proxy.
3. Forms of proxy must be lodged with the Transfer Secretaries, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (PO Box 61051, Marshalltown, 2107), to be received for administrative purposes by no later than **09:30 on Friday, 8 June 2018**. Forms of proxy may also be handed to the chairman of the General Meeting or adjourned General Meeting before the General Meeting is due to commence or recommence.
4. Any alteration or correction made to this form of proxy must be initialled by the signatory/(ies).
5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Transfer Secretaries or waived by the chairperson of the General Meeting.
6. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.
7. The chairperson of the General Meeting may accept or reject any form of proxy which is completed and/or received other than in accordance with these notes and instructions, provided that the chairperson is satisfied as to the manner in which the shareholder wishes to vote.
8. The appointment of a proxy shall remain valid until the end of the meeting contemplated in this appointment.
9. Joint holders – any such persons may vote at the General Meeting in respect of such joint Stellar Capital shares as if he were solely entitled thereto; but if more than one of such joint holders are present or represented at the General Meeting, that one of the said persons whose name stands first in the register in respect of such Stellar Capital shares or his proxy, as the case may be, is alone entitled to vote in respect thereof.
10. Shareholders who hold Stellar Capital shares that have been dematerialised, and are registered by the CSDP on the sub-register in their own name kept by that CSDP ("own name" dematerialised shareholders"), will be entitled to attend the General Meeting in person or, if they are unable to attend and wish to be represented thereat, must complete and return the attached form of proxy to the Transfer Secretaries in accordance with the time specified on the form of proxy.
11. Shareholders who hold Stellar Capital shares through a nominee should advise their nominee or, if applicable, their CSDP or stockbroker timeously of their intention to attend and vote at the General Meeting or to be represented by proxy thereat in order for their nominee or, if applicable, their CSDP or stockbroker to provide them with the necessary Letter of Representation to do so or should provide their nominee or, if applicable, their CSDP or stockbroker timeously with their voting instruction should they not wish to attend the General Meeting in person, in order for their nominee to vote in accordance with their instruction at the General Meeting.