

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 4 of this Circular apply to this entire document, including the cover page, except where the context indicates a contrary intention.

Action required by certificated and dematerialised shareholders

This document should be read in its entirety with particular attention to the section entitled "Action Required by Stellar Capital Shareholders", which commences on page 9 of this Circular.

If you are in any doubt as to what action you should take, please consult your stockbroker, banker, legal adviser, CSDP or other professional adviser immediately. If you have disposed of all your Stellar Capital shares, this Circular should be handed to the purchaser of such Stellar Capital shares or to the stockbroker, banker, CSDP or other agent through whom the disposal was effected.

Stellar Capital does not accept responsibility, and will not be held liable, for any action of, or omission by, any CSDP or stockbroker including, without limitation, any failure on the part of the CSDP or stockbroker of any beneficial owner of Stellar Capital shares to notify such beneficial owner of the Transaction set out in this Circular.

The Transaction results in a reverse takeover for Stellar Capital, accordingly, shareholders are cautioned that the Transaction will be subject to the JSE confirming that Stellar Capital complies with all the requirements for a new listing on the Main Board of the JSE as an investment holding entity.



Stellar Capital Partners Limited
(Previously ConvergeNet Holdings Limited)
(Incorporated in the Republic of South Africa)
(Registration number 1998/015580/06)
("Stellar Capital" or the "Company")
Share code: SCP
ISIN: ZAE000198586

CIRCULAR TO STELLAR CAPITAL SHAREHOLDERS

Regarding

- the proposed acquisition by Stellar Capital of 34.62% of the issued share capital of Torre for an aggregate amount of R910,391,385 which will result in a reverse takeover for Stellar Capital;

and incorporating:

- Revised Listing Particulars;

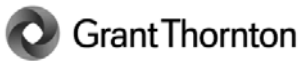
and enclosing:

- a notice of General Meeting; and
- a form of proxy in respect of the General Meeting (for use by certificated shareholders and dematerialised shareholders with "own name" registration only).

**Corporate Finance Adviser
and Transaction Sponsor**



**Independent Reporting
Accountants and Auditors**



**Independent Sponsor
to Stellar Capital**



Date of issue: 4 September 2015

This Circular is only available in English. A copy hereof may be obtained from the registered offices of Stellar Capital, the address of which appears in the section "Corporate Information and Advisers" on the inside front cover of this Circular, from Friday, 4 September 2015 until Friday, 16 October 2015. This Circular is also available on the Company's website (www.stellarcapitalpartners.co.za).

CORPORATE INFORMATION AND ADVISERS

Company Secretary

The Secretarial Company
c/o Caroline du Preez
Empire Park, 55 Empire Service Road
Parktown
(PO Box 213, Mulbarton, 2059)

Corporate Finance Adviser and Sponsor

Stellar Capital Advisers Proprietary Limited
(previously AfrAsia Corporate Finance Proprietary
Limited)
(Registration number 2007/015289/07)
Office 202, Cape Quarter, The Square
27 Somerset Road
Green Point
Cape Town, 8005
(Suite 54, Dixon Street, Cape Town, 8001)

And at

Level P3, Oxford Corner
Cnr Jellicoe and Oxford Road
Rosebank
Johannesburg, 2196
(Suite 54, Dixon Street, Cape Town, 8001)

Independent Reporting Accountants and Auditors

Grant Thornton Cape Incorporated
(Registration number 2010/016204/21)
119 Hertzog Boulevard Foreshore
Cape Town, 8001
(PO Box 7483 / 7498, Roggebaai, 8012)

Directors

DD Tabata (Chairman)*#
PJ van Zyl (Chief Executive Officer)
CB de Villiers (Chief Financial Officer)
CE Pettit*#
L Mangope*#
J de Bruyn*#
CC Wiese*#
CH Wiese*#

**Non-executive # Independent*

Independent Sponsor to Stellar Capital

Questco Proprietary Limited
(Registration number 2002/005616/07)
Entrance D, 2nd Floor
The Pivot
1 Montecasino Boulevard
Fourways, 2055
(PO Box 98956, Sloane Park, 2152)

Transfer Secretaries

Computershare Investor Services Proprietary
Limited
(Registration number 2004/003647/07)
Ground Floor, 70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

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SALIENT DATES AND TIMES

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

GENERAL MEETING

2015

Record date in order to be eligible to receive the Notice of General Meeting	Friday, 28 August
Posting of Circular and Notice of General Meeting published on SENS on	Friday, 4 September
Circular and Notice of General Meeting posted to shareholders on	Friday, 4 September
Last date to trade in Stellar Capital shares in order to be recorded in the register to vote at the General Meeting on	Friday, 9 October
Voting Record Date by close of trade on	Friday, 16 October
Last date to lodge forms of proxy in respect of the General Meeting by 10:00 on	Monday, 19 October
General Meeting to be held at 10:00 on	Wednesday, 21 October
Results of General Meeting released on SENS on	Wednesday, 21 October

Notes

1. All times indicated in this Circular are local times in South Africa.
2. The dates and times indicated in the table above are subject to change. Any such changes will be released on SENS and published in the press.
3. Share certificates in the name of Stellar Capital will not be able to be rematerialised or dematerialised between Monday, 12 October 2015 and Friday, 16 October 2015 both days inclusive.
4. To be valid, the completed forms of proxy must be lodged with the Transfer Secretaries by no later than Monday, 19 October 2015 at **10:00**, alternatively, such forms of proxy may be handed to the Company Secretary or chairperson of the Company at the meeting until the commencement of the General Meeting.

IMPORTANT LEGAL NOTES

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

APPLICABLE LAWS

The release, publication or distribution of this Circular in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this Circular is released, published or distributed should inform themselves about and observe such restrictions. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. This Circular does not constitute the solicitation of an offer to purchase shares or a solicitation of any vote or approval in any jurisdiction in which such solicitation would be unlawful.

The Transaction may be affected by the laws of the relevant jurisdictions of nonresident shareholders. Such nonresident shareholders should inform themselves about and observe any applicable legal requirements of such jurisdictions. It is the responsibility of any nonresident shareholder to satisfy himself as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection with the Transaction, which is the subject of this Circular, including the obtaining of any governmental, exchange control or other consents or the making of any filings which may be required, the compliance with other necessary formalities, the payment of any issue, transfer or other taxes or other requisite payments due to such jurisdiction.

The Transaction is governed by the laws of South Africa and is subject to any applicable laws and regulations, including the Companies Act.

Any shareholder who is in doubt as to their position, including, without limitation, their tax status, should consult an appropriate independent professional adviser in the relevant jurisdiction without delay.

FORWARD-LOOKING STATEMENTS

This Circular contains statements about the Company's group of companies that are, or may be, forward-looking statements. All statements, other than statements of historical fact, are, or may be deemed to be, forward-looking statements. These forward-looking statements are not based on historical facts, but rather reflect current expectations concerning future results and events, and generally may be identified by the use of forward-looking words or phrases such as "believe", "aim", "expect", "anticipate", "intend", "foresee", "forecast", "likely", "should", "planned", "may", "estimated", "potential" or similar words and phrases.

By their nature, forward-looking statements involve risks and uncertainties as they relate to events and depend on circumstances that may or may not occur in the future. The Company cautions that forward-looking statements are not guarantees of future performance. Actual results, financial and operating conditions, liquidity and the developments within the industry in which the Company operates may differ materially from those made in, or suggested by, the forward-looking statements contained in this Circular.

All of the forward-looking statements are based on estimates and assumptions, as regards the Company, made by the Company as communicated in publicly available documents by the Company, all of which estimates and assumptions, although the Company believes them to be reasonable, are inherently uncertain. Such estimates, assumptions or statements may not eventuate. Factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in those statements or assumptions include other matters not yet known to the Company or not currently considered material by the Company.

Shareholders should keep in mind that any forward-looking statement made in this Circular or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors that could cause the business of Stellar Capital not to develop as expected may emerge from time to time, and it is not possible to predict all of them. Further, the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement are not known. The Company has no duty to, and does not intend to, update or revise the forward-looking statements contained in this Circular after the date of this Circular, except as may be required by law.

DEFINITIONS AND INTERPRETATION

In this document, unless the context indicates a contrary intention, a word or an expression which denotes any gender includes the other gender, a natural person includes a juristic person and *vice versa*, the singular includes the plural and *vice versa* and the following words and expressions bear the meanings assigned to them below:

"beneficial owner"	means a person on whose behalf any dematerialised share (not held in "own name" form) is held by a CSDP or stockbroker or a nominee of a CSDP or stockbroker in accordance with a custody agreement;
"Board" or "directors"	means the directors of Stellar Capital as at the Last Practicable Date, whose names are set out on page 19 of this Circular;
"business day"	means any day other than a Saturday, Sunday or official public holiday in South Africa;
"Cadiz"	means Cadiz Holdings Limited (registration number 1997/007258/06), a public company duly incorporated in accordance with the laws of South Africa, in which Stellar Capital owns a 17.31% interest (excluding treasury shares) as at the Last Practicable Date;
"Cadiz Acquisition"	means the proposed acquisition by Stellar Capital, acting through a special purpose vehicle, of a maximum additional 67,081,371 shares in Cadiz by way of a scheme of arrangement in terms of section 114(1) of the Companies Act, or failing which, by way of general offer to all Cadiz shareholders, through the issue of 41,925,857 Stellar Capital shares at R2.00 per shares, such that Stellar Capital will hold 43.74% of the issued ordinary shares in Cadiz as detailed in the announcement released on SENS on 19 June 2015 and in a combined scheme circular as posted on 31 August 2015;
"cents"	means South African cents, in the official currency of South Africa;
"certificated shares"	means shares that have not been dematerialised, the title to which is evidenced by a Document of Title;
"certificated shareholders"	means shareholders who hold certificated shares;
"CIPC"	means the Companies and Intellectual Property Commission;
"Circular"	means all the documents contained in this bound document dated 4 September 2015, together with the annexures hereto, and including the Notice of the General Meeting, the form of proxy and the Revised Listing Particulars;
"common monetary area"	means South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
"Companies Act"	means the Companies Act, No. 71 of 2008, as amended, and where appropriate in the context includes a reference to the Companies Regulations;
"Companies Regulations"	means the Companies Regulations 2011, promulgated in terms of section 223 of the Companies Act (which include the Takeover Regulations);
"Company Secretary"	means Mrs Caroline du Preez;
"Consideration Shares"	means 390,086,494 ordinary shares in Stellar Capital to be issued at R2.00 per share in respect of the Transaction;
"CSDP"	means a "Participant", as defined in section 1 of the Financial Markets Act;
"custody agreement"	means a custody mandate agreement between a person and a CSDP or stockbroker, regulating their relationship in respect of dematerialised shares held on Stellar Capital's uncertificated securities register administered by a CSDP or stockbroker on behalf of that person;

“dematerialised”	means the process whereby paper share certificates or other Documents of Title are replaced with electronic records of ownership of shares or securities as contemplated in section 49(5) of the Companies Act under the Strate system with a CSDP or stockbroker;
“dematerialised shares”	means shares that have been dematerialised or have been issued in dematerialised form, and which are held in electronic form on Stellar Capital’s uncertificated securities register administered by a CSDP;
“dematerialised shareholders”	means shareholders who hold dematerialised shares;
“Digicore”	means Digicore Holdings Limited (registration number 1998/012601/06), a public company duly incorporated in accordance with the laws of South Africa, which is listed on the main board of the JSE, in which Stellar Capital owns a 19.26% interest as at the Last Practicable Date;
“Digicore Adjustment”	means the upward purchase price adjustment required in respect of 38,692,770 Digicore Scheme Shares through the issue of 36,758,132 new Stellar Capital shares at an issue price of R2.00 as outlined in paragraph 5.4.3 of the acquisition circular which was posted to Stellar Capital shareholders on 15 December 2014 detailing the terms of the initial acquisition of Stellar Capital’s Digicore Scheme Shares and the required price adjustment in the event that they were subsequently disposed of on or before 16 July 2015 at a price above R2.50;
“Digicore Disposal”	means the disposal by Stellar Capital of its Digicore Scheme Shares pursuant to the scheme of arrangement in terms of section 114(1) of the Companies Act, proposed by the board of Digicore to Digicore shareholders (including Stellar Capital), in terms of which, if implemented, Novatel Bidco will acquire 100% of the issued share capital of Digicore, including Stellar Capital’s Digicore Scheme Shares, at an offer price of R4.40 per Digicore share, or, if the scheme fails, in terms of the Substitute Offer as announced on 19 June 2015 and as detailed in a summary circular and full circular posted to Stellar Capital shareholders on 5 August 2015 and 18 August 2015 respectively;
“Digicore Scheme Shares”	means 47,692,770 ordinary shares in Digicore owned by Stellar Capital, constituting 19.26% of the total issued share capital of Digicore;
“Documents of Title”	means valid share certificates, certified transfer deeds, balance receipts or any other proof of ownership of Stellar Capital shares, reasonably acceptable to Stellar Capital;
“Elephant Lifting Acquisition”	means the acquisition by Torre of 100% of Elephant Lifting Proprietary Limited, (Registration number 1983/007900/07), for an aggregate purchase consideration of R180,000,000 settled by Torre through a combination of upfront and deferred payments in both cash and shares which became effective on 1 January 2015 and was a Category 2 acquisition for Torre in terms of the Listing Requirements;
“Exchange Control Regulations”	means the Exchange Control Regulations, 1961, as amended, made in terms of section 9 of the Currency and Exchanges Act, 1933 (Act No. 9 of 1933), as amended;
“Financial Markets Act”	means the Financial Markets Act, No. 19 of 2012, as amended from time to time;
“General Meeting”	means the general meeting of Stellar Capital shareholders to be held at 10:00 on Wednesday, 21 October 2015 at Level P3, Oxford Corner, cnr Jellicoe and Oxford Roads, Rosebank, Johannesburg, to consider and, if deemed fit, approve the resolutions required to implement the Transaction;
“IFRS”	means International Financial Reporting Standards;

“JSE”	means the JSE Limited (registration number 2005/022939/06), a public company incorporated in accordance with the laws of South Africa and licensed as an exchange under the Financial Markets Act;
“King III Code”	means the King Report on Corporate Governance for South Africa 2009;
“Last Practicable Date”	means the last practicable date prior to the finalisation of this Circular;
“Listings Requirements”	means the Listings Requirements of the JSE in force as at the Last Practicable Date;
“ManCo”	means Thunder Securitisations Proprietary Limited (registration number 2010/021751/07), a limited liability private company duly incorporated in accordance with the laws of South Africa and wholly owned subsidiary of Stellar Investment Holdings, and is the management company of Stellar Capital in terms of the Management Agreement;
“Management Agreement”	means the agreement dated 8 December 2014 between Stellar Capital and ManCo in terms of which ManCo will manage the portfolio of the Company in accordance with Section 15 of the Listings Requirements, the salient terms of which are included in Appendix 2 to the Revised Listing Particulars;
“Memorandum of Incorporation”	means the Memorandum of Incorporation of the Company;
“net asset value”	means the value of the total assets (non-current assets plus current assets) minus total liabilities (non-current liabilities plus current liabilities). Assets include financial assets and liabilities include financial liabilities;
“net tangible asset value”	means the net asset value less the value of goodwill and other intangible assets;
“notice of General Meeting”	means the notice of General Meeting forming part of this Circular;
“Novatel”	means Novatel Wireless Incorporated (registration number 2614230), a public company incorporated in accordance with the laws of the State of Delaware, United States, the shares of which is listed on the National Association of Securities Dealers Automated Quotations (NASDAQ);
“Novatel Bidco”	means Novatel or such subsidiary of Novatel as it may nominate in writing to Digicore prior to Friday, 16 October 2015, being the Digicore scheme consideration record date, which was referred to in the firm intention announcement published on SENS on 19 June 2015;
“ordinary share(s)”	means ordinary shares of no par value in the share capital of Stellar Capital, which shares are listed on the JSE Main Board;
“own name” dematerialised shareholders”	means dematerialised shareholders who/which have elected to have “own name” registration;
“Prime Rate”	means the publicly quoted prime rate of interest (per cent per annum) as published by Standard Bank of South Africa Limited from time to time;
“Purchase Consideration”	means the aggregate purchase consideration of R910,391,385 payable by Stellar Capital in respect of the Transaction, which amount shall be settled partly in cash (in an amount equal to R130,218,397), and partly through the issue and allotment of the Consideration Shares;
“Questco” or “Independent Sponsor”	means Questco Proprietary Limited (registration number 2002/005616/07), a private company incorporated in accordance with the laws of South Africa and the appointed independent sponsor to Stellar Capital in respect of the Transaction;
“Rand” or “R”	means South African rand, the official currency of South Africa;

“register”	means Stellar Capital's share register, including all sub-registers;
“Revised Listing Particulars”	means revised listing particulars in respect of the Stellar Capital Group issued in accordance with sections 9.5(c) and 9.22 of the Listings Requirements and attached to this Circular;
“Stellar Capital” or “Company”	means Stellar Capital Partners Limited (registration number 1998/015580/06), a public company incorporated in accordance with the laws of South Africa on 7 August 1998, operating in conformity with its Memorandum of Incorporation and laws of South Africa, the shares of which are listed on the Main Board of the JSE and having its registered address at Level P3 Oxford Corner, corner of Jellicoe and Oxford Road, Rosebank, Gauteng, 2196;
“Stellar Capital Group” or “Group”	means Stellar Capital and its subsidiaries from time to time;
“Stellar Investment Holdings”	means Stellar Investment Holdings Proprietary Limited (registration number 2015/030465/07), a private company incorporated in accordance with the laws of South Africa, having its registered address at Office 202, Cape Quarter, 27 Somerset Road, Green Point and owned by Navy Sky Investments Proprietary Limited as to 30%, Lavender Sky 40 Proprietary Limited as to 32.5%, Ryan Wood Collier (or his nominee) as to 12.5% and Thunder Capital Proprietary Limited as to 25%;
“SENS”	means the Stock Exchange News Service, the news service operated by the JSE;
“shareholders” or “Stellar Capital shareholders”	means certificated and dematerialised registered holders of Stellar Capital shares;
“shares” or “Stellar Capital shares”	means ordinary shares of no par value in the share capital of Stellar Capital;
“South Africa”	means the Republic of South Africa;
“Stellar Advisers” or “Corporate Finance Adviser” or “Transaction Sponsor”	means Stellar Advisers Proprietary Limited (previously AfrAsia Corporate Finance Proprietary Limited) (registration number 2007/015289/07), an authorised financial services provider (FSP 32488), a private company incorporated in accordance with the laws of South Africa and the corporate finance adviser and transaction sponsor to Stellar Capital;
“stockbroker”	means any person registered as a broking member (equities) in terms of the rules of the JSE made in accordance with the provisions of the Financial Markets Act;
“Strate”	means Strate Proprietary Limited (registration number 1998/022242/06), a private company incorporated in accordance with the laws of South Africa, a registered central securities depository which is responsible for the electronic settlement system used by the JSE;
“sub-register”	means each of Stellar Capital's sub-registers of members administered and maintained by CSDPs in electronic form;
“subsidiary”	means a subsidiary company, as defined in section 3 of the Companies Act;
“Substitute Offer”	means an offer made by Novatel Bidco to the shareholders of Digidore on the same terms as the scheme of arrangement proposed by the board of Digidore, in the event that the scheme fails and subject to shareholders holding not less than 90% of the issued ordinary shares of Digidore accepting the offer;

"Torre"	means Torre Industries Limited (registration number 2012/144604/06), a public company incorporated in accordance with the laws of South Africa on 13 August 2012, the shares of which are listed on the Main Board of the JSE, having its registered address at 59 Merino Avenue, City Deep, Johannesburg, 2197;
"Torre Sale Shares"	means 175,365,614 ordinary shares in the issued share capital of Torre, constituting 34.62% of the issued ordinary shares of Torre;
"Transaction"	means the acquisition by Stellar Capital of the Torre Sale Shares for the Purchase Consideration, which acquisition requires the approval of Stellar Capital shareholders at the General Meeting;
"Transfer Secretaries" or "Computershare"	means Computershare Investor Services Proprietary Limited (registration number 2004/003647/07), a private company incorporated in accordance with the laws of South Africa and the Transfer Secretaries of Stellar Capital;
"VAT"	means Value Added Tax, levied in terms of the provisions of the Value-Added Tax Act No. 89 of 1991, as amended;
"Vendor Consortium"	means those existing Torre shareholders who accepted an offer to sell their respective Torre Sale Shares in terms of signed offer letters, which are available for inspection per paragraph 26 of the Circular, on the terms set out in paragraph 2 in the Circular, and the word "Vendor" shall be a reference to any one of them. None of the accepting shareholders are considered related parties to Stellar Capital;
"Voting Record Date"	means the date on which shareholders must be recorded in the register in order to attend, speak at and vote at the General Meeting, which date is expected to be Friday, 16 October 2015; and
"VWAP"	means volume weighted average price.

ACTION REQUIRED BY STELLAR CAPITAL SHAREHOLDERS

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

This Circular is important and requires your immediate attention. The action you need to take is set out below. If you are in any doubt as to what action to take, you should consult your stockbroker, banker, legal adviser, CSDP, accountant, attorney or other professional adviser. If you have disposed of your Stellar Capital shares, this Circular should be handed to the purchaser of such Stellar Capital shares or the stockbroker, banker, CSDP or other agent through whom the disposal was effected.

Please take careful note of the following provisions regarding the action to be taken by shareholders. If you are in any doubt as to what action you should take, please consult your stockbroker, banker, legal adviser, CSDP or other professional adviser immediately.

GENERAL MEETING

A general meeting of shareholders will be held at 10:00 on Wednesday, 21 October 2015 at Level P3, Oxford Corner, cnr Jellicoe and Oxford Roads, Rosebank, Johannesburg, to consider and, if deemed fit, to approve, with or without modification, the resolutions required to implement the Transaction. A notice convening the General Meeting is attached to, and forms part of, this Circular.

1 IF YOU HAVE DEMATERIALIZED YOUR STELLAR CAPITAL SHARES AND DO NOT HAVE "OWN-NAME" REGISTRATION

1.1 Voting at the General Meeting

- 1.1.1 If your dematerialised Stellar Capital shares are not recorded in your own name in the electronic sub-register of Stellar Capital, you should notify your duly appointed CSDP or stockbroker, as the case may be, in the manner and subject to the cut-off time stipulated in the custody agreement governing the relationship with your CSDP or stockbroker, of your instructions as regards voting your Stellar Capital shares at the General Meeting. If you have not been contacted, it would be advisable for you to contact your CSDP or stockbroker immediately and furnish them with your instructions.
- 1.1.2 If your CSDP or stockbroker does not obtain voting instructions from you, your CSDP or stockbroker will be obliged to act in accordance with the instructions contained in the custody agreement between you and your CSDP or stockbroker.
- 1.1.3 You must not complete the attached form of proxy.

1.2 Attendance and representation at the General Meeting

- 1.2.1 In accordance with the custody agreement between you and your CSDP or stockbroker, you must advise your CSDP or stockbroker if you wish to:
 - 1.2.1.1 attend, speak and vote at the General Meeting; and/or
 - 1.2.1.2 send a proxy (including the Chairman of the General Meeting) to represent you at the General Meeting.
- 1.2.2 Your CSDP or stockbroker should then issue the necessary Letter of Representation to you for you or your proxy to attend, speak and vote at the General Meeting.

2 IF YOU HAVE NOT DEMATERIALISED YOUR STELLAR CAPITAL SHARES OR IF YOU HAVE DEMATERIALISED YOUR STELLAR CAPITAL SHARES WITH "OWN-NAME" REGISTRATION

2.1 Voting, attendance and representation at the General Meeting

- 2.1.1 You may attend, speak and vote at the General Meeting in person (or, if you are a company or other body corporate, be represented by a duly authorised natural person).
- 2.1.2 Alternatively, you may appoint a proxy to represent you at the General Meeting by completing the attached form of proxy in accordance with its instructions and returning it to the Transfer Secretaries at Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), to be received by them no later than 48 hours before the commencement of the General Meeting, (or any adjournment of the General Meeting), excluding Saturdays, Sundays and official public holidays, being no later than 10:00 on Monday, 19 October 2015.
- 2.1.3 Alternatively, a form of proxy may be handed to the Company Secretary or Chairperson of the Company at the meeting until the commencement of the General Meeting.
- 2.1.4 If you wish to dematerialise your Stellar Capital shares, please contact your CSDP or stockbroker. Shareholders should note that it will take between 1 and 10 business day(s) to dematerialise your Stellar Capital shares through your CSDP or stockbroker. Shareholders that do not have a CSDP or stockbroker can contact any CSDP or stockbroker, or, alternatively, Computershare directly on (011) 370 5000, to dematerialise their Stellar Capital shares.

Shareholders are advised that no facilities for electronic participation in the General Meeting will be made available.



Stellar Capital Partners Limited
(Previously ConvergeNet Holdings Limited)
(Incorporated in the Republic of South Africa)
(Registration number 1998/015580/06)
(***Stellar Capital*** or the "**Company**")
Share code: SCP
ISIN: ZAE000198586

DD Tabata (Chairman)*#
PJ van Zyl (Chief Executive Officer)
CB de Villiers (Chief Financial Officer)
CE Pettit*#
L Mangope*#
J de Bruyn*#
CC Wiese*#
CH Wiese*#
**Non-executive # Independent*

CIRCULAR TO STELLAR CAPITAL SHAREHOLDERS

1 INTRODUCTION

Shareholders are referred to the announcements released on SENS and published in the press on 6 July 2015 and 21 July 2015 respectively, which detailed, inter alia, the Board's proposal that, subject to the fulfilment of certain conditions precedent, Stellar Capital acquire a strategic 34.62% interest in the share capital of Torre.

2 PURPOSE OF THIS CIRCULAR

- 2.1 The Purpose of this Circular is to provide shareholders with information regarding the Transaction.
- 2.2 The Transaction constitutes a reverse takeover for Stellar Capital under the Listings Requirements, consequently, Stellar Capital is required to issue this Circular disclosing full details of the Transaction and to obtain the requisite approval from Stellar Capital shareholders. In addition, Stellar Capital will be required to meet all the requirements of a new listing.
- 2.3 The General Meeting will be convened to allow Stellar Capital shareholders to consider and, if deemed appropriate, to approve, with or without modification, the resolutions required to implement the Transaction, as set out in the Notice of General Meeting.
- 2.4 The Transaction is not a related party transaction for the purposes of the Listings Requirements.
- 2.5 The accompanying explanatory material, opinions and information provided in this Circular and the annexures hereto are, unless otherwise specifically set out to the contrary, or appears from the context, solely those of Stellar Capital. Stellar Capital takes full responsibility for the contents of this Circular, the proposed resolutions and the accompanying explanatory material, opinions and information contained in this Circular.
- 2.6 The directors have evaluated the rationale for, and the terms and conditions of, the Transaction, and are of the opinion that the Transaction is consistent with the Company's strategy, as detailed in the Revised Listings Particulars, and will enhance shareholder value. Accordingly, after due consideration, the directors, who are eligible to vote, are confident that value will be created for shareholders and unanimously recommend that Stellar Capital shareholders vote in favour of all the resolutions necessary to approve and implement the Transaction, as set out in the Notice of General Meeting.

- 2.7 The prospects for Torre in the short term will be influenced by the low levels of activity in the mining and industrial sectors in South Africa. However the Torre team have proven capability in terms of managing the business and allocating capital throughout the cycle and the composition of the underlying business units in Torre is broadly defensive. The long term prospects for the business are highly attractive as mining and industrial activity are expected to continue to grow in the markets in which Torre operates.

3 THE TRANSACTION

3.1 Overview

During July 2015 Stellar Capital agreed terms with select Torre shareholders, the Vendor Consortium, for the acquisition by Stellar Capital of the Torre Sale Shares for the Purchase Consideration.

3.2 Business of Torre

Torre was listed on the Main Board of the JSE by way of a 'mirror listing' on 26 November 2012. Torre is the holding company of a group of companies which specialises in the value added distribution of branded capital equipment and industrial consumable products, as well as the provision of specialised financial solutions to a diversified customer base across Africa. The Torre group of companies has a strong presence across South Africa and in 11 other African countries. Torre's strategy is to become a predominantly Africa focused business and has identified significant growth opportunities on the continent.

Torre has a proven strong track record with significant results since inception, and has created a diversified platform within the industrial sector that provides a sustainable and robust business model.

3.3 Rationale for the Transaction

The Transaction presents an opportunity for Stellar Capital to grow a portfolio that is unconstrained by any particular market or sector through further diversification of its portfolio of assets and secures Stellar Capital the position of largest shareholder in an innovative business that operates in an industry that is expected to see significant growth going forward.

Torre is operated by a strong and dynamic management team which Stellar Capital is confident is aligned with the vision of Stellar Capital. As its first dividend-paying asset, the Transaction represents an investment with the potential to generate strong gains for Stellar Capital shareholders and provides significant scale for Stellar Capital in terms of its current investments. At current share price levels, Stellar Capital believes that the Transaction offers unique future value for shareholders and allows Torre shareholders to access a premium to their current investment in Torre.

3.4 Salient Terms of the Transaction

The Vendor Consortium entered into individual agreements with SCP based on the following terms:

- 3.4.1 The sale and transfer of their Torre Sale Shares for a consideration of 2.6 ordinary shares in Stellar Capital for every 1 Torre share held, to be settled through the issue of a maximum of 390 086 494 Stellar capital shares at an issue price of R2.00 per share which sale would expire on 31 October 2015 in the event conditions, as outlined in paragraph 3.5 below, are not fulfilled.
- 3.4.2 Stellar Capital approached the Vendor Consortium with the offer to acquire their Torre Sale Shares to be settled through the issue of shares in Stellar Capital. Two of the Vendors requested cash payments for their Torre Sale Shares, the details of which are detailed in 3.4.3 below.
- 3.4.3 In terms of the Transaction Stellar Capital will acquire not less than 34.62% unencumbered and freely transferrable Torre shares from the Vendor Consortium for the Purchase Consideration which shall be settled partly –
- 3.4.3.1 in cash, in an aggregate amount of R130,218,397, R122,450,370.72 of which is payable to Fahnsworth Consultants Limited (with interest accruing thereon at two percentage points above the Prime Rate from 1 September 2015) and R7,768,026.28 payable to D. Glockle; and

3.4.3.2 through the issue and allotment of the Consideration Shares to the remainder of the Vendor Consortium at an issue price of R2.00 per Consideration Share which represents a discount of less than 3% of the 30 day VWAP of a Stellar Capital share on 3 July 2015.

3.4.4 The Transaction will become effective the day on which all the conditions precedent detailed in paragraph 3.5 below are fulfilled which is currently anticipated to be 31 October 2015.

3.5 Conditions precedent

3.5.1 The Transaction is subject to the fulfilment of the outstanding conditions precedent that, by no later than 31 October 2015 -

3.5.1.1 all requisite Stellar Capital shareholder and regulatory approvals have been obtained from, inter alia, the JSE and the South African Reserve Bank, to the extent required, including any additional approvals required as a result of the implementation of the Transaction constituting a reverse takeover in terms of the JSE Listings Requirements.

3.6 Warranties

Each of the Torre shareholders that comprise the Vendor Consortium have given the usual warranties in respect of their respective Torre Sale Shares.

4 REVERSE TAKEOVER

The Transaction as assessed and categorised pursuant to the Listings Requirements will result in a percentage ratio of more than 100% and consequently Stellar Capital will be regarded as having undertaken a reverse takeover in accordance with section 9.5 of the Listings Requirements. Shareholders are cautioned that the Transaction will be subject to the JSE confirming that Stellar Capital complies with all the requirements for a new listing on the Main Board of the JSE as an investment holding entity.

5 PRO FORMA FINANCIAL EFFECTS OF THE TRANSACTION

5.1 The table below sets out the *pro forma* financial effects of the Transaction (having taken the Cadiz Acquisition and the Digicore Disposal into account) on Stellar Capital.

5.2 The *pro forma* consolidated statement of comprehensive income for the six month period ended 31 May 2015 and *pro forma* consolidated statement of financial position at 31 May 2015 have been prepared for illustrative purposes only, based on current information available to management, in order to provide information about the financial effects of the Transaction on the financial position of the Company. Due to its nature, the *pro forma* financial information may not fairly present the Company's financial position, changes in equity and results of operations or cash flows after the Transaction, and are based on the assumptions that:

5.2.1 for the purpose of calculating earnings per share and headline earnings per share, the Transaction was implemented on 1 December 2014; and

5.2.2 for the purpose of calculating net asset value per share and net tangible asset value per share, the Transaction was implemented on 31 May 2015.

5.3 The *pro forma* financial information has been prepared using the most recent financial period of the Company for the unaudited six month period ended 31 May 2015 in terms of the Listings Requirements and guidelines issued by the South African Institute of Chartered Accountants.

5.4 The accounting policies of Stellar Capital have been used in calculating the *pro forma* financial effects. The accounting policies used are consistent with previous accounting policies used by Stellar Capital and the accounting policies herein have been applied on the same basis.

5.5 The directors of the Company are responsible for the preparation of the *pro forma* financial information contained in this Circular.

- 5.6 The detailed *pro forma* financial information and notes thereto as a result of the Transaction is contained in **Annexure 1** to this Circular. The Independent Reporting Accountants' limited assurance report on the *pro forma* financial information is set out in **Annexure 2** to this Circular.

	Before	After the Transaction	Change (%)
Basic and diluted basic loss per ordinary share from continuing operations (cents)	(2.83)	(2.16)	75.69%
Headline and diluted headline loss per ordinary share from continuing operations (cents)	(2.48)	(2.01)	76.13%
Basic and diluted basic loss per ordinary share from discontinued operations (cents)	(2.91)	(1.27)	67.89%
Headline and diluted headline loss per ordinary share from discontinued operations (cents)	(1.27)	(0.55)	67.89%
Weighted and diluted weighted average number of shares	300 424 554	690 511 048	211.40%
Number of shares in issue	361 469 917	751 556 411	165.77%
Net asset value per share (cents)	195.40	197.79	4.64%
Tangible net asset value per share (cents)	194.51	197.36	5.05%

Notes and assumptions:

- The amounts set out in the "Before" column have been extracted from Annexure 1 of the circular to Stellar Capital shareholders dated 18 August 2015 which includes the *pro forma* financial effects effect of the Cadiz Acquisition and Digicore Disposal (as defined in this Circular) based on the unaudited interim results of the Company for the six months ended 31 May 2015, as published on SENS on 31 July 2015.
- Shareholders are advised that the "Before" column as presented above differs from the "After the Digicore Disposal" column presented in the Company's circular as mentioned in point 1 above in the following immaterial respects:

Line item	Disclosure per this Circular	Disclosure per Digicore Disposal circular	Difference (cents)	Reason for Difference
Headline and diluted headline loss per ordinary share from continuing operations (cents)	(2.48)	(2.83)	0.35	Inadvertent omission of a loss on the disposal of subsidiary in the amount of R1.05 million from the calculation of headline loss from continuing operations in the Digicore Disposal circular.

Line item	Disclosure per this Circular	Disclosure per Digicore Disposal circular	Difference (cents)	Reason for Difference
Headline and diluted headline loss per ordinary share from discontinued operations (cents)	(1.27)	(1.26)	(0.01)	Inadvertent omission of the tax effects of adjustments to the reconciliation between basic and headline loss from discontinued operations in the amount of R0.03 million from the calculation headline loss from discontinued operations in the Digicore Disposal circular.

The differences above have been assessed to be immaterial by management and as a result, no amendment was required to the Digicore Disposal circular.

3. The acquisition of 175,365,614 shares in Torre by way of the issue of 390,086,494 Stellar Capital shares at R2.00 per share and payment of approximately R130.2 million in cash, such that Stellar Capital will hold 34.62% of the issued ordinary shares in Torre. The investment in Torre has been accounted for at fair value of approximately R910.39 million (representing an average price of R5.19 per Torre share) in terms of IAS 39 par 14. The fair value of the Torre shares acquired has been determined by using the income approach supplemented by using the market approach as a reasonability check. The income approach fair value represents the value of Torre on a marketable non-controlling basis as at 30 June 2015, after adding the working capital excess and non-operating assets, and deducting non-operating liabilities and interest bearing obligations. The Transaction will be for a marketable, non-controlling stake. In determining the income approach fair value of Torre, a weighted average cost of capital range of between 12.8% and 13.4% was used, giving an indicative valuation range between R4.49 and R5.33 per Torre share. The market approach, which utilises the sustainable earnings of Torre and calculated market multiples of Torre comparables yielded a valuation range of between R4.81 and R5.39 per Torre share. Management is of the opinion that the valuation of R5.20 per Torre share reflects fair value based on the aforementioned considerations. The impact of the Transaction on the statement of financial position will be the recognition of an investment in Torre valued at R910.39 million, the payment of R130.2 million of cash in part settlement of the purchase consideration and the issue of 390,086,494 Stellar Capital shares at R2.00 per share resulting in an increase to share capital of R780.17 million. The impact of the Transaction on the statement of comprehensive income will be the recognition of transaction costs of R1.77 million as noted in paragraph 6 of this Circular and the recognition of management fees in the amount of R4.67 million resulting from the increase in net asset value of R780.17 million as calculated in terms of paragraph 3 of Appendix 2 of this Circular. The gross impact of the aforementioned on the statement of comprehensive income is the recognition of a R6.44 million loss from continuing operations, which loss is fully attributable to equity holders of the parent.

4. It has been assumed that the Transaction was implemented on 31 May 2015 for purposes of compiling the statement of financial position and on 1 December 2014 for purposes of compiling the statement of comprehensive income.
5. Tax consequences in relation to the Transaction have been taken into account.
6. All adjustments, other than transaction costs described above, will have a continuing effect. This is a direct result of the fact that the management fee expense is determined with reference to the net asset value of Stellar Capital in accordance with paragraph 3 of Appendix 2 of this Circular. As a result of this any change in the net asset value will have an impact on the management fee expense.

6 EXPENSES RELATING TO THE TRANSACTION

The estimated expenses in respect of the Transaction (exclusive of VAT), including fees payable to professional advisers, are as follows:

Description	Name	R
Transaction Sponsor fees	Stellar Advisers	1 200 000
Independent Sponsor	Questco	100 000
Reporting accountants' reports	Grant Thornton	50 000
Printing, publication and distribution expenses	Wounded Buffalo	56 861
JSE Documentation fees	JSE	90 421
JSE Listing Fees	JSE	212 200
Transfer secretarial fees	Computershare	10 000
Contingency and sundry	Other	50 000
Total		1 769 482

7 IRREVOCABLE UNDERTAKINGS

Stellar Capital has received irrevocable undertakings from Stellar Capital shareholders holding approximately 56.37% of the votes exercisable and entitled to vote, to vote in favour of the Transaction and related resolutions to be proposed at the General Meeting in respect of its entire shareholding in Stellar Capital. The details of the shareholders who provided irrevocable undertakings are as follows:

Name of Shareholder	Percentage Shareholding
Asgard Capital Assets Limited	8.89%
Vre Investments (Pty) Ltd	10.50%
ManCo	10%
Green Tree Investments 306 (Pty) Ltd	4.68%
Cream Magenta 140 (Pty) Ltd	4.95%
Metcap 14 (Pty) Ltd	4.95%
Wikalox Investments (Pty) Ltd	4.95%
AfrAsia Special Opportunities Fund (Pty) Ltd	4.04%
Kortrustfin (Pty) Ltd	1.84%
Titan Nominees (Pty) Ltd	1.01%
Titan Share Dealers (Pty) Ltd	0.56%
Total	56.37%

8 FINANCIAL INFORMATION INCORPORATED BY REFERENCE

- 8.1 The directors of Stellar Capital are responsible for the preparation and fair presentation of the financial information listed in paragraphs 8.1.1.1 and 8.1.1.2 below. In accordance with section 11.61 and 11.62 of the Listings Requirements, the following information can be accessed on the various websites as detailed below and is also available for inspection at the registered office of the Company and its sponsor by shareholders and/or prospective investors at no charge, during normal office hours from Friday, 4 September 2015 until Friday, 16 October 2015:

8.1.1 Historical financial information:

- 8.1.1.1 Historical financial information of **Stellar Capital** for the fifteen months ended 30 November 2014, year ended 31 August 2013, and year ended 31 August 2012, (full sets of which can be accessed on the Company's website at www.stellarcapitalpartners.co.za);
- 8.1.1.2 Interim financial information of **Stellar Capital** for the six months ended 31 May 2015, (the full set of which can be accessed on the Company's website at www.stellarcapitalpartners.co.za);
- 8.1.1.3 Historical financial information of **Torre** for the years ended 30 June 2014, 30 June 2013 and 30 June 2012 (the full sets of which can be accessed on Torre's website at www.torreindustries.com and on Stellar Capital's website at www.stellarcapitalpartners.co.za); and
- 8.1.1.4 Interim financial information of **Torre** for the six months ended 31 December 2014 (the full sets of which can be accessed on Torre's website at www.torreindustries.com and on Stellar Capital's website at www.stellarcapitalpartners.co.za).

8.2 Shareholders ought to note that the historical financial information incorporated by reference in this Circular, contain a general review of and provide commentary around the business and operations of the respective companies.

9 ADEQUACY OF WORKING CAPITAL

9.1 The directors of Stellar Capital have considered the impact of the Transaction and are of the opinion that:

- 9.1.1 the Stellar Capital Group will be able, in the ordinary course of business, to pay its debts for a period of 12 months after the date of approval of this Circular;
- 9.1.2 the assets of the Stellar Capital Group will be in excess of its liabilities for a period of not less than 12 months after the date of approval of this Circular, where for this purpose, the assets and liabilities are recognised and measured in accordance with the accounting policies used in the latest audited consolidated annual financial statements of the Company which comply with the Companies Act;
- 9.1.3 the share capital and reserves of the Stellar Capital Group will be adequate for ordinary business purposes for a period of not less than 12 months after the date of approval of this Circular; and
- 9.1.4 the working capital of the Stellar Capital Group will be adequate for ordinary business purposes for a period of not less than 12 months after the date of approval of this Circular.

9.2 The working capital statement was prepared on the Stellar Capital Group, as enlarged by the Transaction and taking into account the Cadiz Acquisition and the Digicore Disposal.

10 MATERIAL BORROWINGS

- 10.1 As at the Last Practicable Date neither Stellar Capital nor any of its subsidiaries in the Stellar Capital Group have any material borrowings.
- 10.2 The borrowing powers of the Company exercisable by the directors and the manner in which such borrowing powers may be varied are set out in clause 38 of the Memorandum of Incorporation, an extract of which is included in **Appendix 4** to the Revised Listing Particulars. The borrowing powers have not been exceeded during the previous three years.
- 10.3 As at the Last Practicable Date neither Torre nor any of Torre's subsidiaries have any material borrowings.

11 EXCHANGE CONTROL REGULATIONS

11.1 Foreign shareholders

The Transaction may be affected by the laws of the relevant jurisdiction of a foreign shareholder. A foreign shareholder should acquaint itself with and observe any applicable legal requirements of such jurisdiction in relation to all aspects of this Circular that may affect it. It is the responsibility of each foreign shareholder to satisfy itself as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection with the Transaction, including the obtaining of any governmental, exchange control or other consents, the making of any filings which may be required, the compliance with other necessary formalities and the payment of any taxes or other requisite payments due in such jurisdiction.

The Transaction is governed by the laws of South Africa and is subject to any applicable laws and regulations, including the Exchange Control Regulations.

Any shareholder who is in doubt as to its position, including, without limitation, its tax status, should consult an appropriate independent professional adviser in the relevant jurisdiction without delay.

11.2 Exchange control regulations

The following is a summary of the Exchange Control Regulations. It is intended as a guide only and is not a comprehensive statement of the Exchange Control Regulations which apply to the Torre shareholders constituting the Vendor Consortium. Vendors who have any queries regarding the Exchange Control Regulations should contact their own professional advisers without delay.

11.2.1 Residents of the common monetary area

In the case of:

11.2.1.1 Vendors with "own name" holding whose registered addresses in the Torre share register are within the common monetary area and whose relevant Torre Sale Shares are not restrictively endorsed in terms of the Exchange Control Regulations, will have their relevant Consideration Shares posted to them; or

11.2.1.2 Vendors whose relevant Torre Sale Shares are held by CSDPs or stockbrokers on their behalf as nominees and whose registered addresses in the sub-register managed by CSDPs or stockbrokers are within the common monetary area and whose accounts with their CSDP or stockbroker have not been restrictively designated in terms of the Exchange Control Regulations, will have their relevant Consideration Shares reflect in the account nominated for the relevant Vendor's by their duly appointed CSDP or stockbroker in terms of the provisions of the custody agreement with their CSDP or stockbroker.

11.2.2 Emigrants from the Common Monetary Area

11.2.2.1 A Vendor holding dematerialised Torre Sale Shares who is an emigrant whose registration has been marked as an "emigrant" will have their relevant Consideration Shares credited to their emigrant blocked share accounts at the CSDP controlling their blocked portfolios.

11.2.2.2 A Vendor with certificated Torre Sale Shares who is an emigrant whose registered address is outside the common monetary area and whose relevant Torre Sale Shares have been restrictively endorsed under the Exchange Control Regulations will, against delivery of the Vendor's relevant Torre Sale Shares, have their relevant Consideration Shares similarly endorsed "emigrant" and sent to the authorised dealer controlling the blocked assets of the emigrant Vendor.

11.2.2.3 In terms of a recent relaxation to the exchange control rulings, emigrants may externalise the consideration by making application to the Financial Surveillance Department of the South African Reserve Bank via the requisite authorised dealer channel. Previously, a 10% levy would have been payable on externalisation. This is however no longer the position and the consideration may, on application, be externalised free of the levy.

11.3 Non-residents of the Common Monetary Area

A Vendor who is a non-resident of South Africa who is reflected as having a registered address outside the common monetary area and whose relevant Torre Sale Shares are in dematerialised form that have been restrictively endorsed under the Exchange Control Regulations will have its relevant Consideration Shares credited to the share account at the CSDP controlling the Vendor's portfolio.

A Vendor who is a non-resident of South Africa who is reflected as having a registered address is outside the common monetary area and whose relevant Torre Sale Shares are in certificated form that have been restrictively endorsed under the Exchange Control Regulations will have its Consideration Shares forwarded to the authorised dealer in foreign exchange in South Africa nominated by such holder. It will be incumbent on the Vendor concerned to instruct the nominated authorised dealer as to the disposal of the relevant Torre Sale Shares, against delivery of the relevant Consideration Shares. It will be incumbent on the Vendor concerned to instruct the nominated authorised dealer as to the acceptance of the Consideration Shares, against delivery of the relevant Torre Sale Shares.

Should any cash consideration become payable to an emigrant or non-resident of South Africa, such amount will be forwarded to the authorised dealer in foreign exchange controlling such Vendor's assets for credit to the Vendor's blocked accounts.

12 DIRECTORS AND SENIOR MANAGEMENT

12.1 The directors of Stellar Capital are as follows:

Director	Age	Business Address	Occupation
Dumisani Dumekhaya Tabata*# (Chairman)	60	21B Impala Road, Chislehurst, Sandton, 2196	Attorney and business person
Peter John van Zyl (Chief Executive Officer)	39	Office 202, Cape Quarter, The Square 27 Somerset Road, Green Point, Cape Town, 8005	Chief Executive Officer of Stellar Capital
Charl Benjamin de Villiers (Chief Financial Officer)	30	Office 202, The Square, Cape Quarter, 27 Somerset Road, Green Point, Cape Town	Chief Financial Officer of Stellar Capital
Charles Edward Pettit*^	34	Office 202, Cape Quarter, The Square 27 Somerset Road, Green Point, Cape Town, 8005	Chief Executive Officer of Torre
Lerato Mangope*#	51	19 Fredman Drive, Sandton, 2196	Director of Industrial Development Corporation ("IDC")
Janine de Bruyn*#	47	8 Windsor Road, Plumstead, 7800	Business consultant
Caroline Clare Wiese*#	33	89 The Ridge, Fourth Beach, Clifton, 8005	Business person
Christina Helmién Wiese*#	29	80A The Ridge, Fourth Beach, Clifton, 8005	Business development consultant

* *Non-executive*

Independent

^ *British*

12.2 A brief *curriculum vitae* for each of the Stellar Capital directors is set out in **Annexure 4** to this Circular.

12.3 All the above directors, save for Charles Pettit who is British, are South African.

13 DIRECTORS' INTERESTS IN SECURITIES

- 13.1 The direct and indirect beneficial interests of the directors and their associates in Stellar Capital shares pursuant to the implementation of the Transaction are set out in the table below:

Director	Beneficial		Total	Total %
	Direct	Indirect		
Executive Directors				
PJ van Zyl	-	-	-	-
CB de Villiers	109 800 [^]	-	109 800	0.03%
Non-Executive Directors				
DD Tabata [~]	-	1 082 658	1 082 658	0.38%
CE Pettit	-	-	-	-
L Mangope	-	-	-	-
J de Bruyn	-	-	-	-
CC Wiese [#]	-	14 000 000	14 000 000	4.95%
CH Wiese [*]	-	14 000 000	14 000 000	4.95%
Total	109 800	29 082 658	29 192 458	10.31%

[~]Reflects the effective shareholding held through Green Tree Investments 306 Proprietary Limited

[#]Reflects the effective shareholding held through Metcap 14 Proprietary Limited

^{*}Reflects the effective shareholding held through Cream Magenta 140 Proprietary Limited

[^]19 800 shares will vest with effect from 31 December 2015 as announced on SENS on 18 August 2015, which shares have not been included in the above table

- 13.2 Information relating to the directors' dealings in securities for the period from the last preceding financial year to the Last Practicable Date was published on SENS in accordance with section 3.63 to 3.74 of the Listings Requirements. For ease of reference, these are detailed as follows:

Director	Nature of trade	Trade date	Trade price	No. of shares traded
C De Villiers	Bonus shares awarded by Stellar Advisers in respect of previous employment before being appointed as financial director of Stellar Capital	18 August 2015	R2.00	19 800
Associate of Director	Purchase	8 May 2015	R1.65	14 000 000
Associate of Director	Purchase	8 May 2015	R1.65	14 000 000

14 **DIRECTORS' INTERESTS IN TRANSACTIONS**

None of the directors of Stellar Capital will benefit directly or indirectly as a consequence of the Transaction. None of the directors has or had any material interest, direct or indirect, in transactions that were effected by Stellar Capital during the current or immediately preceding financial year or during any earlier year and which remain in any respect outstanding or unperformed.

15 **DIRECTORS' AND MANAGEMENT REMUNERATION**

15.1 Details of Stellar Capital directors' remuneration, benefits and share options for the financial year ended 30 November 2014 was as follows:

	Fees for Services R'000	Basic salary R'000	Allowances and fringe benefits R'000	Pension and other contributions R'000	Bonuses R'000	Total 2014 R'000	Total 2013 R'000
Paid by Company							
PJ van Zyl [~]	180					180	N/A
CB de Villiers [#]	N/A					N/A	N/A
CE Pettit	190					190	185
DD Tabata	265					265	250
L Mangope	195					195	154
J de Bruyn [^]	40					40	N/A
CC Wiese [*]	30					30	N/A
CH Wiese [*]	30					30	N/A
NG Nika ⁺	100					100	150
	1,030					1,030	739
Share based payment expense relating to directors						83	

[~]Peter van Zyl appointed 21 November 13

[^]Janine de Bruyn appointed 25 July 2014

^{*}Christina Wiese and Clare Wiese appointed 8 September 2014

[#]Charl de Villiers appointed with effect 1 February 2015

⁺Nkosemthu Nika resigned 3 July 2014

15.2 Stellar Capital does not have a share or bonus scheme and none of the directors of the Stellar Capital Group have any share options.

15.3 The Transaction will not affect the directors' capacity or remuneration.

16 MAJOR BENEFICIAL SHAREHOLDERS

- 16.1 Shareholders beneficially holding more than 5% of the total issued share capital of the Company (excluding shares held in treasury), directly or indirectly, prior to the implementation of the Transaction and taking into account the Cadiz Acquisition and Digicore Disposal are as follows:

Shareholder	Number of shares held	% of issued share capital of Stellar Capital
VRE Investments Proprietary Limited	29 702 228	8.22%
ManCo	28 278 593	10.00%
Asgard Capital Assets Limited	25 134 458	6.95%
TOTAL	83 115 279	25.17%

- 16.2 Set out below are the names of Stellar Capital shareholders who are expected to be beneficially interested in 5% or more of the issued shares of Stellar Capital pursuant to the implementation of the Transaction and having taken the Cadiz Acquisition and the Digicore Disposal into account:

Shareholder	Number of shares held	% of issued share capital of Stellar Capital
Asgard Capital Assets Limited	141 151 848	18.78%
SJP Capital Limited	107 900 000	14.36%
ManCo*	75 155 641	10.00%
Investec Asset Management**	65 781 035	8.75%
Titan Nominees Proprietary Limited	39 258 132	5.22%
TOTAL	429 246 656	57.11%*

* *The increase in the number of shares held by the ManCo is from ManCo acquiring shares in the market from existing shareholders in order to ensure that a minimum 10% holding.*

** *Held on behalf of various discretionary and non-discretionary clients.*

- 16.3 The information included in this paragraph 16 is based on the share register of the Company as per Strate and Computershare as at 17 July 2015, due to the share register closing on the last Friday of each month in line with Strate's policies.
- 16.4 Insofar as it is known to the directors of Stellar Capital, there is no controlling shareholder of Stellar Capital as defined in the Listings Requirements.

17 SHARE CAPITAL

- 17.1 The authorised and issued share capital, before and after the Transaction (and taking the Cadiz Acquisition and Digicore Disposal into account), as at the Last Practicable Date, is shown below:

Share capital before the Cadiz Acquisition, Digicore Disposal and the Transaction	Number of shares
Authorised share capital	
1 000 000 000 ordinary shares of no par value*	
Issued share capital	
Stated capital	282 785 928
Treasury shares	(40 000)
Total net issued share capital	282 745 928

Share capital after the Cadiz Acquisition	Number of shares
Authorised share capital	
1 000 000 000 ordinary shares of no par value	
Increase in issued share capital	
Stated Capital: 41 925 857 shares issued pursuant to the Cadiz Acquisition	324 711 785
Treasury shares	(40 000)
Total net issued share capital	324 671 785
Share capital after the Digicore Disposal	
Authorised share capital	
1 000 000 000 ordinary shares of no par value	
Increase in issued share capital	
Stated Capital: 36 758 132 shares issued pursuant to the Digicore Adjustment	361 469 917
Treasury shares	(40 000)
Total net issued share capital	361 429 917
Share capital after the Cadiz Acquisition, Digicore Disposal and the Transaction	
Authorised share capital	
1 000 000 000 ordinary shares of no par value	
Increase in issued share capital	
Stated Capital: 390 086 494 shares issued pursuant to the Transaction	751 556 411
Treasury shares	(40 000)
Total net issued share capital	751 516 411

17.2 Conversion rights, voting rights, rights to distributions and variation of rights

17.2.1 In accordance with the Memorandum of Incorporation, at any general meeting every member present in person or by proxy shall have one vote on a show of hands, provided that a proxy shall, irrespective of the number of members he represents, have only one vote. On a poll, every member present in person or by proxy shall have that proportion of the total votes in the Company which the aggregate amount of the nominal value of the shares held by that member bears to the aggregate of the nominal value of all the shares issued by the Company.

17.2.2 All of the shares are of the same class and rank *pari passu* in every respect. There are no conversion or exchange rights attached to such shares. Any variation in the rights attaching to the shares will require a special resolution of the shareholders in general meeting in accordance with the Memorandum of Incorporation and the provisions of the Companies Act.

17.3 Subdivision or consolidation of Stellar Capital shares

Save for the consolidation of the authorised and issued share capital of the Company by the consolidation of every 10 shares with no par value into 1 share with no par value, which consolidation was approved by shareholders in general meeting on 22 October 2013, no further consolidations or sub-divisions have occurred in respect of Stellar Capital shares.

17.4 Options or preferential rights in respect of Stellar Capital shares

There is no contract or arrangement, either actual or proposed, whereby any option or preferential right of any kind has been or will be given to any person to subscribe for any securities of Stellar Capital.

17.5 Issues and repurchases of shares

Details of the repurchase of shares by Stellar Capital in the three years preceding the Last Practicable Date are set out in **Annexure 5** to this Circular.

18 SHARE PRICE HISTORY

The share price history of Stellar Capital's shares on the JSE is summarised in **Annexure 6** to this Circular.

19 LITIGATION STATEMENT

- 19.1 In terms of section 7.D.11 of the Listings Requirements, the directors, whose names appear under "Corporate Information and Advisers" on the inside cover of this Circular, are not aware of any legal or arbitration proceedings, including any proceedings that are pending or threatened, that may have or have had in the recent past, being at least the previous 12 months, a material effect on the Stellar Capital Group or any of its subsidiaries' financial position.
- 19.2 There are no legal or arbitration proceedings, including any such proceedings that are pending or threatened against the Torre Group, of which the Stellar Capital board of directors is aware, that may have or have had in the recent past (12 months from the Last Practicable Date), a material effect on the financial position of Torre or its subsidiaries.

20 MATERIAL CHANGES

- 20.1 Save for the Cadiz Acquisition and the Digicore Disposal, there have been no material changes in the financial or trading position of the Stellar Capital Group since Stellar Capital published its results for the six months ended 31 May 2015 and the date of this Circular.
- 20.2 Save for the Elephant Lifting Acquisition, there have been no material changes in the financial or trading position of Torre and its subsidiaries since it published its results for the six months ended 31 December 2014 up to and including the Last Practicable Date that Stellar Capital is aware of.

21 MATERIAL AND SERVICE CONTRACTS

21.1 Material Contracts

There are no known material contracts or transactions entered into by Stellar Capital or any of its subsidiaries over the past two years preceding the date of this Circular, save for the material contracts and transactions detailed in **Appendix 1** to the Revised Listing Particulars.

Neither Stellar Capital nor any of its subsidiaries have entered into any agreement at any time which contains an obligation or settlement that is material to the Company or its subsidiaries at the date of this Circular. In addition, neither has Stellar Capital nor any of its subsidiaries entered into any agreements regarding restraint payments or technical fees.

Save for the Elephant Lifting Acquisition and material contracts and transactions detailed in **Annexure 7**, no known material contracts and transactions were entered into by Torre over the past two years preceding this Circular, or other that contain any obligation and settlement that is material to Torre. In addition, Torre and its subsidiaries have not entered into any restraint payments or technical fees. No amounts have been paid, or are accrued as payable, or is proposed to be paid by Torre to any promoter, partnership or syndicate, other than in the normal course of business, during the three years preceding the date of this Circular.

21.2 Directors' service contracts

There are no service contracts in place in respect of the executive director and non-executive directors of the Company.

21.3 Other service contracts

Caroline du Preez was appointed as company secretary to Stellar Capital with effect from 11 May 2015. A retainer arrangement is in place in relation to services rendered. No other service contracts have been entered into or amended within the six month period prior to the Last Practicable Date.

22 ADVISERS' CONSENTS

The advisers whose names appear in the section "Corporate Information and Advisers" on the inside cover of this Circular have all consented in writing to act in the capacities stated in this Circular and to their names being stated in this Circular and, in the case of the reporting accountants, reference to their report in the form and context in which they appear, and have not withdrawn their consent prior to the publication of this Circular.

23 GENERAL MEETING

- 23.1 The resolutions necessary to implement the Transaction will be put to a vote at the General Meeting to be held at Level P3, Oxford Corner, cnr Jellicoe and Oxford Roads, Rosebank, Johannesburg at **10:00** on Wednesday, 21 October 2015, or on any other date to which it may be postponed or adjourned.
- 23.2 Each certificated shareholder or "own name" dematerialised shareholder who is registered as such on the Voting Record Date, may attend, speak and vote at the General Meeting in person or be represented thereat by proxy. Forms of proxy must be received by the Transfer Secretaries by no later than **10:00** on Monday, 19 October 2015, in order to be valid, or provided to the Chairman before the commencement of the General Meeting.
- 23.3 Dematerialised shareholders, other than "own name" dematerialised shareholders, must give their instructions to their CSDP or stockbroker by the time and in the manner prescribed in the custody agreement concluded between the relevant dematerialised shareholder and their CSDP or stockbroker. If a dematerialised shareholder wishes to attend the General Meeting in person or be represented thereat by proxy, he must arrange with his CSDP or stockbroker to give him the necessary Letter of Representation to do so. Dematerialised shareholders, other than "own name" dematerialised shareholders, must not complete the form of proxy.
- 23.4 If you are a shareholder who wishes to address the General Meeting, then you will be given the opportunity to do so.
- 23.5 Shareholders are advised that no facilities for electronic participation in the General Meeting will be made available.
- 23.6 In terms of the Companies Act and the Listings Requirements, the votes of treasury shares will not be taken into account in determining the results of the voting at the General Meeting.

24 DIRECTORS' RESPONSIBILITY STATEMENT

The directors, whose names are set out on page 19 of this Circular, collectively and individually accept full responsibility for the accuracy of the information given in this Circular in relation to Stellar Capital and certify that, to the best of their knowledge and belief, no facts have been omitted which would make any statement in this Circular false or misleading, that all reasonable enquiries to ascertain such facts have been made and that this Circular contains all information required by law, the Listings Requirements and the Companies Regulations.

25 DIRECTORS' OPINION

The Board has considered the terms and conditions of the Transaction detailed in this Circular and recommend to shareholders to vote in favour of the Transaction. The directors, who are eligible to vote, intend voting in favour of the relevant resolutions.

26 DOCUMENTS AVAILABLE FOR INSPECTION

- 26.1 The following documents, or copies thereof, in addition to the information listed in paragraph 8, will be available for inspection by shareholders at Stellar Capital's registered office and the offices of the Transaction Sponsor (the addresses of which appear in the section "Definitions and Interpretation" on page 4 and in the section "Corporate Information and Advisers" on the inside front cover of this Circular) during normal office hours from Friday, 4 September 2015 until Friday, 16 October 2015:
- 26.1.1 the Memoranda of Incorporation of Stellar Capital;
 - 26.1.2 the Memoranda of Incorporation of Torre;
 - 26.1.3 the signed offer letters in respect of each sale of Torre Shares by the Vendor Consortium to Stellar Capital;
 - 26.1.4 the material contracts referred to in Appendix 1 of the Revised Listing Particulars attached to this Circular;
 - 26.1.5 the signed consent letters of the advisers referred to in paragraph 22 of this Circular;
 - 26.1.6 copies of the signed offer letters in respect of each sale of Torre Sale Shares by the Vendors comprising the Vendor Consortium;
 - 26.1.7 the irrevocable undertakings referred to in paragraph 7 of this Circular;
 - 26.1.8 copies of the published financial information of Torre as referred to in paragraph 8 of this Circular; and
 - 26.1.9 a signed copy of this Circular.

SIGNED AT ROSEBANK ON BEHALF OF THE BOARD ON 2 SEPTEMBER 2015 IN TERMS OF POWERS OF ATTORNEY GRANTED BY THE DIRECTORS.

By order of the Board



STELLAR CAPITAL PARTNERS LIMITED

PJ van Zyl

Chief Executive Officer

4 September 2015

PRO FORMA FINANCIAL EFFECTS OF THE TRANSACTION

- The table below sets out the *pro forma* financial effects of the Transaction, (taking into account the Cadiz Acquisition and the Digicore Disposal) on Stellar Capital.
- The *pro forma* consolidated statement of comprehensive income for the six month period ended 31 May 2015 and *pro forma* consolidated statement of financial position at 31 May 2015 have been prepared for illustrative purposes only, based on current information available to management, in order to provide information about the financial results and position of the Company. Due to its nature, the *pro forma* financial information may not fairly present the Company's financial position, changes in equity and results of operations or cash flows after the Transaction, and are based on the assumptions that:
 - for the purpose of calculating earnings per share and headline earnings per share, the Transaction was implemented on 1 December 2014; and
 - for the purpose of calculating net asset value per share and net tangible asset value per share, the Transaction was implemented on 31 May 2015.
- The *pro forma* financial information has been prepared using the most recent financial period of the Company for the unaudited six month period ended 31 May 2015 in terms of the Listings Requirements and guidelines issued by the South African Institute of Chartered Accountants.
- The accounting policies of Stellar Capital have been used in calculating the *pro forma* financial effects. The accounting policies used are consistent with previous accounting policies used by Stellar Capital and the accounting policies herein have been applied on the same basis.
- The directors of the Company are responsible for the preparation of the *pro forma* financial information contained in this Circular.
- The Independent Reporting Accountants' limited assurance report on the *pro forma* financial information is set out in **Annexure 2** to this Circular.

Accounting policy with respect to Investments in Associates:

In accordance with par 18 of IAS 28 "Investments in Associates and Joint Ventures", the Company does not account for its investment in associates in the consolidated financial statements using the equity method. Instead, the Company has elected to measure its investments in these entities at fair value through profit and loss.

The accounting policies of Stellar Capital have been used in calculating the *pro forma* financial effects. The accounting policies used are consistent with previous accounting policies used by Stellar Capital and the accounting policies have been applied on the same basis.

PRO FORMA STATEMENT OF COMPREHENSIVE INCOME OF STELLAR CAPITAL FOR THE SIX MONTHS ENDED 31 MAY 2015

The *pro forma* statement of comprehensive income set out below presents the *pro forma* financial effects of the unaudited results of Stellar Capital for the six months ended 31 May 2015 based on the assumption that the Transaction became effective on 1 December 2014.

	Six months ended 31 May 2015 Before^{1,2} Actual R'000	Transaction⁶ Pro forma R'000	After the Transaction Pro forma R'000
Continuing operations			
Fair value adjustments to investments	(15 919)	-	(15 919)
Interest income	8 753	-	8 753
Dividends received	9	-	9
Gross loss from investments	(7 157)	-	(7 157)
Other income	14 478	-	14 478
Finance costs	(140)	-	(140)
Net loss before operating expenses	7 181	-	7 181
Management fee	(4 537)	(4 673)	(9 210)
Operating expenses	(11 565)	(1 769)	(13 334)
Loss before taxation	(8 921)	(6 442)	(15 363)
Taxation	421	-	421
Loss from continuing operations	(8 500)	(6 442)	(14 942)
Discontinued operations			
Net loss for the period from discontinued operations	(8 747)	-	(8 747)
Other comprehensive income	-	-	-
Total comprehensive loss for the period	(17 247)	(6 442)	(23 689)
Loss attributable to:			
Equity holders of the parent	(17 247)	(6 442)	(23 689)
Non-controlling interests	-	-	-
	(17 247)	(6 442)	(23 689)
Loss from continuing operations attributable to:			
Equity holders of the parent	(8 500)	(6 442)	(14 942)
Non-controlling interests	-	-	-
	(8 500)	(6 495)	(14 942)
Loss from discontinued operations attributable to:			
Equity holders of the parent	(8 747)	-	(8 747)
Non-controlling interests	-	-	-
	(8 747)	-	(8 747)

	Six months ended 31 May 2015 Before^{1,2} Actual R'000	Transaction⁶ Pro forma R'000	After the Transaction Pro forma R'000
Continuing operations			
Reconciliation between basic and headline loss from continuing operations			
Basic loss attributable to equity holders of parent	(8 500)	(6 442)	(14 942)
Loss on disposal of subsidiary	1 048	-	1 048
Headline loss from continuing operations	(7 452)	(6 442)	(13 894)
Reconciliation between basic and headline loss from discontinued operations			
Basic loss attributable to equity holders of parent	(8 747)	-	(8 747)
Loss on disposal of property, plant and equipment	109	-	109
Loss on disposal of disposal group	4 847	-	4 847
Tax effect of adjustments	(31)	-	(31)
Headline loss from discontinued operations	(3 822)	-	(3 822)
Basic and diluted basic loss per ordinary share from continuing operations (cents)	(2.83)		(2.16)
Headline and diluted headline loss per ordinary share from continuing operations (cents)	(2.48)		(2.01)
Basic and diluted basic loss per ordinary share from discontinued operations (cents)	(2.91)		(1.27)
Headline and diluted headline loss per ordinary share from discontinued operations (cents)	(1.27)		(0.55)
Weighted and diluted weighted average number of shares	300 424 554	390 086 494	690 511 048

PRO FORMA STATEMENT OF FINANCIAL POSITION OF STELLAR CAPITAL AT 31 MAY 2015

The *pro forma* statement of financial position set out below presents the *pro forma* financial effects of Stellar Capital as at 31 May 2015 based on the assumption that the Transaction became effective on 31 May 2015.

	Six months ended 31 May 2015 Before ^{1,2} Actual R'000	Transaction ⁶ Pro forma R'000	After the Transaction Pro forma R'000
Continuing operations			
ASSETS			
Non-current assets			
Listed investments held at fair value	203 371	910 391	1 113 762
Unlisted investments held at fair value	100 119	-	100 119
Other financial assets	59 934	-	59 934
Deferred taxation	3 216	-	3 216
	366 640	910 391	1 277 031
Current assets			
Other financial assets	113 870	-	113 870
Trade and other receivables	46	-	46
Cash and Cash Equivalents	215 364	(130 218)	85 146
	329 280	(130 218)	199 062
Non-current assets held for sale	-	-	-
	329 280	(130 218)	199 062
TOTAL ASSETS	695 920	780 173	1 476 093
EQUITY AND LIABILITIES			
Total equity			
Shareholders' equity	705 469	780 173	1 485 642
Non-controlling interest	(14 221)	-	(14 221)
	691 248	780 173	1 471 421
Liabilities			
Non-current liabilities			
Other financial liabilities	-	-	-
Deferred taxation	-	-	-
Current liabilities			
Trade and other payables	4 672	-	4 672
	4 672	-	4 672
Non-current liabilities held for sale	-	-	-
Total Liabilities	4 672	-	4 672
TOTAL EQUITY AND LIABILITIES	695 920	780 173	1 476 093
Number of shares in issue	361 469 917	390 086 494	751 556 411
Treasury	(432 221)	-	(432 221)
Net shares	361 037 696	390 086 494	751 124 190
Net asset value per share (cents)	195.40		197.79
Tangible net asset value per share (cents)	194.51		197.36

Notes and assumptions:

1. The amounts set out in the "Before" column have been extracted from Annexure 1 of the circular to Stellar Capital shareholders dated 18 August 2015 which includes the pro forma financial effects effect of the Cadiz Acquisition and DigiCore Disposal (as defined in this Circular) based on the unaudited interim results of the Company for the six months ended 31 May 2015, as published on SENS on 31 July 2015.
2. Shareholders are advised that the "Before" column as presented above differs from the "After the DigiCore Disposal" column presented in the Company's circular as mentioned in point 1 above in the following immaterial respects:

Line item	Disclosure per this Circular	Disclosure per DigiCore Disposal circular	Difference (Rands)	Reason for Difference
Headline loss from continuing operations	(7 452)	(8 500)	1048	Inadvertent omission of a loss on the disposal of subsidiary in the amount of R1.05 million from the calculation of headline loss from continuing operations in the DigiCore Disposal circular
Headline loss from discontinued operations	(3 822)	(3 791)	(31)	Inadvertent omission of the tax effects of adjustments to the reconciliation between basic and headline loss from discontinued operations in the amount of R0.03 million from the calculation of headline loss from discontinued operations in the DigiCore Disposal circular
Headline and diluted headline loss per ordinary share from continuing operations (cents)	(2.48)	(2.83)	0.35	Inadvertent omission of a loss on the disposal of subsidiary in the amount of R1.05 million from the calculation of headline loss from continuing operations in the DigiCore Disposal circular.
Headline and diluted headline loss per ordinary share from discontinued operations (cents)	(1.27)	(1.26)	(0.01)	Inadvertent omission of the tax effects of adjustments to the reconciliation between basic and headline loss from discontinued operations in the amount of R0.03 million from the calculation of headline loss from discontinued operations in the DigiCore Disposal circular.

The differences above have been assessed to be immaterial by management and as a result, no amendment was required to the DigiCore Disposal circular.

3. It has been assumed that the Transaction was implemented on 31 May 2015 for purposes of compiling the statement of financial position and on 1 December 2014 for purposes of compiling the statement of comprehensive income.
4. Tax consequences in relation to the Transaction have been taken into account in the statement of comprehensive income.
5. All adjustments, other than Transaction costs described below, will have a continuing effect in the statement of comprehensive income. This is a direct result of the fact that the management fee expense is determined with reference to the net asset value of Stellar Capital in accordance with paragraph 3 of Appendix 2 of this Circular. As a result of this any change in the net asset value will have an impact on the management fee expense.

The Transaction

6. The acquisition of 175,365,614 shares in Torre by way of the issue of 390,086,494 Stellar Capital shares at R2.00 per share and payment of approximately R130.2 million in cash, such that Stellar Capital will hold 34.62% of the issued ordinary shares in Torre. The investment in Torre has been accounted for at fair value of approximately R910.39 million (representing an average price of R5.19 per Torre share) in terms of IAS 39 par 14. The fair value of the Torre shares acquired has been determined by using the income approach supplemented by using the market approach as a reasonability check. The income approach fair value represents the value of Torre on a marketable non-controlling basis as at 30 June 2015, after adding the working capital excess and non-operating assets, and deducting non-operating liabilities and interest bearing obligations. The Transaction will be for a marketable, non-controlling stake. In determining the income approach fair value of Torre, a weighted average cost of capital range of between 12.8% and 13.4% was used, giving an indicative valuation range between R4.49 and R5.33 per Torre share. The market approach, which utilises the sustainable earnings of Torre and calculated market multiples of Torre comparables yielded a valuation range of between R4.81 and R5.39 per Torre share. Management is of the opinion that the valuation of R5.20 per Torre share reflects fair value based on the aforementioned considerations. The impact of the Transaction on the statement of financial position will be the recognition of an investment in Torre valued at R910.39 million, the payment of R130.2 million of cash in part settlement of the purchase consideration and the issue of 390,086,494 Stellar Capital shares at R2.00 per share resulting in an increase to share capital of R780.17 million. The impact of the Transaction on the statement of comprehensive income will be the recognition of transaction costs of R1.77 million as noted in paragraph 6 of this Circular and the recognition of management fees in the amount of R4.67 million resulting from the increase in net asset value of R780.17 million as calculated in terms of paragraph 3 of Appendix 2 of this Circular. The gross impact of the aforementioned on the statement of comprehensive income is the recognition of a R6.44 million loss from continuing operations, which loss is fully attributable to equity holders of the parent.

INDEPENDENT REPORTING ACCOUNTANTS' LIMITED ASSURANCE REPORT ON THE *PRO FORMA* FINANCIAL EFFECTS OF THE TRANSACTIONS

1 September 2015

The Board of Directors
Stellar Capital Partners Limited
Office 202, Cape Quarter, The Square 27
Somerset Road
Green Point
8001

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF THE PRO FORMA FINANCIAL INFORMATION OF CONVERGENET HOLDINGS LIMITED ("STELLAR CAPITAL" OR "THE COMPANY")

We have completed our assurance engagement to report on the compilation of the pro forma financial information of Stellar Capital Partners Limited by the directors. The pro forma financial information, as set out in paragraph 5 and Annexure 1 of the circular to Stellar Capital shareholders to be issued on or about 1 September 2015 ("the circular"), consists of the pro forma statement of financial position, the pro forma statement of comprehensive income and related notes. The pro forma financial information has been compiled on the basis of the applicable criteria specified in the JSE Limited ("JSE") Listings Requirements.

The pro forma financial information has been compiled by the directors to illustrate the impact of the Transaction (also taking into account the Digicore Disposal and the Cadiz Acquisition) as described in the circular, on the company's financial position as at 31 May 2015, and the company's financial performance for the period then ended, as if the transaction had taken place at 31 May 2015 for purposes of the pro forma statement of financial position and at 01 December 2014 for the purposes of the pro forma statement of comprehensive income. As part of this process, information about the company's financial position and financial performance has been extracted by the directors from the company's published interim financial information for the 6 months ended 31 May 2015.

Responsibilities

Directors' Responsibility for the Pro Forma Financial Information

The directors are responsible for compiling the pro forma financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in paragraph 11 and Annexure 1 of the circular.

Reporting Accountants' Responsibility

Our responsibility is to express an opinion about whether the pro forma financial information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listings Requirements based on our procedures performed. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Circular* which is applicable to an engagement of this nature. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the pro forma financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

As the purpose of pro forma financial information included in a circular is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the pro forma financial information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgment, having regard to our understanding of the nature of the company, the corporate action or event in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the pro forma financial information. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in paragraph 11 and Annexure 1 of the circular.

Consent

This report on the pro forma financial information is included solely for the information of the Stellar Capital shareholders. We consent to the inclusion of our report on the pro forma financial information, and the references thereto, in the form and context in which they appear in the circular.

Yours faithfully

**Grant Thornton Cape
Chartered Accountants (S.A.)
Registered Auditors
Registration number 2010/016204/21**

**Per: I. Hashim
Chartered Accountant (S.A.)
Registered Auditor**

**Cape Town
31 July 2015**

DETAILS OF PREVIOUS VENDORS

1 Vendors of material assets

- 1.1 The following tables detail the disclosure requirements relating to the vendors of material assets to Stellar Capital and its subsidiaries during the three years preceding the publication of this Circular:

ConvergeNet Transactions

1. Asset	Chrystalpine, being the 100% holding company of Andrews Kit Proprietary Limited (trading as Contract Kitting)
Full name of vendors	Noel Andrews and John Andrews
Address	3/5 Monza Close, Kyalami Business Park, (PO Box 6285, Halfway House, 1685)
Amount paid and date of acquisition	On 12 March 2013, shareholders approved the acquisition of an additional 26% interest in Chrystalpine (an existing subsidiary of the Company), increasing its shareholding in Chrystalpine to 100%, for an acquisition price of R20 million which was settled in cash. There was no liability for accrued taxation, or any apportionment thereof, to the date of this acquisition.
Name of promoter or director with a beneficial interest in the transaction	By virtue of the fact that the vendors (Noel Andrews and John Andrews) were directors on the ChrystalPine and Contract Kitting board of directors, this acquisition was deemed a related party transaction in terms of the Listings Requirements.
Transfer of assets	The Contract Kitting Disposal requires the approval of shareholders in order for ConvergeNet's interest in Contract Kitting to transfer to Tellumat. The existing shareholding of 100% of Contract Kitting by ConvergeNet was transferred to ConvergeNet.
Assets ceded or pledged	None
2. Asset	Sizwe Africa IT Group Proprietary Limited
Full name of vendor	Yellow Star Group Proprietary Limited
Address	Sizwe House, 35 Waterloo Avenue, Samrand, Kosmosdal (P.O. Box 5687, The Reeds, 0158)

Amount paid and date of acquisition	<p>On 12 March 2013, shareholders approved the acquisition of an additional 25% interest in Sizwe (an existing subsidiary of the Company), increasing its shareholding in Sizwe to 100%, for an acquisition price of R45 million which was settled as follows:</p> <ul style="list-style-type: none"> • R13 million was settled in cash; and • R32 million was settled by the issue and allotment of 100 000 000 shares at an issue price of R0.32 per share. <p>There was no liability for accrued taxation, or any apportionment thereof, to the date of this acquisition.</p>
Name of promoter or director with a beneficial interest in the transaction	<p>In terms of the Listings Requirements, the vendor was a material shareholder of ConvergeNet with 27.6% of the issued share capital of the Company at the time. In addition, Hanno van Dyk and Tim Modise, executive directors of ConvergeNet at the time, were also directors of Sizwe and Yellow Star as well as shareholders in Yellow Star. Charles Pettit, a non-executive director of ConvergeNet, was also a non-executive director of Yellow Star at the time. Accordingly these directors and their associates were precluded from voting on the resolutions pertaining to this acquisition to the extent that they held shares in ConvergeNet.</p>
Transfer of assets	<p>The existing shareholding of 100% of Contract Kitting by ConvergeNet was transferred to ConvergeNet.</p>
Assets ceded or pledged	<p>None of the assets held in Sizwe were ceded or pledged, save for</p> <ul style="list-style-type: none"> (i) the pledge of the Sizwe Sale Shares and claims and book debts as security for the Sizwe Loan, as detailed in paragraph 3.3.4 of the circular dated 20 September 2013; (ii) the encumbrance of land and buildings as security for mortgage bonds; and (iii) the encumbrance of motor vehicles and certain IT equipment as security for finance leases.

Notes:

1. Stellar Capital no longer holds Chrystalpine nor Sizwe Africa IT Group (Pty) Limited.
2. There were no promoter fees earned in respect of the above transactions.
3. There are no restraints placed on any of the vendors in respect of the above transactions.
4. Warranties on the above transactions were normal for the transactions of that nature.
5. The transactions contained no restraints.
6. No goodwill was paid for the transactions.

CURRICULA VITAE OF THE DIRECTORS OF STELLAR CAPITAL

Dumisani Dumekhaya Tabata (BProc, LLB)

Non-executive Chairman

Dumisani is an admitted attorney and director and founding partner and director of Smith Tabata Inc. in King William's Town. In 1996, he was an Acting Judge of the High Court and served in this position for 3 terms. In April 1999 he was appointed by the Premier of the Eastern Cape as one of the Joint Liquidators of the Transkei Agricultural Corporation (TRACOR). After the advent of democracy, Dumisani regularly acted as attorney for Government Departments, local authorities and parastatals.

Dumisani has served as Deputy Chairman of Absa Bank's regional board (Eastern Cape), and was a member of its Advisory Board. He is a member of Absa Bank's Divisional Board and chairman of Afrifresh, Budget Van and Truck Rentals (Eastern Cape) and Budget Office Furniture. He is also a director of Tabata Buchanan Boyes (STBB), Cape Town and Johannesburg.

Peter John van Zyl (BCom)

Chief Executive Officer

Peter has wide-ranging operational experience in financial management and Financial Director roles and has entrepreneurial experience, with a particular focus on the Information and Communication Technology industry. From 2004 to 2009 he was Commercial Director of Sekunjalo Investments Limited, where he managed a wide range of transactions, including the Sekunjalo Health Care rights issue, the acquisition of a BEE stake in British Telecom and Marine Growers from Transnet, as well as the restructuring of Sekunjalo Financial Services.

In 2009, Peter left Sekunjalo to join up with Charles Petit at Stellar Advisers (previously Afrasia Corporate Finance) to focus on the provision of independent advisory services to clients in the SADC region. Stellar Advisers now provides a range of advisory, structuring and lending solutions to corporate and financial institutions clients across SADC from its offices in Johannesburg, Cape Town and Mauritius. Peter also established the AfrAsia Special Opportunities Fund and acted as the fund manager until 30 June 2013. Peter remains a member of the credit committee on the fund.

In 2012/2013, Peter established the Thunder Investment Group which focuses on international private equity investments in ICT, financial services and property.

Peter also holds a number of other non-executive positions and is currently the Chairman of Torre and the CEO of Stellar Capital.

Charl Benjamin de Villiers (BAcc/LLB)(CA)

Chief Financial Officer

Charl is a qualified Chartered Accountant (SA). He holds B.Acc LLB (cum laude) and B.Acc (Hons) degrees from the University of Stellenbosch. He completed his SAICA training with Deloitte in its financial services division and was later retained as an audit manager in the same division where he serviced a portfolio of asset managers and one of South Africa's most prominent reinsurers. In May 2013, Charl joined Stellar Advisers (previously AfrAsia Corporate Finance) where he advised ConvergeNet Holdings Limited on the sale of Sizwe Africa IT Group and other operating subsidiaries as well as the subsequent conversion of the Company to an investment entity.

Charles Edward Pettit (BCom (Hons), CFA)

Non-executive Director

Charles graduated from the University of Cape Town with a First Class Honours degree in Finance and subsequently qualified as a CFA charter holder while working in London for Close Brothers Corporate Finance. At Close Brothers Charles worked on a wide range of M&A and Restructuring transactions and following his return to South Africa in 2008 he established Stellar Advisers (previously AfrAsia Corporate Finance) to focus on the provision of independent advisory services to clients in the SADC region. Stellar Advisers now provides a range of advisory, structuring and lending solutions to corporate and institutional clients across SADC from its offices in Johannesburg, Cape Town and Mauritius.

Charles advised on the balance sheet restructuring of formerly-known SA French Limited from 2010 and led the 2011 rights issue for that company as well as its delisting and sale to Torre in November 2013. He was appointed as the Chief Executive Officer of Torre in August 2012 and now serves in this position on a permanent basis.

Lerato Mangope (BA Economics)**Independent Non-executive Director**

Lerato holds a Bachelor of Arts in Economics degree from Vista University and is in the final stages of completing her MBA. In addition, she has a PDM from the University of Natal as well as a Diploma in Investments Liability Management from the University of Johannesburg (formerly RAU). She is currently the head of the Asset and Liability Management and Corporate Funding (ALMU) division of the Industrial Development Corporation of South Africa Limited (“IDC”). In her present position, she deals with the planning and implementation of the borrowing plan for the IDC on an annual basis, manages the cost of debt as well as the tender procurement process relating to the funding of the IDC and covenants.

Previously, Lerato was a Senior Risk Manager with the IDC for eighteen months where she proactively promoted risk awareness whilst monitoring and overseeing the management of key risks facing the IDC on the basis of Enterprise-Wide Risk Management. She also worked as a Risk Manager for Transnet for seven years where she dealt with the analysis of the Transnet portfolio, the management and reporting of liquidity reports to the Strategic Committee, as well as reviewing the Transnet financial instrument policies.

Janine de Bruyn (BCom (Hons), BCompt)**Independent Non-executive Director**

Janine completed a BCom (Hons) degree in financial analysis and portfolio management at the University of Cape Town and obtained a BCompt degree through UNISA, while completing her articles at PriceWaterhouseCoopers. Janine has consulted to various black empowerment groups and financial services companies over the last ten years, specialising in the analysis of private equity opportunities, valuations, corporate finance advice, corporate actions, socially responsible focused private equity as well as financial management. Janine gained invaluable experience in empowerment, development finance and private equity at Sanlam Investment Management and Futuregrowth Asset Management and has held a number of directorships. She is a member of the Institute of Directors of Southern Africa.

Caroline Clare Wiese (LLB, BA (Journalism))**Independent Non-executive Director**

Clare holds an LLB degree from the University of Cape Town and a BA degree in Journalism from the University of Westminster. After having worked as a magazine journalist at House & Leisure (Associated Magazines), she completed her postgraduate law degree after which she worked at Bowman Gilfillan as a litigation attorney for three years, before founding Sloane & Madison, a company which specialises in the manufacturing of Fine Jewellery.

Christina Helmien Wiese (BA(Value & Policy Studies), Masters (Management))**Independent Non-executive Director**

Christina graduated from the University of Stellenbosch with a BA degree in Value and Policy Studies, after which she did volunteer work at the Red Cross War Memorial Children’s Hospital in Cape Town. She also attended a global leadership program at the Iacocca Institute at Lehigh University in the USA. She subsequently completed her Masters degree in Management at the London School of Economics during which time she also completed an internship program at Credit Suisse in London. She has worked in the micro-finance industry and currently consults for an online retailer in South Africa.

PREVIOUS ISSUES OF STELLAR CAPITAL SHARES

Details of shares issued by Stellar Capital in the three years preceding the Last Practicable Date are set out below:-

	No. of shares issued	Par value	Date	Issue Price
Authorised Share Capital	100 000 000*	No par value		
<i>*post the consolidation of shares as detailed in paragraph 17.3 of the Circular</i>				
Issued share capital				
31 August 2012	887 878 185	0.1 cent		
Shares repurchased in terms of disposal of interest in Future Cell, as detailed in circular dated 17 October 2012	(71 478 594)	0.1 cent	26/11/2012	29.65 cents
Treasury shares sold by subsidiary	4 000 000	0.1 cent	18/12/2012	20 cents
Shares vested in terms of the forfeitable share plan	3 000 000	0.1 cent	01/03/2013	34 cents
Treasury shares sold by subsidiary	27 777 778	No par value	14/03/2013	18 cents
Shares and treasury shares issued in terms of acquisition of Sizwe	100 000 000	No par value	01/05/2013	32 cents
Treasury shares sold by subsidiary	9 600 000	No par value	04/07/2013	13 cents
31 August 2013	960 777 369	No par value		
Shares vested in terms of forfeitable shares plan	4 420 000	No par value	01/09/2013	10 cents
General issue of shares for cash	38 529 895	No par value	04/11/2013	8.87 cents
Odd-lot and specific offer	(34 447)	No par value	06/12/2013	12 cents
Share consolidation	(903 323 536)	No par value	23/12/2013	
31 August 2014		100 369 281	No par value	
31 January 2015		100 946 502	No par value	
Shares issued in terms of a private placement	75 000 000	No par value	23/01/2015	R2.00
Shares issued in lieu of ManCo Fees	2 525 000	No par value	23/01/2015	R2.00
Shares issued in terms of the acquisition of Digidore	59 615 963	No par value	30/01/2015	R2.00
Shares issued in terms of the acquisition of MRI	12 636 332	No par value	30/01/2015	R2.00
Shares issued in terms of the acquisition of GGM	21 220 820	No par value	30/01/2015	R2.00
Shares issued in terms of the acquisition of GGM	10 841 311	No par value	12/02/2015	R2.00
Total Issued Share Capital	282 785 928			

SHARE PRICE HISTORY OF STELLAR CAPITAL

The share price history of the Company's shares traded on the JSE for the past three years up until the Last Practicable Date are given below:

The table details the highest, lowest and closing prices and aggregate volumes traded in Stellar Capital shares for:

- each day over the 30 days preceding the Last Practicable Date; and
- each month over the 12 months prior to the date of issue of this Circular

Date	High (cents)	Low (cents)	Close (cents)	Volume Traded	Value Traded (R)
Daily					
25 June 2015	215	209	215	133 806	281 299
26 June 2015	216	211	211	282 456	607 380
29 June 2015	209	203	203	93 120	192 282
30 June 2015	209	205	207	142 153	294 346
1 July 2015	210	206	208	240 053	500 250
2 July 2015	210	203	205	129 592	267 178
3 July 2015	207	180	203	281 218	543 005
6 July 2015	208	195	200	85 952	170 924
7 July 2015	210	200	200	3 691 987	7 496 310
8 July 2015	215	202	215	10 843 472	21 743 904
9 July 2015	275	219	260	937 189	23 931 119
10 July 2015	268	246	250	741 729	1 894 040
13 July 2015	269	245	245	322 143	819 767
14 July 2015	259	249	249	308 948	776 298
15 July 2015	250	230	235	1 461 063	3 024 836
16 July 2015	245	232	240	194 677	464 006
17 July 2015	249	240	245	206 393	503 678
20 July 2015	260	245	254	1 174 581	2 982 308
21 July 2015	276	260	275	1 042 858	2 808 740
22 July 2015	278	272	272	744 902	2 048 012
23 July 2015	276	272	272	611 663	1 676 971
24 July 2015	275	269	270	373 900	1 018 528
27 July 2015	273	260	260	453 738	1 214 044
28 July 2015	272	265	268	702 150	1 893 519
29 July 2015	272	261	269	534 016	1 427 928
30 July 2015	270	264	267	240 451	639 258
31 July 2015	270	261	267	318 754	852 308
3 August 2015	270	268	270	151 037	407 085
4 August 2015	270	268	270	1 210 083	3 265 333
5 August 2015	275	267	272	2 051 727	5 544 626
6 August 2015	290	280	289	186 487	535 265
7 August 2015	335	290	317	791 105	2 497 869
11 August	397	320	341	1 439 475	5 062 367
12 August	345	320	330	1 917 930	6 369 774
13 August	335	328	330	522 717	1 727 166
14 August	330	316	325	440 171	1 430 111
17 August	330	320	325	263 904	859 816
18 August	330	321	329	303 339	992 738
19 August	330	320	325	248 793	810 430
20 August	323	299	307	488 917	1 501 999
21 August	310	286	310	811 879	2 380 933

Date	High (cents)	Low (cents)	Close (cents)	Volume Traded	Value Traded (R)
July 2014	119	83	119	670 646	635 109
August 2014	165	119	165	6 746 950	8 305 733
September 2014	275	146	237	19 180 500	38 893 679
October 2014	250	201	235	8 118 978	16 850 683
November 2014	245	207	240	1 494 512	3 420 493
December 2014	250	206	221	9 988 800	20 277 914
January 2015	226	171	198	1 819 301	3 688 064
February 2015	224	186	215	7 593 990	15 674 045
March 2015	218	186	197	7 300 031	14 710 770
April 2015	206	169	184	3 907 781	7 275 825
May 2015	204	165	200	10 105 901	18 878 913
June 2015	218	190	207	5 572 360	11 543 291
July 2015	278	180	267	25 641 429	57 158 932

Source: JSE

MATERIAL CONTRACTS AND TRANSACTIONS OF TORRE

Torre and its subsidiaries have entered into the following material contracts and transactions, which are outside of the ordinary course of business, during the two years preceding this Circular:

1. Acquisition of Power Parts

Torre entered into an agreement to acquire 51% of the issued shares in and claims against Power Parts (Pty) Ltd (“**Power Parts**”) which acquisition became effective on or about 1 March 2014. Subsequently, Torre acquired an additional 29% of Power Parts from a director who exited the business.

2. Internal restructure

The Torre Group underwent an internal restructure whereby it established a South African based holding company for the businesses within the Group that operate out of South Africa and the common monetary area, namely Torre Holdings (Pty) Ltd (which is wholly-owned by Torre South Africa Holdings (Pty) Ltd), as well as a Mauritian based holding company for the businesses that operate outside of South Africa and the common monetary area, namely Torre International Ltd.

3. Acquisition of the Kanu Group

In February 2014 Torre agreed to acquire 85% of the issued ordinary share capital of Kanu Equipment Limited, Kanu SA, Kanu Ltd and Kanu Congo (a wholly owned subsidiary of Kanu SA) (“**Kanu Group**”) from a consortium of shareholders (the “**Kanu Acquisition**”) for a maximum total consideration of EUR 5,500,000.

The Kanu Acquisition was categorised as a category 2 transaction in terms of the Listings Requirements.

4. Control Instruments Restructure

Prior to Torre acquiring the Control Instruments Group (“**CI Group**”), the CI Group implemented a process of repositioning and restructuring to focus primarily on the automotive aftermarket and to service the South African and the Sub-Saharan markets. In the course of restructuring its operations, it disposed of (i) 100% of Pi Shurlok (Pty) Ltd (“**Pi Shurlok**”) to PFK Electronics (Pty) Ltd (“**PFK**”) with effect from 07 November 2011 (ii) its Pi Shurlok offshore operations, comprising Pi Shurlok Limited in the UK and Pi Shurlok LLC in the USA, (iii) the Ariston and Specialised Plastics Engineering divisions of Pi Shurlok to Smiths Plastics (Pty) Ltd and (iv) its fleet management businesses to TeliMatrix Limited.

CI Automotive and Control Instruments Corporate Services (Pty) Ltd (“**CICS**”) entered into an agreement of sale of business, wherein Control Instruments Automotive purchased the management and administration services business of CICS as a going concern with effect from 15 May 2012.

5. Acquisition of the Control Instruments Group

With effect from 12 December 2013, Torre acquired 34.26% of the Control Instruments Group for a purchase consideration of R65 259 520. With effect from May 2014, Torre acquired the remaining shares in the Control Instruments Group to own 100% of the company for a purchase consideration of R128 465 771. This acquisition was done by way of a scheme of arrangement (the vendors were all the Control Instruments shareholders other than Torre) and the purchase consideration was settled in cash. The details of the acquisition were contained in a circular to Torre shareholders dated 6 March 2014.

Per a purchase price allocation assessment, the goodwill paid for the acquisition totalled R73 000 000.

6. Private placement – June 2014

Torre entered into subscription agreements with selected investors to issue 136 363 636 new Torre shares at an issue price of R2.20 per share raising R300 000 000. The additional capital, combined with new debt facilities that were raised by the Group, was used to fund organic expansion plans, the Control Instruments acquisition and the acquisitions of Kanu and Power Parts.

7. Acquisition of Manhand

With effect from 1 April 2014, Torre acquired 100% of Manhand SA (Pty) Ltd for a maximum consideration of R25 920 000 settled through a combination of cash and Torre shares. The acquisition was a category 2 transaction in terms of the Listing Requirements.

8. Adoption of a share appreciation and bonus shares plan

On 30 September 2014, Torre shareholders approved the adoption of a share appreciation rights and bonus share plan, the terms of which were detailed in a circular to Torre shareholders dated 1 September 2014.

9. Acquisition of Minosucra

With effect from 1 October 2014, Torre acquired 100% of Minosucra SARL which acquisition fell below the categorization thresholds of the Listing Requirements.

10. Transfer from the Alternative Exchange to the Main Board

On 15 October 2014 Torre transferred from the Alternative Exchange of the JSE lists on to the Main Board. Torre is listed under the "Industrial Goods and Services – Industrial Suppliers" sector of the Main Board.

11. Acquisition of Elephant Lifting

With effect from 1 January 2015, Torre acquired 100% of Elephant Lifting for a purchase consideration of R180 000 000 settled through a combination of upfront and deferred payments in both cash and shares. This acquisition was a category 2 transaction in terms of the Listing Requirements.

Per a purchase price allocation assessment, the goodwill paid for the acquisition totalled R113 000 000.

12. Acquisition of Set Point Group

With effect from 4 May 2015, Torre acquired 100% of Set Point Group through a scheme of arrangement for a purchase consideration of R370 000 000 with a maximum upward adjustment to the price up to a total of R444 000 000 dependent on both Torre and Set Point achieving certain financial targets as set out in a detailed circular to Torre shareholders dated 1 April 2015 and in the combined scheme circular to Set Point shareholders dated 1 April 2015.

Per a purchase price allocation assessment, the goodwill paid for the acquisition totalled R139 000 000.

13. Private Placement

On 30 April 2015, Torre shareholders approved the issuing of 82 013 329 new Torre shares at R4.25 per share to Safika Holdings (Pty) Ltd and Mineworkers Investment Company (Pty) Ltd raising a total of R348 556 650. Details of the private placement were set out in a circular to Torre shareholders dated 1 April 2015.

In addition, to Stellar Capital's best knowledge, save for the contracts contained in this Annexure:

- Torre has not entered into any contracts which contain an obligation for settlement that is material to the Torre Group at the date of the Circular;
- Torre is not subject to any third party management contracts;
- The assets in respect of the above-mentioned acquisitions have all been transferred to Torre. The assets in respect of the Transaction will be transferred on fulfilment of the conditions precedent as set out in the Circular;
- No restraint payments or technical fees are payable by the Torre Group; and
- Torre has not entered into any promoters' agreements during the three years preceding the date of the Circular.



Stellar Capital Partners Limited
(Previously ConvergeNet Holdings Limited)
(Incorporated in the Republic of South Africa)
(Registration number 1998/015580/06)
("Stellar Capital" or the "Company")
Share code: SCP
ISIN: ZAE000198586

REVISED LISTING PARTICULARS

The definitions and interpretations commencing on page 4 of the Circular apply mutatis mutandis to this cover page. In addition, the corporate information on the inside cover of the Circular also applies to these Revised Listing Particulars.

These Revised Listing Particulars are not an invitation to the public to subscribe for the Company's shares but is issued, in compliance with the Listings Requirements, for the purpose of providing information to the public with regard to the Company.

These Revised Listing Particulars have been prepared on the assumption that the special and ordinary resolutions proposed in the notice of General Meeting forming part of the Circular to which these Revised Listing Particulars are attached will be passed at the General Meeting of shareholders to be held at Level P3, Oxford Corner, cnr Jellicoe and Oxford Roads, Rosebank, Johannesburg at 10:00 on Wednesday, 21 October 2015, and registered as applicable.

Prior to the Transaction, the stated capital of Stellar Capital is R519 480 000, comprising of 282 785 928 ordinary shares of no par value. Following the Transaction, Cadiz Acquisition and Digicore Disposal, the authorised share capital of Stellar Capital is 1 000 000 000 ordinary shares of no par value and, the issued stated capital of Stellar Capital will be R1 485 642 comprising 751 516 411 (excluding treasury shares) ordinary no par value shares. The ordinary certificated or dematerialised shares issued in terms of the Transaction will rank *pari passu* with all other ordinary shares issued by Stellar Capital. The aforementioned share issue, which is not an offer to the public, will be effected at an issue price of R2.00 per share. There are 40 000 treasury shares in issue at the Last Practicable Date.

The Stellar Capital directors, whose names are given on the inside cover of the Circular, accept collectively and individually full responsibility for the accuracy of the information given in these Revised Listing Particulars and certify that, to the best of their knowledge and belief, no facts have been omitted which would make any statement false or misleading, and that they have made all reasonable enquiries to ascertain such facts and that these Revised Listing Particulars contain all information required by the Listings Requirements.

**Corporate Finance Adviser
and Transaction Sponsor**



**Independent Reporting
Accountants and Auditors**



**Independent Sponsor
to Stellar Capital**



These Revised Listing Particulars are only available in English. A copy hereof may be obtained from the registered offices of Stellar Capital, the address of which appears in the section "Corporate Information and Advisers" on the inside front cover of the Circular, from Wednesday, Friday, 4 September 2015 until Friday, 16 October 2015. These Revised Listing Particulars are also available on the Company's website (www.stellarcapitalpartners.co.za).

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

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1 INCORPORATION, HISTORY AND PROSPECTS

- 1.1 Stellar Capital (previously ConvergeNet Holdings Limited) was established in 2005 to address the growing need for convergence solutions in the ICT industry. The Company identified the need for these solutions in emerging markets, specifically relating to multi-disciplinary products, solutions and services. In February 2007, the Company reverse listed into a cash shell, Vestor Investments Limited, which was listed on the JSE. Several strategic acquisitions were concluded which were reversed into the enlarged listed company. Details of these strategic acquisitions were included in a circular to shareholders dated 3 August 2007. The name of the Company was changed to ConvergeNet Holdings Limited to reflect the Company's focus on ICT infrastructure and the industry's driving force towards convergence.
 - 1.2 Details regarding the vendors of material assets to Stellar Capital during the three years preceding the publication of these Revised Listing Particulars are included in **Appendix 1**.
 - 1.3 On 8 September 2014 Stellar Capital announced that it had identified an opportunity to create an investment company which:-
 - 1.3.1 leveraged the Main Board listing of Stellar Capital;
 - 1.3.2 optimised the use of the Company's existing assets;
 - 1.3.3 harnessed the deal-making experience of the Board and the Company's corporate advisers in a cost-effective manner;
 - 1.3.4 facilitated the introduction of strong new shareholders; and
 - 1.3.5 established a platform to facilitate further capital raising and the growth of the initial investment portfolio.
 - 1.4 To this end, the JSE approved Stellar Capital's application for the transfer of the Company's listing from the "Computer Services" sub-sector to the "Investment Companies" sub-sector of the JSE with effect from 29 June 2015. The Company appointed Stellar Advisers as the dedicated investment manager to manage the portfolio of the Company in accordance with Section 15 of the Listings Requirements. The Company is advised by Stellar Advisers (previously AfrAsia Corporate Finance) to ensure that the Company is adequately advised on the implementation of its strategy.
 - 1.5 **Investment strategy**
 - 1.5.1 The investment strategy of the Company, as included in the Company's investment charter and which was formally approved by the Board on 3 December 2014, entails the following:-
 - 1.5.1.1 to grow a portfolio of equity, debt and hybrid securities, unconstrained by any particular market or sector, in listed and unlisted businesses, that will generate above average returns on capital for the Company's shareholders;
 - 1.5.1.2 to apply a hands-on investment approach, in order to assist management teams and to provide strategic input, without assuming direct operational responsibility;
 - 1.5.1.3 to apply a flexible investment approach relating to the timing and duration of investments;
 - 1.5.1.4 to actively engage with investee companies in relation to their corporate activity and other strategic initiatives; and
 - 1.5.1.5 to leverage the existing network of ManCo to create a unique, well-diversified investment vehicle which will be an attractive proposition for institutional investors.
 - 1.6 Stellar Capital's stated strategy is to grow a portfolio of equity, debt and hybrid securities that will generate above average returns on capital for the Company's shareholders. In furtherance of this strategy, Stellar Capital intends to undertake acquisitions as and when opportunities that meet Stellar Capital's investment criteria are identified. Stellar Capital's long-term objectives with regard to its investment in Torre, like other investments, will be dependent on the performance of the investment.
 - 1.7 The implementation of the investment strategy referred in paragraph 1.5.1 above will be monitored by the Board, and any amendments thereto shall require approval by shareholders in general meeting.
-

1.8 In light of the transfer of the Company's listing from the "Computer Services" sub-sector to the "Investment Companies" sub-sector of the JSE, and in order to correctly describe the Group's restructured nature, the change of the Company's name to "Stellar Capital Partners Limited" was approved by shareholders at the General Meeting.

1.9 Prospects

1.9.1 The prospects for the Group are positive and the Board is optimistic about the future. Following the completion of the Transaction, the Stellar Capital Group will have a scalable balance sheet that will allow it to both secure additional capital and invest further into its investees as required.

1.9.2 The Board has considered all the information available to it in relation to Torre, and believe that it has significant growth potential. Accordingly, the Board is confident that significant value will be created for shareholders.

2 DIRECTORS AND SENIOR MANAGEMENT

2.1 Directors of Stellar Capital

2.1.1 The name, age, qualification, nationality, occupation and business address of each of the directors of Stellar Capital, as well as their interest in Company shares, have been included on page 19 of the attached Circular. Brief *curricula vita* of each of the Stellar Capital are included in **Annexure 4** to the attached Circular.

2.1.2 Details of the other directorships held by the directors of Stellar Capital during the previous five years are included in **Appendix 7**.

2.2 Directors' remuneration

Details of the remuneration of the Stellar Capital directors have been included in paragraph 15 of the Circular. The Transaction will not affect the directors' capacity or remuneration.

2.3 Further particulars regarding directors

2.3.1 None of the directors of Stellar Capital:

2.3.1.1 have been declared bankrupt, insolvent or have entered into any individual voluntary compromise arrangements;

2.3.1.2 have been directors with an executive function of any company put under, or proposed to be put under, any business rescue plans and/or where a resolution has been proposed by any entity to commence business rescue proceedings, or that is or was the subject of an application for any entity to begin business rescue proceedings, any notices in terms of section 129(7) of the Companies Act having been delivered, receiverships, compulsory liquidations, creditors voluntary liquidations, administrations, company voluntary arrangements or any compromise or arrangements with creditors generally or any class of creditors of any company, at the time of such event or within the 12 months preceding any such event;

2.3.1.3 have been partners in a partnership that was the subject of any compulsory liquidations, administrations or partnership voluntary arrangements of any partnership, at the time of such event or within the 12 months preceding any such event;

2.3.1.4 entered into any receiverships of any asset(s) or of a partnership where such director is or was a partner during the preceding 12 months;

2.3.1.5 have been publicly criticised by a statutory or regulatory authority, including recognised professional bodies, or been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company;

2.3.1.6 been involved in any offence of dishonesty;

2.3.1.7 been removed from an office of trust, on the grounds of misconduct, involving dishonesty; or

2.3.1.8 been the subject of any court order declaring him delinquent or placing him under probation in terms of section 162 of the Companies Act and/or section 47 of the Close Corporations Act, 1984 or been disqualified by a court to act as a director in terms of section 69 of the Companies Act.

3 ASSETS, LIABILITIES AND OTHER FINANCIAL INFORMATION

3.1 Historical financial information

In accordance with section 11.61 and 11.62 of the Listings Requirements, the 3 year historical information of Stellar Capital is incorporated into these Revised Listing Particulars by reference and are available on the websites as detailed in paragraph 8 of the Circular and are also available for inspection at the registered office of the Stellar Capital and its sponsor by shareholders and/or prospective investors at no charge, during normal office hours from Friday, 4 September 2015 until Friday, 16 October 2015.

3.2 Pro forma financial information

Details of the *pro forma* financial information for the Company in relation to the Transaction is set out in paragraph 5 of and **Annexure 1** to the attached Circular.

3.3 Material borrowings

The Stellar Capital Group does not have any material borrowings. There is no loan capital outstanding.

3.4 Material commitments, lease payments and contingent liabilities

The Stellar Capital Group has no material commitments or contingent liabilities.

3.5 Loans receivable

Details of loans receivable as at the Last Practicable Date are set out in **Appendix 3** to these Revised Listings Particulars.

3.6 Subsidiary companies and inter-company loans

Stellar Capital does not have any material inter-company financial or other transactions or any intercompany balances before elimination on consolidation.

3.7 Property acquired or disposed of

Save for as disclosed in **Appendix 1** to these Revised Listing Particulars, there have been no material acquisitions or disposals of businesses, companies and properties or proposed acquisitions or disposals of businesses, companies and properties by the Company during the three years preceding the date of issue of these Revised Listing Particulars.

3.8 Share Price History

The share price history of Stellar Capital's shares traded on the JSE is summarised in **Annexure 6** to the attached Circular.

3.9 Principal Leasehold Properties

As at the Last Practicable Date the Stellar Capital Group has no leasehold properties.

4 SHARE CAPITAL

4.1 Share capital

Details of the share capital of Stellar Capital post the implementation of the Transaction has been included in paragraph 17 of the attached Circular (having also taken the effects of the Cadiz Acquisition and Digicore Disposal into account).

4.2 Conversion rights, voting rights, rights to distributions and variation of rights

4.2.1 Details of conversion rights, voting rights, rights to distributions and variation of rights are set out in paragraph 17.2 of the attached Circular.

4.2.2 Extracts from the Memorandum of Incorporation relating to the voting rights attached to the shares are set out in **Appendix 4** to these Revised Listing Particulars.

4.3 Subdivision or consolidation of Stellar Capital shares

Save for the Share Consolidation, as approved by shareholders in general meeting on 22 October 2013, no consolidations or sub-divisions have occurred in respect of Stellar Capital shares.

4.4 Options or preferential rights in respect of Stellar Capital shares

There is no contract or arrangement, either actual or proposed, whereby any option or preferential right of any kind has been or will be given to any person to subscribe for any securities of Stellar Capital.

4.5 Issues and repurchases of shares

Details of the repurchase of shares by Stellar Capital in the three years preceding the Last Practicable Date are set out in **Annexure 5** to the attached Circular.

5 MAJOR BENEFICIAL SHAREHOLDERS

5.1 Insofar as is known to Stellar Capital, the major shareholders who will beneficially hold 5% or more (directly or indirectly) of the issued Stellar Capital shares pursuant to the Transaction (and taking into account the Cadiz Acquisition and the Digicore Disposal) is as follows:

Shareholder	Number of shares held	% of issued share capital of Stellar Capital
Asgard Capital Assets Limited	141 151 848	18.78%
SJP Capital Limited	107 900 000	14.36%
ManCo	75 155 641	10.00%
Investec Asset Management	65 781 035	8.75%
Titan Nominees Proprietary Limited	39 258 132	5.22%
TOTAL	429 246 656	57.11%

5.2 The information included in this paragraph 5 is based on the share register of the Company as per Strate and Computershare as at 17 July 2015, due to the share register closing on the last Friday of each month in line with Strate's policies.

5.3 Insofar as it is known to the directors of Stellar Capital, there is no controlling shareholder of Stellar Capital as defined in the Listings Requirements, nor has there been a change in control of Stellar Capital since its incorporation up to the Last Practicable Date, save for as detailed in **Appendix 5** hereto.

6 GOVERNMENT PROTECTION AND INVESTMENT ENCOURAGEMENT LAW

There is no government protection or investment encouragement law in respect of the operations of the Company.

7 ROYALTIES

There are no royalties or items of a similar nature payable to or receivable by Stellar Capital.

8 DIVIDENDS

A future dividend policy for Stellar Capital, as an investment entity, will be set by the Board from time to time. However, it is not anticipated that dividends to ordinary shareholders will commence in the short term.

9 CODE OF CORPORATE PRACTICE AND CONDUCT

The Board endorses and has adopted and applied the Code of Corporate Practices and Conduct as set out in the King III Report. In supporting the Code, the directors of Stellar Capital are committed to conducting the business affairs of Stellar Capital with the utmost good faith, highest level of ethics and in accordance with generally acceptable practices within the constraints of industry norms, thus ensuring timely, relevant and meaningful reporting to Stellar Capital shareholders and other stakeholders. Further details regarding Corporate Governance are set out in **Appendix 6** of the attached Circular.

10 LISTING ON OTHER STOCK EXCHANGES

As at the date of these Revised Listing Particulars, no securities of Stellar Capital are listed on any other stock exchange. All of Stellar Capital's issued ordinary shares are listed on the JSE under the abbreviated name "Stellar ", share code "SCP" and ISIN ZAE000198586.

11 PROMOTER AND COMMISSIONS

- 11.1 No amounts have been paid, or are accrued as payable, or is proposed to be paid by the Stellar Capital Group to any promoter, partnership or syndicate, other than in the normal course of business, during the three years preceding the date of these Revised Listing Particulars.
- 11.2 No amounts in relation to commissions have been paid or are payable in respect of underwriting during the three years preceding the date of these Revised Listing Particulars.
- 11.3 No amounts have been paid, or have been agreed to be paid, within the three years preceding the date of these Revised Listing Particulars, to any director or to any company in which he is beneficially interested, directly or indirectly, or of which he is a director ("the associate company") or to any partnership, syndicate or other association of which he is a member ("the associate entity"), in cash, securities or otherwise, by any person, either to induce him to become, or to qualify him as a director or otherwise for services rendered by him or by the associate company or the associate entity in connection with the promotion or formation of the Company.

12 INTERESTS OF DIRECTORS AND PROMOTERS

- 12.1 Insofar as it is known to the directors of Stellar Capital, no director or promoter, or any of their associates, has any or has had any material beneficial interest, direct or indirect, in the promotion of the Stellar Capital Group or in any property to be acquired or proposed to be acquired by the Stellar Capital Group during the three years preceding the date of these Revised Listing Particulars. None of the directors or any of their associates has any interest in the Transaction.
- 12.2 The direct and indirect beneficial interests of the directors and their associates in Stellar Capital's issued share capital, as at the Last Practicable Date and pursuant to the implementation of the Transaction, are detailed in paragraph 13 of the attached Circular.

13 LITIGATION STATEMENT

- 13.1 In terms of section 7.D.11 of the Listings Requirements, the directors, whose names appear under "Corporate Information and Advisers" on the inside cover of the attached Circular, are not aware of any legal or arbitration proceedings, including any proceedings that are pending or threatened, that may have or have had in the recent past, being at least the previous 12 months, a material effect on the Stellar Capital Group or any of its subsidiaries' financial position.

14 MATERIAL CHANGES, CONTRACTS AND TRANSACTIONS

- 14.1 On 15 December 2014 the JSE approved Stellar Capital's application for the transfer of the Company's listing from the "Computer Services" sub-sector to the "Investment Companies" sub-sector of the JSE with effect from 29 June 2015.
- 14.2 As detailed in announcements dated 8 September 2014 and 9 September 2014, the Board had resolved to amend the financial year-end of the Company from 31 August 2014 to 30 November 2014.
- 14.3 Save for the material contracts and transactions detailed in **Appendix 1** to these Revised Listing Particulars there have been no other known material changes in the financial or trading position of Stellar Capital and its subsidiaries since the end of the last financial year ended 30 November 2014 up to and including the Last Practicable Date and no other known material contracts and transactions entered into over the past two years preceding this Circular.
- 14.4 Details of material contracts entered into by the Stellar Capital are contained in **Appendix 1** to these Revised Listing Particulars. Save for these contracts, there have been no material contracts or transactions entered into by the Stellar Capital Group during two years preceding these Revised Listing Particulars, other than in the ordinary course of business until the Last Practicable Date. In addition, the Stellar Capital confirms that, save for the contracts contained in **Appendix 1** to these Revised Listing Particulars:
 - 14.4.1 it has not entered into any contracts which contain an obligation for settlement that is material to the Stellar Capital at the date of these Revised Listing Particulars;
 - 14.4.2 no restraint payments or technical fees are payable by Stellar Capital;
 - 14.4.3 it has not entered into any promoters' agreements during the three years preceding the date of these Revised Listing Particulars;

- 14.4.4 there are no service contracts in place in respect of the executive director and non-executive directors of the Company; and
- 14.4.5 other than as mentioned in 14.3 above, no known material changes in the financial or trading position of Stellar Capital have taken place during the past five years preceding these Revised Listing Particulars until the Last Practicable Date.
- 14.5 On 8 December 2014 Stellar Capital concluded the Management Agreement in terms of which ManCo manages the portfolio of the Company in accordance with section 15 of the Listings Requirements, details of which are set out in **Appendix 2** of these Revised Listing Particulars.

15 WORKING CAPITAL STATEMENT

The directors of Stellar Capital have considered the impact of the Transaction and provided their opinion on the working capital of the Stellar Capital Group in paragraph 9 of the attached Circular. The working capital statement was prepared on the Stellar Capital Group, as enlarged by the Transaction and taking into account the Cadiz Acquisition and Digicore Disposal.

16 EXPENSES RELATING TO THE TRANSACTIONS

Details of the expenses relating to the Transaction are contained in paragraph 6 of the attached Circular.

17 DIRECTORS' RESPONSIBILITY STATEMENT

The directors, whose names are set out on inside cover of the attached Circular, collectively and individually accept full responsibility for the accuracy of the information given in this Revised Listing Particulars in relation to Stellar Capital and certify that, to the best of their knowledge and belief, no facts have been omitted which would make any statement in this Revised Listing Particulars false or misleading, that all reasonable enquiries to ascertain such facts have been made and that the Revised Listing Particulars contains all information required by law and the Listings Requirements.

18 CONSENTS

Details of the consent provided by advisers relating to the Transaction are contained in paragraph 22 of the attached Circular.

19 DOCUMENTS AVAILABLE FOR INSPECTION AND FINANCIAL INFORMATION INCORPORATED BY REFERENCE

Details regarding the documents which are available for inspection and financial information incorporated by reference are contained in paragraph 8 and 26 of the attached Circular.

SIGNED AT ROSEBANK ON BEHALF OF THE BOARD ON 2 SEPTEMBER 2015 IN TERMS OF POWERS OF ATTORNEY GRANTED BY THE DIRECTORS.

By order of the Board



STELLAR CAPITAL PARTNERS LIMITED

PJ van Zyl

Chief Executive Officer

4 September 2015

MATERIAL CONTRACTS AND TRANSACTIONS

For the purpose of these Revised Listing Particulars and for this Appendix 1, the following words and expressions bear the meanings assigned to them below and outline details of transactions entered into in the past two years:

“Additional Digicore Acquisition Sale and Purchase Agreement”	means the agreement dated 23 October 2014 concluded between Stellar Capital, Pannar Group and ClucasGray in terms of which Stellar Capital acquired 0.10% of Digicore for R625 000 from Pannar Group and 1.52% of Digicore for R9 375 000 from ClucasGray, which acquisitions form part of the Digicore Acquisition;
“Additional Goliath Gold Acquisition Sale and Purchase Agreement”	means the agreement dated 23 October 2014 concluded between Stellar Capital, certain clients of Trinity Asset Management (whom were all public shareholders and not related parties of Stellar Capital as defined in the Listings Requirements) and Mr W Geyer (a public shareholder who was not a related party of Stellar Capital as defined in the Listings Requirements), in terms of which Stellar Capital acquired an additional 5.35% of Goliath Gold for R15 779 900 from certain clients of Trinity Asset Management and 0.12% of Goliath Gold for R348 040 from Mr W Geyer, which acquisitions form part of the Goliath Gold Acquisition;
“Afriwiftcom”	means Afriwiftcom Investment Holdings Limited (registration number 106509), a private company incorporated in accordance with the laws of the Republic of Mauritius, the shareholders of which are NinetyEast Trustees (Mauritius) Limited as trustee of the JP Trust (50%) and NinetyEast Trustees (Mauritius) Limited as trustee of the HA LNC Trust (50%);
“ASOF”	AfrAsia Special Opportunities Fund (registration number 101312), a public company incorporated in accordance with the laws of Mauritius, a registered collective investment scheme regulated by the Financial Services Commission in Mauritius and the directors of which are L How Ah Chong, K Padayachy, S Nuthay, R Wood-Collier and D Etienne;
“ASOF Sale and Purchase Agreement”	means the agreement dated 5 September 2014 concluded between Stellar Capital and ASOF in terms of which Stellar Capital acquired: <ul style="list-style-type: none"> – 29.78% of MRI from ASOF for R24 822 664, which acquisition forms part of the MRI Acquisition; and – 4.99% of Goliath Gold for R14 700 000, which acquisition forms part of the Goliath Gold Acquisition;
“Chrystalpine”	means Chrystalpine Investments 9 Proprietary Limited (registration number 2008/024785/07), a private company incorporated in accordance with the laws of South Africa, which Company is the 100% holding company of Contract Kitting;
“ClucasGray”	means ClucasGray Future Titans Prescient Fund, a fund managed by ClucasGray Proprietary Limited, the directors of which are Messrs P Carter, CL Clucas, JP Clucas and PLB Clucas;
“Contract Kitting”	means Andrews Kit Proprietary Limited (registration number 2001/000793/07), a private company incorporated in accordance with the laws of South Africa and trading as Contract Kitting, a wholly-owned subsidiary of Chrystalpine;
“Contract Kitting Disposal”	means the disposal by Stellar Capital of 100% of Stellar Capital's interest in Contract Kitting (through the sale of 100% of the shares in Chrystalpine, being the holding company of Contract Kitting) to Tellumat for R95 119 000 in terms of the Tellumat Sale and Purchase Agreement, which transaction constituted a disposal by Stellar Capital in terms of section 112 of the Companies Act;

“Contract Kitting Sale Consideration”	means the sale consideration of R95 119 000 payable by Tellumat in respect of the Contract Kitting Disposal, which amount was settled by Tellumat by way of the issue of ordinary shares in Tellumat;
“Crater Valley Investments”	means Crater Valley Property Investments Proprietary Limited (registration number 1997/017023/07), a private company incorporated in accordance with the laws of South Africa, the sole shareholder of which is Kepaka Holdings;
“ConvergeCom”	means ConvergeCom Proprietary Limited (registration number 2008/013750/07), a private company incorporated in accordance with the laws of South Africa, the purchaser in respect of the Telesto Disposal and the sole director and shareholder of which is DF Bisschoff;
“Crater Valley Sale and Purchase Agreement”	means the agreement dated 5 September 2014 concluded between Stellar Capital and Crater Valley Investments in terms of which Stellar Capital acquired 0.93% of Goliath Gold from Crater Valley Investments for R2 736 418, which acquisition forms part of the Goliath Gold Acquisition;
“Dale Sale and Purchase Agreement”	means the agreement dated 5 September 2014 concluded between Stellar Capital and Dale International Trust Company in terms of which Stellar Capital acquired from Dale International Trust Company: <ul style="list-style-type: none"> – 2.02% of Digicore for R12 500 000, which acquisition forms part of the Digicore Acquisition; and – 4.93% of Goliath Gold for R14 518 628, which acquisition forms part of the Goliath Gold Acquisition;
“Dale International Trust Company”	means Dale International Trust Company Limited (registration number B173213), a public company incorporated in accordance with the laws of Mauritius, acting as trustees of The Salty Portfolio Trust;
“Goliath Gold”	means Goliath Gold Mining Limited (registration number 1933/004523/06), a public company incorporated in accordance with the laws of South Africa on 3 May 1933, the shares of which are listed on the Main Board of the JSE, having its registered address at Constantia Office Park, Bridgeview House, cnr 14th Avenue & Hendrik Potgieter Road, Weltevreden Park;
“Goliath Gold Acquisition”	means the acquisition by Stellar Capital of an additional 21.77% of Goliath Gold for an aggregate amount of R64 169 742 in terms of the ASOF Sale and Purchase Agreement, Trinity Sale and Purchase Agreement, Titan Sale and Purchase Agreement, Dale Sale and Purchase Agreement, Crater Valley Sale and Purchase Agreement and Additional Goliath Gold Acquisition Sale and Purchase Agreement;
“MRI”	means Mine Restoration Investments Limited (registration number 1987/004821/06), a public company incorporated in accordance with the laws of South Africa on 5 October 1987, the shares of which are listed on the Main Board of the JSE, having its registered address at Route 21 Corporate Park, 45 Sovereign Drive, Ground Floor, Unit C, Irene X30;
“MRI Acquisition”	means the purchase by Stellar Capital of an additional 30.32% of MRI for an aggregate amount of R25 272 664 in terms of the ASOF Sale and Purchase Agreement and Titan Sale and Purchase Agreement;
“Pannar Group”	means Pannar Group Pension Plan (registration number 12/8/16525);
“Private Placement”	means the specific issue of 75 million Stellar Capital shares for cash at a subscription price of R2.00 per share, amounting to an aggregate total consideration of R150 million;
“SCS”	means Structured Connectivity Solutions Proprietary Limited (registration number 2002/001640/07), a private company incorporated in accordance with the laws of South Africa;
“SCS Disposal”	means the disposal by Stellar Capital of 100% of Stellar Capital's interest in SCS to Tellumat for R5 million in terms of the Tellumat Sale and Purchase Agreement;

"SCS Sale Consideration"	means the sale consideration of R5 000 000 payable by Tellumat in respect of the SCS Disposal, which amount was settled by Tellumat by way of the issue of ordinary shares in Tellumat;
"SIMAT Group"	means SIMAT Group (registration number 106476), a private company incorporated in accordance with the laws of the Republic of Mauritius;
"SIMAT SA"	means SIMAT Management Company Proprietary Limited (registration number 2006/032935/07), a private company incorporated in accordance with the laws of South Africa, in which Stellar Capital held a 51% interest;
"Sizwe"	means Sizwe Africa IT Group Proprietary Limited (registration number 2000/020258/07), a private company incorporated in accordance with the laws of South Africa;
"Sizwe Acquisition"	means the acquisition by Stellar Capital of 25% of the issued share capital of Sizwe from Yellow Star in terms of the Yellow Star Sale of Shares Agreement, as detailed in the circular of 12 February 2013;
"Sizwe Disposal"	means the disposal by Stellar Capital of 100% of its interest in Sizwe to Zaloserve for R120 000 000, which transaction constituted a disposal by Stellar Capital in terms of section 112 of the Companies Act, as approved by shareholders in general meeting on 22 October 2013;
"Telesto"	means Telesto Communications Proprietary Limited (registration number 1999/002229/07), a private company incorporated in accordance with the laws of South Africa, a wholly-owned subsidiary of the Company;
"Telesto Disposal"	means the disposal by Stellar Capital of 100% of Stellar Capital's interest in Telesto to ConvergeCom for R7 300 000 in terms of the Telesto Sale of Shares Agreement, as approved by shareholders on 22 October 2014;
"Tellumat"	means Tellumat Proprietary Limited (registration number 1996/000957/07), a private company incorporated in accordance with the laws of South Africa on 29 January 1996, having its registered address at 64-74 White Road, Retreat;
"Tellumat Consideration Shares"	means convertible ordinary class "A" shares in the issued share capital of Tellumat, which shares (i) comprise 30% of the total issued share capital of Tellumat, (ii) entitle the holder to a 30% equity interest in Tellumat and rank <i>pari passu</i> with the ordinary shares in Tellumat, save in respect of any entitlement to the net proceeds of the Tellumat Pension Fund employer surplus, and (iii) will automatically convert into ordinary shares in Tellumat on the distribution of the Tellumat Pension Fund employer surplus;
"Tellumat Acquisition"	means the acquisition by Stellar Capital of the Tellumat Consideration Shares, by way of the issue by Tellumat of the Tellumat Consideration Shares in settlement of the Contract Kitting Sale Consideration and SCS Sale Consideration;
"Tellumat Sale and Purchase Agreement"	means the agreement dated 13 November 2014 concluded between Stellar Capital, Contract Kitting, SCS and Tellumat in terms of which the Contract Kitting Disposal, SCS Disposal and Tellumat Acquisition are proposed to be effected;
"Trinity Asset Management"	Trinity Asset Management Proprietary Limited (registration number 1996/010864/07), a private company incorporated in accordance with the laws of South Africa, the sole director of which is Q George;
"Titan"	means, collectively, Titan Nominees and its associated entities, including Titan Premier and Titan Share Dealers;

"Titan Sale and Purchase Agreement"	<p>means the agreement dated 5 September 2014 concluded between Stellar Capital and Titan in terms of which Stellar Capital acquired:</p> <ul style="list-style-type: none"> – 12.00% of Digicore from Titan Nominees for R74 312 500; – 3.62% of Digicore from Titan Share Dealers for R22 419 425 (which acquisitions form part of the Digicore Acquisition); – 0.54% of MRI from Titan Share Dealers for R450 000, which acquisition forms part of the MRI Acquisition; and – 2.13% of Goliath Gold from Titan Share Dealers for R6 268 780, which acquisition forms part of the Goliath Gold Acquisition;
"Titan Nominees"	<p>means Titan Nominees Proprietary Limited (registration number 1978/003570/07), a private company incorporated in accordance with the laws of South Africa, the directors of which are Dr CH Wiese and Messrs IHJ Visagie and JD Wiese and the controlling shareholder of which is Dr CH Wiese;</p>
"Titan Share Dealers"	<p>means Titan Share Dealers Proprietary Limited (registration number 1969/003884/07), a private company incorporated in accordance with the laws of South Africa, the directors of which are Dr CH Wiese and Mr JD Wiese;</p>
"Titan Nominees"	<p>Titan Nominees Proprietary Limited (registration number 1978/003570/07), a private company incorporated in accordance with the laws of South Africa, the directors of which are CH Wiese and JD Wiese and the sole shareholder being Titan Premier Investments Proprietary Limited;</p>
"Titan Premier Investments"	<p>means Titan Premier Investments Proprietary Limited (registration number 1979/000776/07), a private company incorporated in accordance with the laws of South Africa, the directors of which are Dr CH Wiese and Messrs IHJ Visagie and JD Wiese and the controlling shareholder of which is Dr CH Wiese;</p>
"Trinity Sale and Purchase Agreement"	<p>means the agreement dated 5 September 2014 concluded between Stellar Capital and Trinity Asset Management in terms of which Stellar Capital acquired 3.33% of Goliath Gold for R9 817 976, which acquisition forms part of the Goliath Gold Acquisition;</p>
"Titantrade"	<p>Titantrade 306 Proprietary Limited (registration number 2002/017223/07), a private company incorporated in accordance with the laws of South Africa and the directors of which are H van Dyk and A van Dyk;</p>
"Underwriting Agreement(s)"	<p>means the agreements dated 5 September 2014 between Stellar Capital and the Private Placement Underwriters in terms of which the Private Placement Underwriters will underwrite the balance of the Private Placement Amount not subscribed for, to be underwritten by Titan Premier Investments (or its nominee) in respect of 50% of the Company shares not placed by the Last Practicable Date, Lavender Sky Investments 40 Proprietary Limited (registration number 2011/002794/07) in respect of 25% of the Company shares not placed by the Last Practicable Date and Thunder Capital Proprietary Limited (registration number 2007/028624/07) in respect of 25% of the Company shares not placed by the Last Practicable Date, for an underwriting fee of 5% of the amount underwritten, payable by way of the issue of new shares in the Company at R2.00 per share. The Underwriting Agreements became irrevocable on 12 December 2014;</p>

"X-DSL"	means X-DSL Networking Solutions Proprietary Limited (registration number 2002/024167/07), a private company incorporated in accordance with the laws of South Africa in which Stellar Capital held a 66% interest and D Fourie and M van Dyk held the balance of 34% in equal portions;
"Yellow Star"	means Yellow Star Group Holdings Proprietary Limited (registration number 2005/004789/07), a private company incorporated in accordance with the laws of South Africa and the directors of which are H van Dyk, CE Pettit and Q George;
"Yellow Star Sale of Shares Agreement"	means the agreement dated 22 November 2012 concluded between Yellow Star and Stellar Capital in terms of which the Sizwe Acquisition was effected; and
"Zaloserve"	means Zaloserve Proprietary Limited (registration number 2012/179283/07), a private company incorporated in accordance with the laws of South Africa, the purchaser in respect of the Sizwe Acquisition.

Save for the Company undertaking the Cadiz Acquisition and Digicore Disposal and entering into the Tellumat Sale and Purchase Agreement, Titan Sale and Purchase Agreement, Dale Sale and Purchase Agreement, ASOF Sale and Purchase Agreement, Trinity Sale and Purchase Agreement, and Crater Valley Sale and Purchase Agreement (in terms of which the Company disposed of 100% of its interest in Contract Kitting and SCS and acquired material stake in Tellumat, Digicore, MRI and Goliath Gold), as well as the Subscription Agreements and Private Placement and Underwriting Agreements, the Company and its subsidiaries have entered into the following material contracts and transactions, which are out of the ordinary course of business, during the two years preceding this Circular:

- On 8 December 2014 Stellar Capital concluded the Management Agreement in terms of which ManCo manages the portfolio of the Company in accordance with Section 15 of the Listings Requirements, the salient terms of which are detailed in **Appendix 2** of the Revised Listing Particulars.
- No amounts were paid by Stellar Capital with respect to goodwill in relation to the material contracts entered into by Stellar Capital during the three years prior to the date of this Circular.

SALIENT TERMS OF THE MANAGEMENT AGREEMENT

The salient terms of the Management Agreement are detailed below:

1. Appointment

ManCo has been appointed as the management company of Stellar Capital pursuant to the Management Agreement in terms of which ManCo will manage the portfolio of Stellar Capital in accordance with Section 15 of the Listings Requirements.

2. Services

In giving effect to its appointment as the management company of Stellar Capital, ManCo will provide, *inter alia*, the following services:

- 2.1 give general business management advice to the Board, and it is agreed, for the purposes of clarity, that the Board shall in good faith consider all advice given to it by ManCo in respect of the Company, but that the Board shall not be bound or obliged to follow such advice unless the Board in its own discretion so resolves;
- 2.2 appoint, for and on behalf of the Company and on terms and conditions acceptable to the Company, a suitably qualified financial services provider, as contemplated in the Financial Advisory and Intermediary Services Act, No 37 of 2002 (the "**FAIS Act**") (the "**Investment Adviser**") to provide financial advisory and intermediary services to the Company, and in particular to advise the Company on the following aspects –
 - 2.2.1 identify and evaluate suitable investment opportunities consistent with the Company's investment mandate and objective; and
 - 2.2.2 consider the disposal of any investments and the encumbering of any of the investments and/or other assets of the Company;
- 2.3 ensure that the Investment Adviser from time to time –
 - 2.3.1 identifies suitable investments consistent with the Company's investment mandate and objective; and
 - 2.3.2 makes recommendations to the Board in relation to (1) the disposal of any of the Company's investments, and (2) the creation of any encumbrance over any of the assets of the Company in favour of any person;
- 2.4 ensure, by engaging with the Investment Adviser, that the Investment Adviser from time to time prepares proposals to the Board for –
 - 2.4.1 the acquisition of any investment by the Company;
 - 2.4.2 the disposal of any investment held by the Company; and/or
 - 2.4.3 the creation of any encumbrance by the Company over any of its assets;
- 2.5 ensure that the Investment Adviser complies with the obligations of the mandate entered into between the Company and the Investment Manager;
- 2.6 conduct or manage appropriate technical, financial and legal due diligence investigations of any potential investments identified by the Company's advisers and advise the Company of the results;
- 2.7 render investment research to the Company in respect of investments or potential investments, and provide such research to the Investment Adviser;
- 2.8 subject to the FAIS Act, advise the Company on the appropriate vehicle for any investments to be made by the Company;
- 2.9 subject to the FAIS Act, advise the Company on the most appropriate method of structuring any investments made by the Company;
- 2.10 negotiate on behalf of, and advise, the Company on the terms of any agreements to be concluded by the Company pursuant to investments being made, and once such agreements have been concluded (1) use commercially reasonable endeavours to ensure that the Company complies with all its obligations under the applicable agreements, and (2) from time to time report to the Board (in such a manner as the Board may from time to time require) in relation to the extent to which the Company has complied with its obligations under the applicable agreements, and (3) monitor the performance of the applicable counterparty under the applicable agreements and report to the Board in relation to the counterparty's performance;

- 2.11 if any person with whom the Company has concluded any agreement of any nature whatsoever fails to comply with its obligations under that agreement the Investment Manager shall –
- 2.11.1 take such steps as may be reasonably appropriate in the circumstances in order to protect the Investor's interests under the applicable agreement;
 - 2.11.2 report as soon as may be reasonably possible to the Board in relation to the circumstances which arose and the steps which the Manager has taken in order to deal with those circumstances;
 - 2.11.3 obtain instructions from the Board in relation to the manner in which it must deal with the matter in the future; and
 - 2.11.4 use commercially reasonable endeavours to implement any instructions thus given to it by the Board;
- 2.12 appoint directors to the board of directors of Investee Companies in which the Company invests, provided that if the Board (acting reasonably) is not satisfied with the appointees, the Board may request Stellar Advisers to appoint alternative directors and ManCo must comply with this request;
- 2.13 monitor the investments on an ongoing basis to determine the performance of the Company.

3. Fees

The basis on which, the manner in which and the intervals at which the Company will remunerate ManCo for the services rendered, as detailed in paragraph 2 above, are set out as follows:

3.1 Management fee

- 3.1.1 The management fee shall be paid quarterly in arrears, and shall be an amount determined in accordance with the following table –

Net Asset Value	Management Fee (as % of Net Asset Value (NAV))
First R500,000,000 (five hundred million rand) of NAV	2% (two percent) on such R500,000,000 (five hundred million rand) of NAV
Second R500,000,000 (five hundred million rand) of NAV	1,5 (one comma five percent) on such R500,000,000 (five hundred million rand) of NAV
For NAV in excess of R1,000,000,000 (one billion rand) (including cash and less any debt)	1% (one percent) on such excess over R1,000,000,000 (one billion rand) of NAV

- 3.1.2 The management fee shall be calculated on each relevant measurement date, and based on the most recent valuation (as defined in the Management Agreement).

3.2 Performance fee

- 3.2.1 In addition to the management fee referred in paragraph 3.1 above, ManCo will be entitled to a performance fee in respect of each quarter of the subsistence of the Management Agreement if the returns of the Company for the relevant quarter are positive.

- 3.2.2 The performance fee shall be calculated in accordance with the following formula –

$$A = 20/100 \times (B - C)$$

where

A = the performance fee payable for the relevant quarter;

B = the Net Asset Value (after adding back the management fee deducted in terms of paragraph 3.1 above); and

C = the previous highest Net Asset Value, as recorded at the end of any particular quarter prior to the relevant quarter.

- 3.2.3 In the event that the determination of the performance fee yields a negative number, then –
- 3.2.3.1 no performance fee will be payable for that quarter; and
- 3.2.3.2 such negative number shall not be construed as giving rise to an obligation on the part of ManCo to make any payment to the Company.
- 3.2.4 The performance fee will be paid or settled, at the election of the Company –
- 3.2.4.1 in cash or by way of electronic funds transfer, free of deduction or set-off; or
- 3.2.4.2 by way of issuing to ManCo so many shares amount calculated in accordance with the following formula –
- where
- a*, is the number of shares to be issued to ManCo in settlement of the performance fee;
- b*, is the amount of the relevant performance fee, as reflected in the concomitant performance fee statement issued by ManCo; and
- c*, is the VWAP of the shares for the 30 (thirty) trading days immediately preceding the last day of the quarter to which the performance fee relates,
- provided that, to the extent that –
- (i) the number of shares to be issued by the Company pursuant to paragraph 3.2.4.2 in any financial year would exceed 15% of the issued share capital of the Company; and/or
- (ii) the number of shares to be issued by the Company pursuant to paragraph 3.2.4.2 would result in ManCo holding in excess of 34.99% of the issued share capital of the Company, then the Company will issue shares up to the lower of the maximum number of shares permitted under paragraphs (i) and (ii) above, and the Company will pay ManCo, in cash without deduction or set-off, the balance of the performance fee payable and not settled by way of the issue of shares.

4. Exclusivity

- 4.1 ManCo may not perform the management provided by it to the Company to any other person whose business is in competition with that of the Company.
- 4.2 The Company shall not procure the management services provided by to ManCo from any other person, save by prior agreement.

5. Duration and Termination

- 5.1 The Management Agreement will be in full force and effect:
- 5.1.1 until the third anniversary of the signature date thereof, when it shall automatically terminate; or
- 5.1.2 terminated by either party by giving the other party not less than six months' notice in writing of such termination.
- 5.2 If the Management Agreement is terminated by the Company –
- 5.2.1 within the first 36 (thirty six) months after the Signature Date for any reason other than ManCo committing a material breach of the agreement by or being wound up or business rescue; or
- 5.2.2 automatically on the third anniversary of the Signature Date,
- then the Company shall pay to ManCo a termination fee (the “**Termination Fee**”), equal to 15% of the market capitalisation of the Company (based on the 30 day VWAP as at the date of termination).
- 5.3 The Company shall pay the Termination Fee in cash (in the case of termination pursuant to paragraph 5.2.1.1) or shares in the Company (in the case of termination pursuant to paragraph 5.2.1.2) to ManCo within 10 business days of the effective date of the termination.

LOANS RECEIVABLE

Stellar Capital has the following loans receivable:

1. Name of the Borrower	Ganefin 2 (Pty) Ltd
Amount*	R32 849 049
Advance Date	14 August 2015
Term	Term loan repayable on or before 30 August 2015
Conditions of repayment	<p>The borrower shall repay the loan in a single, bullet payment on or before 14 August 2017.</p> <ul style="list-style-type: none"> - Interest shall be accrued daily and be payable monthly in arrears, with the first interest payment due on 31 August 2015. - Prepayments in minimum amounts of R5,0 million shall be allowed provided that no less than 30 calendar days' notice must be given to the Lender in writing. Any prepayment made by the Borrower within six months of the Advance Date shall attract a pro rata prepayment penalty equal to 2 months' interest for prepayment in full. - The Borrower shall be obliged to prepay the Amount on a change of control.
Pricing	26.5% per annum (serviced monthly in arrears) and 1.25% raising fee (capitalized to Amount)
Repayment	On or before 14 August 2017
Security provided	Senior secured
Details of security provided	As security for the due, proper and timeous payment and performance in full of the loan, the borrower has ceded in securitatem debiti listed shares at a share cover ratio of 2.93x the loan with right to call for a top up of shares. Corporate guarantees have been provided by the holding company and ultimate holding company of the Borrower.
Conversion or redemption rights	None
Purpose of loan	An investment to generate high levels of current income for Stellar Capital.
<i>* Stellar Capital is a participant in a syndicated loan</i>	

2. Name of the Borrower	K2014263630 (Pty) Ltd
Amount*	R40 062 957
Advance Date	14 August 2015
Term	Loan is repayable on or before 14 August 2017
Conditions of repayment	<p>The borrower shall repay the loan in a single, bullet payment on or before 14 August 2017.</p> <ul style="list-style-type: none"> - Interest shall be accrued daily and be payable monthly in arrears, with the first interest payment due on 31 August 2015. - Prepayments in minimum amounts of R5,0 million shall be allowed provided that no less than 30 calendar days' notice must be given to the Lender in writing. Any prepayment made by the Borrower within six months of the Advance Date shall attract a pro rata prepayment penalty equal to 2 months' interest for prepayment in full. <p>The Borrower shall be obliged to prepay the Amount on a change of control.</p>
Pricing	26.5% per annum (served monthly in arrears) and 1.25% raising fee (capitalized to Amount)
Repayment	On or before 14 August 2017
Security provided	Senior secured
Details of security provided	<p>The Borrower has ceded <i>in securitatem debiti</i> the unlisted shares in its holding company valued at 4.3x cover.</p> <p>Corporate guarantees have been provided by the holding company and ultimate holding company of the Borrower.</p> <p>Cross-default provisions apply between the Ganefin 2 (Pty) Ltd loan and the loan to Ganefin 5 (Pty) Ltd.</p>
Conversion or redemption rights	None
Purpose of loan	An investment to generate high levels of current income for Stellar Capital.
* <i>Stellar Capital is a syndication party to the loan</i>	

3. Name of the Borrower	Praxis Financial Services (Pty) Ltd
Amount*	R41 172 317
Term	Loan is repayable on 30 November 2016
Conditions of repayment	The borrower shall repay the loan in a single, bullet payment on or before 30 November 2016. The Borrower may make prepayments in minimum amounts of R5 million on 30 days' notice.
Average interest rate	2% per month, payable month
Repayment	17 October 2016
Security provided	Secured
Details of security provided	The Borrower has ceded its insurance policies, bank accounts to the Lender as well as its inventory and movable property in terms of a general notarial bond.
Conversion or redemption rights	None
Purpose of loan	An investment to generate high levels of current income for Stellar Capital.
Directors and business address of directors of the Borrower	Grant David Patton, Howard Walker, Murray Jacklin and Ryan Wood-Collier 45 Old Main Road, Kloof, Durban. 3610
<i>* Stellar Capital is a syndication party to the loan</i>	

4. Name of the Borrower	Titan Financial Services (Pty) Ltd
Amount*	R25 000 000
Term	Repayable on or before 30 September 2015
Average interest rate	Non-interest bearing deposit
Repayment	On or before 30 September 2015
Security provided	Secured
Details of security provided	The Borrower has ceded its shares in an unlisted company.
Conversion or redemption rights	None
Purpose of loan	Deposit in relation to a company under due diligence by Stellar Capital.
Directors and business address of directors of the Borrower	Isak Visagie, Christo Wiese and Jacob Wiese 36 Stellenberg Road, Parow Industria, 7501

5. Name of the Borrower	IE Rentals (Pty) Ltd
Amount	R7.7 million
Advance date	31 July 2015
Term	60 months
Conditions of repayment	The loan is repaid in monthly instalments of R 217,211
Average interest rate	17.9% per annum
Repayment	The loan shall be fully repaid on or before 31 May 2020
Details of security provided	Cession in <i>securitatem debiti</i> of book debts and bank accounts of IE Rentals (Pty) Ltd. IE Rentals (Pty) Ltd shareholder guarantee and cession in <i>securitatem debiti</i> of all shares in IE Rentals (Pty) Ltd not held by Stellar Capital.
Conversion or redemption rights	None
Purpose of loan	An investment to generate high levels of current income for Stellar Capital.
Directors and business address of directors of the Borrower	Annabel Mead 8 Scorpio Lane, Croydon Vineyard Estate, Somerset West, 7130

6. Name of the Borrower	IE Rentals (Pty) Ltd
Amount	R2.4 million
Advance date	31 July 2015
Term	Amounts are advanced in terms of a draw down facility and are repayable within 70 months of the date of advance
Conditions of repayment	Interest is payable on a monthly basis.
Average interest rate	Prime plus 5% per annum
Repayment	Repayment of the amount advance shall not exceed 70 months from the relevant advance date
Details of security provided	Cession in <i>securitatem debiti</i> of book debts and bank accounts of IE Rentals (Pty) Ltd. IE Rentals (Pty) Ltd shareholder guarantee and cession in <i>securitatem debiti</i> of all shares in IE Rentals (Pty) Ltd not held by Stellar Capital.
Conversion or redemption rights	None
Purpose of loan	An investment to generate high levels of current income for Stellar Capital.
Directors and business address of directors of the Borrower	Annabel Mead 8 Scorpio Lane, Croydon Vineyard Estate, Somerset West, 7130

EXTRACTS FROM MEMORANDUM OF INCORPORATION

This **Appendix 4** details various provisions of the Memorandum of Incorporation of Stellar Capital, as required in terms of the Listings Requirements. In each case, the numbering and wording below matches that of the applicable provisions in the Memorandum of Incorporation.

“10. ISSUE OF SHARES AND VARIATION OF RIGHTS

- 10.1 The Company is authorised to issue –
 - 10.1.1 Ordinary Shares with no par value, of the same class, each of which ranks pari passu in respect of all rights and entitles the holder to
 - 10.1.1.1 vote on any matter to be decided by the Shareholders and to 1 (one) vote in the case of a vote by means of a poll;
 - 10.1.1.2 participate proportionally in any distribution made by the Company; and
 - 10.1.1.3 receive proportionally the net assets of the Company upon its liquidation;
 - 10.1.2 such number of each of such further classes of Shares, if any, as are set out in Schedule 1 hereto subject to the preferences, rights, limitations and other terms associated with each such class set out therein.
- 10.2 All Securities in each class for which a listing on the JSE is applied shall rank pari passu (as this term is understood in paragraph 3.29 of the JSE Listings Requirements).
- 10.3 The Board shall not have the power to –
 - 10.3.1 create Shares of any class; or
 - 10.3.2 convert one class of shares into one or more other classes; or
 - 10.3.3 increase or decrease the number of authorised Shares of any class of the Shares; or
 - 10.3.4 consolidate and reduce the number of the Company’s issued and authorised Shares of any class; or
 - 10.3.5 subdivide its Shares of any class by increasing the number of its issued and authorised Shares of that class without an increase of its capital; or
 - 10.3.6 reclassify any classified Shares that have been authorised but not issued; or
 - 10.3.7 classify any unclassified Shares that have been authorised but not issued; or
 - 10.3.8 vary the preferences, rights, limitations or other terms of any Shares, or
 - 10.3.9 change the name of the Company,

and such powers shall only be capable of being exercised by the Shareholders by way of a special resolution of the Shareholders.
- 10.4 Each Share issued by the Company has associated with it an irrevocable right of the Shareholder to vote on any proposal to amend the preferences, rights, limitations and other terms associated with that Share as contemplated in clause 27.2.
- 10.5 The authorisation and classification of Shares, the number of authorised Shares of each class, and the preferences, rights, limitations and other terms associated with each class of Shares as set out in this Memorandum of Incorporation may be changed only by an amendment of this Memorandum of Incorporation by special resolution of the Shareholders and in accordance with the JSE Listings Requirements, and such amendments shall not be implemented without a special resolution adopted by the holders of Shares of that class at a separate meeting.
- 10.6 If a fraction of a Share comes into being as a result of any corporate action such fraction will be subject to compliance with the JSE Listings Requirements’ rounding convention.
- 10.7 No Shares may be authorised in respect of which the preferences, rights, limitations or any other terms of any class of Shares may be varied in response to any objectively ascertainable external fact or facts as provided for in sections 37(6) and 37(7) of the Act.
- 10.8 The Company may only issue Shares which are fully paid up and freely transferable, unless otherwise required by statute, and only within the classes and to the extent that those Shares have been authorised by or in terms of this Memorandum of Incorporation. The JSE will not list shares that are not fully paid for upon listing.

- 10.9 The Board has control over all unissued shares per class and may, subject to clause 10.12 and the further provisions of this clause 10.9, resolve to issue Shares of the Company at any time and, where applicable, list such Shares on the applicable JSE market ("listing") if –
- 10.9.1 the issue is within the classes and to the extent that those Shares have been authorised by or in terms of this Memorandum of Incorporation, but not yet issued; and
 - 10.9.2 all requisite and applicable approvals of the JSE in relation to corporate actions, circulars and application letters have been obtained;
 - 10.9.3 All issues of Shares for cash, including grants/issues of options and/or convertible securities must, in addition, be in accordance with the JSE Listings Requirements.
- 10.10 All Securities of the Company for which a listing is sought on the JSE and all Securities of the same class as Securities of the Company which are listed on the JSE must, notwithstanding the provisions of section 40(5) of the Act, only be issued after the Company has received the consideration approved by the Board for the issuance of such Securities and must be freely transferable.
- 10.11 Subject to what may be authorised by the Act, the JSE Listings Requirements and at meetings of Shareholders in accordance with clause 10.13, and subject to clause 10.12, the Board may only issue unissued **"Equity Securities"** (as defined in the JSE Listings Requirements) to raise cash or to settle outstanding liabilities or expenses if such Securities are issued in terms of a JSE approved rights offer or issue of shares for cash to existing shareholders on a pro-rata basis, unless the Equity Securities are to be issued for the acquisition of an asset.
- 10.12 Notwithstanding the provisions of clauses 10.3, 10.11 and 10.13, any issue of Shares, Securities convertible into Shares, or rights exercisable for Shares in a transaction, or a series of integrated transactions shall, in accordance with the provisions of section 41(3) of the Act, require the approval of the Shareholders by special resolution if the voting power of the class of Shares that are issued or are issuable as a result of the transaction or series of integrated transactions will be equal to or exceed 30% (thirty percent) of the voting power of all the Shares of that class held by Shareholders immediately before that transaction or series of integrated transactions.
- 10.13 Notwithstanding the provisions of clause 10.11, the Shareholders may at a general meeting authorise the Directors to issue Shares of the Company at any time and/or grant options to subscribe for Shares as the Directors in their discretion think fit, provided that such transaction(s) has/have been approved by the JSE and comply with the JSE Listings Requirements.
- 10.14 Except to the extent that any such right is specifically included as one of the rights, preferences or other terms upon which any class of Shares is issued or as may otherwise be provided in this Memorandum of Incorporation in accordance with the JSE Listings Requirements, no Shareholder shall have any pre-emptive or other similar preferential right to be offered or to subscribe for any additional Shares issued by the Company."

32 COMPOSITION AND POWERS OF THE BOARD OF DIRECTORS

- 32.1 In addition to the minimum number of Directors that the Company must have to satisfy any requirement in terms of the Act to appoint an audit committee and a social and ethics committee, the Board shall not be less than 4 (four) nor more than 20 (twenty) Directors.
- 32.2 The composition of the Board shall, to the extent possible, be in accordance with the recommendations of the King Report on Corporate Governance for South Africa 2009, as updated, amended or replaced from time to time.
- 32.3 Subject to the provisions of clause 32.5, all Directors shall be elected by an ordinary resolution of the Shareholders at a general or annual general meeting of the Company and no appointment of a Director in accordance with a resolution passed in terms of section 60 shall be competent.
- 32.4 Every person holding office as a Director, prescribed officer, Company Secretary or auditor of the Company immediately before the effective date of the Act will, as contemplated in item 7(1) of Schedule 5 to the Act, continue to hold that office.

- 32.5 In any election of Directors –
- 32.5.1 the election is to be conducted as a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy or as an addition to the Board, with the series of votes continuing until all vacancies on the Board have been filled; and
- 32.5.2 in each vote:–
- 32.5.2.1 each vote entitled to be exercised may be exercised once; and
- 32.5.2.2 the vacancy is filled only if a majority of the votes exercised support the candidate.
- 32.6 Subject to the power of the Directors to fill a vacancy or to add Directors to the Board in terms of clause 32.10.1, the Company shall only have elected Directors and there shall be no appointed or ex officio Directors appointed or any person named in this Memorandum of Incorporation able to nominate any person for appointment as a Director as contemplated in section 66(4) of the Act.
- 32.7 Apart from satisfying the qualification and eligibility requirements set out in section 69 of the Act, a person need not satisfy any eligibility requirements or qualifications to become or remain a Director or a prescribed officer of the Company.
- 32.8 No Director shall be appointed for life or for an indefinite period and the Directors shall rotate in accordance with the following provisions of clause 32.8 –
- 32.8.1 at each annual general meeting referred to in clause 25.3.1, 1/3 (one third) of the Directors for the time being, or if their number is not 3 (three) or a multiple of 3 (three), the number nearest to 1/3 (one third), but not less than 1/3rd 1/3 (one third), shall retire from office, provided that if a Director is appointed as managing Director or as an employee of the Company in any other capacity, he or she shall not, while he or she continues to hold that position or office, be subject to retirement by rotation and he or she shall not, in such case, be taken into account in determining the rotation or retirement of Directors;
- 32.8.2 the Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who were elected as Directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot;
- 32.8.3 a retiring Director shall be eligible for re-election, subject to him not being ineligible or disqualified from being a Director under the Act, other law or the JSE Listings Requirements;
- 32.8.4 the Company, at the general meeting at which a Director retires in the above manner, or at any other general meeting, may fill the vacancy by electing a person thereto, provided that the Company shall not be entitled to fill the vacancy by means of a resolution passed in accordance with clause 31;
- 32.8.5 if at any meeting at which an election of Directors ought to take place the offices of the retiring Directors are not filled, unless it is expressly resolved not to fill such vacancies, the meeting shall stand adjourned and the further provisions of this Memorandum of Incorporation, including clauses 25.8 to 25.11 (inclusive) will apply mutatis mutandis to such adjournment, and if at such adjourned meeting the vacancies are not filled, the retiring Directors, or such of them as have not had their offices filled, shall be deemed to have been re-elected at such adjourned meeting.
- 32.9 The Board, or through its nomination committee constituted in terms of clause 30, shall provide the Shareholders with a recommendation in the notice of the meeting at which the re-election of a retiring Director is proposed, as to which retiring Directors are eligible for re-election, taking into account that Director's past performance and contribution.

- 32.10 The Board has the power –
- 32.10.1 to at any time from time to time appoint any person as a Director either to fill a casual vacancy or as an addition to the Board, but so that the total number of directors shall not at any time exceed the maximum number fixed and as set out in section 68(3) of the Act, provided that such appointment must be confirmed by the Shareholders, in accordance with clauses 32.3 and 29.4, at the next annual general meeting of the Company, as required in terms of section 70(3)(b)(i) of the Act; and
- 32.10.2 exercise all of the powers and perform any of the functions of the Company, as set out in section 66(1) of the Act, and the powers of the Board in this regard are only limited and restricted as contemplated in this clause 32.
- 32.11 Subject to the provisions of the Companies Act, the Company may by Ordinary Resolution remove any Director before the expiration of his period of office and by an Ordinary Resolution elect another Person in his stead. The Person so elected shall hold office until the next following Annual General Meeting of the Company and shall then retire and be eligible for re-election.
- 32.12 The Company may .by Ordinary Resolution in General Meeting from time to time increase (or reduce, but not below 4 (four)) the number of Directors and may also determine in what manner or rotation such increased (or reduced) number is to go out of office. Whenever such increase is made the members at the said Meeting or failing them the Board may fill the new seats so created.
- 32.13 The Directors may at any time and from time to time by power of attorney appoint any person or persons to be the attorney or attorneys and agent(s) of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors in terms of this Memorandum of Incorporation) and for such period and subject to such conditions as the Directors may from time to time think fit. Any such appointment may, if the Directors think fit, be made in favour of any company, the shareholders, directors, nominees or managers of any company or firm, or otherwise in favour of any fluctuating body of persons, whether nominated directly or indirectly by the Directors. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorneys and agents as the Directors think fit. Any such attorneys or agents as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.
- 32.14 Save as otherwise expressly provided herein, all cheques, promissory notes, bills of exchange and other negotiable or transferable instruments, and all documents to be executed by the Company, shall be signed, drawn, accepted, endorsed or executed, as the case may be, in such manner as the Directors shall from time to time determine.
- 32.15 All acts performed by the Directors or by a committee of Directors or by any person acting as a Director or a member of a committee shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of the Directors or persons acting as aforesaid, or that any of them were disqualified from or had vacated office, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of such committee.
- 32.16 If the number of Directors falls below the minimum number fixed in accordance with this Memorandum of Incorporation, the remaining Directors must as soon as possible and in any event not later than 3 (three) months from the date that the number falls below such minimum, fill the vacancy/ies in accordance with clause 32.10.132.10.1 or convene a general meeting for the purpose of filling the vacancies, and the failure by the Company to have the minimum number of Directors during the said 3 (three) month period does not limit or negate the authority of the board of Directors or invalidate anything done by the board of Directors while their number is below the minimum number fixed in accordance with this Memorandum of Incorporation.

- 32.17 The Directors in office may act notwithstanding any vacancy in their body, but if after the expiry of the 3 (three) month period contemplated in clause 32.16, their number remains below the minimum number fixed in accordance with this Memorandum of Incorporation, they may, for as long as their number is reduced below such minimum, act only for the purpose of filling vacancies in their body in terms of section 68(3) of the Act or of summoning general meetings of the Company, but not for any other purpose, provided that if there is no director able or willing to act, then any Ordinary Shareholder may convene a General Meeting for that purpose.
- 32.18 A Director may hold any other office or place of profit under the Company (except that of auditor) or any subsidiary of the Company in conjunction with the office of Director, for such period and on such terms as to remuneration (in addition to the remuneration to which he may be entitled as a Director) and otherwise as a disinterested quorum of the Directors may determine.
- 32.19 A Director of the Company may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as shareholder or otherwise, provided that the appointment and remuneration in respect of such other office must be determined by a disinterested quorum of Directors.
- 32.20 Each Director and each alternate Director, prescribed officer and member of any committee of the Board (whether or not such latter persons are also members of the Board) shall, subject to the exemptions contained in section 75(2) of the Act and the qualifications contained in section 75(3) of the Act, comply with all of the provisions of section 75 of the Act in the event that they (or any person who is a related person to them) has a personal financial interest in any matter to be considered by the Board.
- 32.21 A decision by the Board, or a transaction or agreement approved by the Board is valid despite any Personal Financial Interest of a Director or person related to the Director, if the provisions of this clause 32.21 have been complied with or if the transaction or agreement has been ratified by an Ordinary Resolution of the Shareholders, subject to the JSE Listings Requirements.
- 32.22 Nothing in this clause shall be construed so as to prevent any Director as a Shareholder from taking part in a General Meeting whether or not such Director shall be personally interested or concerned in such matters. It is hereby declared pursuant to the provisions of the Companies Act that although the Board shall have power to enter into a provisional contract for the sale or alienation of the undertaking of the Company, or the whole or the greater part of the assets of the Company, such provisional contract shall become binding on the Company only in the event of the specific transaction proposed by the Board complying with the requirements of the Companies Act.
- 32.23 Without in any way derogating from the obligations of a Director in terms of section 72(3) of the Companies Act, the Board shall have power to delegate to any Person or Persons any of their powers and discretions and to give to any such Person or Persons power of sub-delegation.
- 32.24 The proposal of any resolution to Shareholders in terms of sections 20(2) and 20(6) of the Act, to permit or ratify an act of the Directors that is inconsistent with any limitation or restriction imposed by this Memorandum of Incorporation, or the authority of the Directors to perform such an act on behalf of the Company, must be prohibited in the event that such a resolution would lead to the ratification of an act contrary to the JSE Listings Requirements.”

38 BORROWING POWERS

- 38.1 Subject to the provisions of clause 38.2 and the other provisions of this Memorandum of Incorporation, the Directors may from time to time
- 38.1.1 borrow for the purposes of the Company such sums as they think fit; and
- 38.1.2 secure the payment or repayment of any such sums, or any other sum, as they think fit, whether by the creation and issue of Securities, mortgage or charge upon all or any of the property or assets of the Company.

38.2 The Directors shall procure (but as regards subsidiaries of the Company only insofar as by the exercise of voting and other rights or powers of control exercisable by the Company they can so procure) that the aggregate principal amount at any one time outstanding in respect of moneys so borrowed or raised by –

38.2.1 the Company; and

38.2.2 all the subsidiaries for the time being of the Company (excluding moneys borrowed or raised by any of such companies from any other of such companies but including the principal amount secured by any outstanding guarantees or suretyships given by the Company or any of its subsidiaries for the time being for the indebtedness of any other company or companies whatsoever and not already included in the aggregate amount of the moneys so borrowed or raised),

shall not exceed the aggregate amount at that time authorised to be borrowed or secured by the Company or the subsidiaries for the time being of the Company (as the case may be).

42 DISTRIBUTIONS

42.1 Subject to the provisions of the Act, and the JSE Listings Requirements applicable to dividends and payments to shareholders, and particularly section 46 of the Act, the Company may make a proposed distribution, being dividends or capital payments, as defined and contemplated in the Act and the JSE Listings Requirements, if such distribution –

42.1.1 is pursuant to an existing legal obligation of the Company, or a court order; or

42.1.2 is authorised by resolution of the Board, in compliance with the JSE Listings Requirements, including the declaration and payment of dividends and that capital shall be repaid upon the basis that it may not be called up again.

42.2 No distribution shall bear interest against the Company, except as otherwise provided under the conditions of issue of the Shares in respect of which such distribution is payable.

42.3 Distributions shall be declared in the currency of South Africa.

42.4 Distributions may be declared either free of or subject to the deduction of income tax and any other tax or duty in respect of which the Company may be chargeable.

42.5 The Directors may from time to time declare and pay to the Shareholders such interim distributions as the Directors consider to be appropriate.

42.6 Dividends are declared by the Directors in accordance with the Act.

42.7 All unclaimed dividends may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed, provided that dividends unclaimed for a period of 3 (three) years from the date on which they were declared may be declared forfeited by the Directors for the benefit of the Company. The Directors may at any time annul such forfeiture upon such conditions (if any) as they think fit. All unclaimed monies, other than dividends, that are due to any Shareholder/s shall be held by the Company in trust for an indefinite period (but subject to the laws of prescription) until lawfully claimed by such Shareholder/s.

42.8 Any distribution, interest or other sum payable in cash to the holder of a Share may be paid by cheque or warrant sent by post and addressed to -

42.8.1 the holder at his registered address; or

42.8.2 in the case of joint holders, the holder whose name appears first in the Securities Register in respect of the share, at his registered address; or

42.8.3 such person and at such address as the holder or joint holders may in writing direct.

42.9 Every such cheque or warrant shall -

42.9.1 be made payable to the order of the person to whom it is addressed; and

42.9.2 be sent at the risk of the holder or joint holders.

42.10 The Company shall not be responsible for the loss in transmission of any cheque or warrant or of any document (whether similar to a cheque or warrant or not) sent by post as aforesaid.

- 42.11 A holder or any one of two or more joint holders, or his or their agent duly appointed in writing, may give valid receipts for any distributions or other moneys paid in respect of a Share held by such holder or joint holders.
- 42.12 When such cheque or warrant is paid, it shall discharge the Company of any further liability in respect of the amount concerned.
- 42.13 A distribution may also be paid in any other way determined by the Directors, and if the directives of the Directors in that regard are complied with, the Company shall not be liable for any loss or damage which a Shareholder may suffer as a result thereof.
- 42.14 Without detracting from the ability of the Company to issue capitalisation Shares, any distribution may be paid wholly or in part -
- 42.14.1 by the distribution of specific assets; or
 - 42.14.2 by the issue of Shares, debentures or securities of the Company or of any other company; or
 - 42.14.3 in cash; or
 - 42.14.4 in any other way which the Directors or the Company in general meeting may at the time of declaring the distribution determine.
- 42.15 Where any difficulty arises in regard to such distribution, the Directors may settle that difficulty as they think expedient, and in particular may fix the value which shall be placed on such specific assets on distribution.
- 42.16 The Directors may -
- 42.16.1 determine that cash payments shall be made to any Shareholder on the basis of the value so fixed in order to secure equality of distribution; and
 - 42.16.2 vest any such assets in trustees upon such trusts for the benefit of the persons entitled to the distribution as the Directors deem expedient.
- 42.17 Any distribution must be made payable to Shareholders registered as at a date subsequent to the date of declaration thereof or the date of confirmation thereof, whichever is the later date.

HISTORY OF CONTROL

First change in control

As announced on SENS on 22 February 2012, and following the revised announcement on 12 March 2012, a series of Yellow Star (defined in Appendix 3) share transactions between concert parties (of which Yellow Star was party) resulted in a change of control in Stellar Capital ("**First Change in Control**"), which in turn triggered an obligation by the concert parties to extend a mandatory offer at 26 cents per share to the remaining shareholders in accordance with the requirements of section 123 of the Companies Act (the "**First Mandatory Offer**"). Stellar Capital did not have any controlling shareholders prior to the First Change in Control.

A circular regarding the First Mandatory Offer was posted to shareholders on 19 March 2012, which was followed by an updated offer posted on 3 May 2012. The Company issued its response circular on 19 April 2012. The First Mandatory Offer closed on 11 May 2012 and the results thereof were published on SENS by the concert parties and the Company on 14 May 2012 and 15 May 2012, respectively, as required in terms of Regulation 84(5) of the Companies Act.

In addition to Yellow Star and ASOF, the concert parties referred to above were Trinity Asset Management, Titan Nominees and Titantrade (all defined in Appendix 3 above) as well as Sheerprops 156 Proprietary Limited (registration number 1997/019886/07), a private company incorporated in accordance with the laws of South Africa, with J Bishop as the sole director and Oxio Limited as the sole shareholder.

Second change in control

Following the First Change in Control, which resulted in the Offeror (as defined in the circular dated 19 March 2012), becoming a controlling shareholder of Stellar Capital with an aggregate interest of 48.93%, it was announced on SENS on 23 November 2012 that the Company had entered into the Yellow Star Sale of Shares Agreement for the purchase of all of the ordinary shares in the issued ordinary share capital of Sizwe owned by Yellow Star, constituting 25% of the issued ordinary share capital of Sizwe for an aggregate purchase price of R45 million (the "**Sizwe Purchase Price**"). The Sizwe Purchase Price was settled as set out in paragraph 3.10 of the circular dated 20 September 2013. The Sizwe Acquisition contained warranties usual for such a transaction.

The issue of 100 000 000 shares as a result of the Sizwe Acquisition resulted in Yellow Star triggering an affected transaction and change in control. In terms of section 123 of the Companies Act, Yellow Star was obliged to make a mandatory offer to the remaining shareholders at 32 cents (the "**Second Mandatory Offer**"). The majority of independent shareholders waived their entitlement to receive the Second Mandatory Offer at a shareholders meeting held on 12 March 2012. Accordingly, the Take Over Regulation Panel (as defined in the Companies Act) granted an exemption to Yellow Star from the obligation to make the Second Mandatory Offer in accordance with Regulation 86(4) of the Companies Regulations, as announced on SENS on 11 April 2013 and 16 May 2013, respectively.

Neither the Company nor any of its subsidiaries have had a change in trading objectives during the previous five years.

CORPORATE GOVERNANCE

PART A: COMMITMENT

The Company and its subsidiaries endorses the principles contained in the King III report on corporate governance and confirms its commitment to the principles of fairness, accountability, responsibility and transparency as advocated therein. The Board strives to ensure that the Group is being ethically managed according to prudently determined risk parameters and in compliance with generally accepted corporate practices and conduct.

Introduction

The Group remains committed to the goals of sustainable development as it transitions from operating entity to investment holding company. Stellar Capital endorses the principles contained in the King III Report on Corporate Governance and confirms its commitment to the principles of fairness, accountability, responsibility and transparency as advocated therein. The Board strives to ensure that the Group is being ethically managed according to prudently determined risk parameters and in compliance with generally accepted corporate practices and conduct.

Board of directors

The Board is based on a unitary structure and exercises full and effective control over the Group. It comprises eight members, being six independent non-executive directors and two executive directors.

The Board is:

- guided by the letter and spirit of the values expressed in King III and the JSE Listings Requirements;
- responsible for actively reviewing and enhancing the Group's system of control and governance on a continuous basis to ensure that the Group is managed ethically and within prudently determined risk parameters;
- committed to the maintenance of independence when deciding on matters relating to strategy, performance, resources and standards of conduct;
- committed to sustainable value creation for all identified stakeholders; and
- responsible for the integrity of the integrated reporting and for overseeing all sustainability issues.

The directors as at the Last Practicable Date are those listed in paragraph 12 of the Circular. The Board comprises a majority of non-executive directors who bring specific investment skills and experience to the Board. The composition of the Board is reviewed on a regular basis to ensure ongoing compliance with the requirements of the Companies Act, JSE Listings Requirements and King III.

In terms of the memorandum of incorporation one-third of the directors rotate at the annual general meeting. Lerato Mangope and Charles Pettit will rotate and, being eligible, offer themselves for re-election.

The Board is responsible for monitoring and reporting on the effectiveness of the Group's systems of internal control. It is assisted by the audit and risk committee in the discharge of this responsibility.

The non-executive directors derive no benefit other than their fees and emoluments as proposed by the Board through the remuneration and nomination committees and approved by shareholders at the Group's annual general meeting.

Peter van Zyl was appointed as a non-executive director on 21 November 2013 and was thereafter appointed as the acting Chief Executive Officer with effect from 1 January 2014. As part of the restructuring of the Group, Hanno van Dyk (executive director), Danie Bisschoff (Chief financial Officer and acting Chief Executive Director) and Nkomsentu Nika (independent non-executive director) resigned as directors of the Company effective 12 December 2013, 31 December 2013 and 3 July 2014 respectively. Janine de Bruyn was appointed as an independent non-executive director on 25 July 2014, followed by the appointment of Christina Wiese and Clare Wiese as independent non-executive directors on 8 September 2014. Charl de Villiers was appointed as the Chief Financial Officer, with effect from 1 February 2015.

The chairman

The chairman's role is to set the ethical tone for the Board and to ensure that the Board remains efficient, focussed and operates as a cohesive unit. Dumisani Tabata is the independent non-executive chairman of the Company and his role is separate from that of the Chief Executive Officer.

Mr. Tabata provides overall leadership to the Board without limiting the principle of collective responsibility for Board decisions. He is also the chairman of the social & ethics committee, and the nomination committee. As chairman of the Board, he is also responsible for the annual appraisal of the Chief Executive Officer's performance and oversees the Board's formal succession plan. Although the Board evaluates the performance and independence of the chairman annually, the role of the chairman is not re-elected annually, but rather as and when required.

The Chief Executive Officer

The Chief Executive Officer reports to the Board and is responsible for the day-to-day business of the Group and implementation of policies and strategies approved by the Board. Board authority conferred on management is delegated through the Chief Executive Officer, against approved authority levels.

Danie Bisschoff resigned as Financial Director and acting Chief Executive Officer of the Company effective 31 December 2013 and Peter van Zyl was appointed as the interim Chief Financial Officer and acting Chief Executive Officer with effect from 1 January 2014. Peter van Zyl and Charl de Villiers have subsequently been appointed as permanent Chief Executive Officer and Chief Financial Officer respectively with effect from 01 February 2015.

Non-executive directors

All members of the Board have a fiduciary responsibility to represent the best interest of the Group and all of its stakeholders. The Group's independent non-executive directors are experienced individuals of high calibre and credibility who make a significant contribution to the Board's deliberations and decisions. They have the necessary skill and experience to exercise judgment on matters concerning the Group's strategy.

Company Secretary

Business Address: Empire Park, 55 Empire Service Road, Parktown (Po Box 213, Mulbarton, 2059)

Appointed: 11 May 2015

Professional Qualifications: The Board has satisfied itself that Ms du Preez is suitably qualified and experienced to competently fulfil her role as Company Secretary.

Term of office: No fixed term but subject to the provisions of the Memorandum of Incorporation and the Companies Act

Caroline du Preez was appointed Company Secretary with effect from 11 May 2015 following the resignation of Warwick van Breda on the same date. The Company Secretary plays a vital role in the corporate governance of the Group and is responsible for ensuring Board compliance with procedures and regulations of a statutory nature, and as such, maintains an arm's length relationship with the Board. Ms. Du Preez ensures compliance with the JSE listings requirements and is responsible for the submission of the annual compliance certificate to the JSE Limited.

The Company Secretary ensures that, in accordance with the pertinent laws and regulatory framework, the proceedings and affairs of the Board and its members, the Company itself and, where appropriate the owners of securities in the Company, are properly administered. Mrs. du Preez is the secretary of all of the Board committees.

The Board is satisfied with Mrs. du Preez's professional experience, performance and technical skills in fulfilling her role as Company Secretary.

Board processes

The directors have access to the advice and services of the company secretary. They are entitled, at the Company's expense, to seek independent professional advice about the affairs of the Company regarding the execution of their duties as directors.

A Board charter is in place and outlines the responsibilities of the Board as follows:

- act as the focal point for, and custodian of, corporate governance by managing its relationship with management, the shareholders and other stakeholders of the Company along sound corporate governance principles;
- retain full and effective control of the Company;
- give strategic direction to the Company, both long and short term;
- monitor management in implementing plans and strategies as approved by the Board;
- create value through social, economic and environmental performance;
- appoint and evaluate the performance of the Chief Executive Officer;
- ensure that succession is planned;
- identify and regularly monitor key risk areas and key performance indicators of the business;
- ensure that the Company complies with relevant laws, regulations and codes of business practice;
- ensure that the Company communicates with shareholders and relevant stakeholders openly and promptly;
- identify and monitor relevant non-financial matters;
- establish a formal and transparent procedure for appointment to the Board, as well as a formal orientation programme for incoming directors;
- regularly review processes and procedures to ensure effectiveness of internal systems of control and accept responsibility for the total process of risk management;
- assess the performance of the Board, its committees and its individual members on a regular basis;
- ensure that the Company is and is seen to be a responsible corporate citizen by having regard to not only the financial aspects of the business of the Company but also the impact that business operations have on the environment and the society within which it operates;
- ensure that the Company's performance includes that of an economic, social and environmental perspective;
- ensure that the Company's ethics are managed effectively;
- ensure that the Company has an effective and independent audit committee;
- be responsible for information technology (IT) governance;
- appreciate that stakeholder's perceptions affect the Company's reputation;
- ensure the integrity of the Company's integrated report;
- monitor the Company's compliance with the above;
- act in the best interests of the Company by ensuring that individual directors:
 - adhere to legal standards of conduct;
 - exercise the degree of care, skill and diligence that would be exercised by a reasonably individual;
 - act in good faith and in the manner that the director believes is in best interests of the Company;
 - take independent advice in connection with their duties following an agreed procedure;
 - disclose real or perceived conflicts to the Board and deal with them accordingly;
 - deal in securities only in accordance with the policy adopted by the Board; and
 - commence business rescue proceedings as soon as the Company is financially distressed.

The charter also addresses issues such as the composition and size of the Board, Board and committee assessments, Board procedures, matters reserved for Board decision and the frequency and proceedings of Board meetings.

Financial Year end

On [DATE], the Board resolved to amend the financial year end of the Company from 31 August to the 30 November.

Interest in contracts

Directors are required to inform the Board timeously of conflicts or potential conflicts of interest they may have in relation to particular items of business. Directors are obliged to excuse themselves from discussions or decisions on matters in which they have a conflict of interest. The procedures around conflict of interests are included in the Board charter and a declaration and conflict of interest policy has been adopted.

Directors' dealings in shares

Directors of the Company and its major subsidiaries may not deal in the Company's shares without first advising and obtaining clearance from the chairman and/or Chief Executive Officer. The Chief Executive Officer and Chief Financial Officer may not deal in the Company's shares without first advising and obtaining clearance from the Chairman. No director or executive may trade in Stellar Capital shares during closed periods as defined in the JSE Listings Requirements. The directors of the Company keep the Company Secretary advised of all their dealings in securities and details of such dealings are placed on SENS in accordance with the JSE Listings Requirements.

Board meeting attendance

The following Board meetings were held during the reporting period:

Director	21 Nov 2013	6 Feb 2014	24 Jul 2014	8 Sept 2014	7 May 2015
Lerato Mangope	x	✓	✓	✓	✓
Nkosemntu Nika ^Δ	✓	x	n/a	n/a	n/a
Charles Pettit	✓	✓	✓	✓	✓
Dumisani Tabata	✓	✓	✓	x	✓
Peter van Zyl ^Δ	✓	✓	✓	✓	✓
Janine de Bruyn [∞]	n/a	n/a	n/a	✓	✓
Christina Wiese [^]	n/a	n/a	n/a	n/a	✓
Clare Wiese [^]	n/a	n/a	n/a	n/a	✓
Charl de Villiers [#]	n/a	n/a	n/a	n/a	✓

^Δ Resigned as independent non-executive director on 3 July 2014

^Δ Appointed on 21 November 2013

[∞] Appointed as independent non-executive director on 25 July 2014

[^] Appointed as independent non-executive director on 8 September 2014

[#] Appointed as an executive director with effect 1 February 2015

Board committees

While the Board remains accountable and responsible for the performance and affairs of the Company, it delegates to management and Board committees certain functions to assist it in properly discharging its duties. The chairman of each Board committee reports at each scheduled meeting of the Board and minutes of Board committee meetings are provided to the Board. Each Board committee functions in accordance with the provisions of the committee terms of reference as approved by the Board.

Both the directors and the members of the Board committees are supplied with full and timely information that enables them to properly discharge their responsibilities. All directors have unrestricted access to all Group information.

The chairman of each Board committee is required to attend annual general meetings to answer questions raised by shareholders.

The established Board committees are:

Audit and risk committee

The current members of the audit and risk committee are Janine de Bruyn (Chairperson), Christina Wiese and Clare Wiese. The committee therefore consists of three independent non-executive directors, in accordance with the JSE Listings Requirements.

Remuneration committee

The remuneration committee comprises of four independent non-executive directors, Charles Pettit (Chairman), Dumisani Tabata, Janine de Bruyn and Christina Wiese.

Nomination committee

The committee comprises of three independent non-executive directors, Dumisani Tabata (Chairman), Charles Pettit and Clare Wiese. Nkomsemu Nika stepped down as the nomination committee Chairman on 3 July 2014. Clare Wiese was appointed to the nomination committee on 8 September.

The committee is primarily responsible for assisting the Board in carrying out the following duties:

- the regular review of the composition of the Board;
- the nomination of potential candidates for appointment to the Board as and when deemed necessary; and
- succession planning.

Social and ethics committee

The Board established the social and ethics committee in line with the requirements of the Companies Act. The members of the committee comprise Janine de Bruyn (independent non-executive director), Lerato Mangope (independent non-executive director) and Dumisani Tabata (independent non-executive director), who serves as Chairman of the committee.

Non-financial matters

Stellar Capital subscribes to the highest ethical standards and behaviour in the conduct of its business and related activities, and requires total honesty and integrity from its directors and employees. Stellar Capital expects its shareholders and partners to subscribe to the same high ethical standards.

Communications with stakeholders

The Group is committed to ongoing and effective communication with stakeholders. It subscribes to a policy of open and timeous communication.

Employment, development and employment equity

Following the disposal of the Group's remaining operating subsidiaries and conversion to an investment entity, the Group and its subsidiaries no longer employ any permanent employees, save for the Chief Executive Officer and Chief Financial Officer.

Sustainability reporting

The Group is committed to high moral, ethical and legal standards and expects all representatives of the Group to act in accordance with the highest standards of personal and professional integrity in all aspects of their activities and to comply with all applicable laws, regulations and the Group's policies.

The board believes that the Group has adhered to the ethical standards during the period under review.

PART B - APPLICATION OF PRINCIPLES IN THE KING III CODE

Preamble

Stellar Capital accepts the obligation to apply the practices prescribed by the King III Code and has resolved as a business philosophy to adopt and pursue the same. It therefore strives to meet those objectives in accordance with the content of the table below.

- 1 – Not applied / will not be applied
- 2 – In process / partially applied
- 3 – Full application

	Principle	Stage of Maturity	Comments
1.	Ethical leadership and corporate citizenship		
1.1	The Board should provide effective leadership based on an ethical foundation	3	The Board observes the highest standards of ethical conduct in discharging its responsibilities. The Board has established a social and ethics committee.
1.2	The Board should ensure that the Company is, and is seen to be, a responsible corporate citizen	3	The Board acknowledges the importance of the Company being seen as a responsible citizen. The Board has established a social and ethics committee.
1.3	The Board should ensure that the Company's ethics are managed effectively	3	The Board, together with executive management, observes the highest standards of ethical conduct in discharging its responsibilities. The Board has established a social and ethics committee.
2.	Board and Directors		
2.1	The Board should act as the focal point for and custodian of corporate governance	3	The Board is committed to and endorses the application of the principles of transparency, integrity and accountability as recommended in the King III code.
2.2	The Board should appreciate that strategy, risk, performance and sustainability are inseparable	3	The Board has established committees, as recommended by the King III code, in ensuring that strategy, risk, performance and sustainability are integrated.
2.3	The Board should provide effective leadership based on an ethical foundation	3	The Board observes the highest standards of ethical conduct in discharging its responsibilities. The Board has established a social and ethics committee.
2.4	The Board should ensure that the Company is and is seen to be a responsible corporate citizen	3	The Board acknowledges the importance of the Company being seen as a responsible citizen. The Board has established a social and ethics committee.
2.5	The Board should ensure that the Company's ethics are managed effectively	3	The Board, together with executive management, observes the highest standards of ethical conduct in discharging its responsibilities. The Board has established a social and ethics committee.
2.6	The Board should ensure that the Company has an effective and independent audit and risk committee	2	The committee consist of three non-executive directors. In terms of the JSE Listings Requirements the committee must comprised of at least three independent non-executive directors.
2.7	The Board should be responsible for the governance of risk	3	The audit and risk committee is specifically mandated by the Board to address this matter, and reports to the Board on this matter.
2.8	The Board should be responsible for information technology (IT) governance	2	The IT Governance and responsibility has been delegated to the audit and risk committee. The Company has not yet established an IT governance framework given the size and nature of the IT environment of the Group and no significant IT investments or expenses have been incurred to date.

2.9	The Board should ensure that the Company complies with applicable laws and considers adherence to non-binding rules, codes and standards	3	The audit and risk committee is mandated to ensure that the Company complies with applicable laws and considers adherence to non-binding rules, codes and standards, as assisted and advised by the Company secretary and external advisers to the extent required.
2.10	The Board should ensure that there is an effective risk-based internal audit	1	The executive directors conduct an annual review of the Company's internal controls, and report their findings to the audit and risk committee. This review covers financial, operational and compliance controls, as well as a review of the risk management policies and procedures of the Company. As a consequence of the restructuring conducted within the Group during the reporting period and subsequent conversion from operating entity to investment holding company with limited executive staff as well as the appointment of a dedicated investment manager to the Group, the Board has not considered it appropriate to establish an internal audit function. The Board monitors performance and internal controls employed by the dedicated investment manager on the basis of the management agreement entered into between the Company and the manager.
2.11	The Board should appreciate that stakeholders' perceptions affect the Company's reputation	3	The Board has procedures in place to ensure that all material matters are communicated to its stakeholders in an effective and responsible manner. Executive management is tasked to implement this policy in conjunction with Board-appointed advisers.
2.12	The Board should ensure the integrity of the Company's integrated report	3	Stellar Capital has formulated and implemented processes to ensure the integrity of the Company's integrated report, the contents whereof will be consistent with the size and nature of Stellar Capital's business.
2.13	The Board should report on the effectiveness of the Company's system of internal controls	3	The directors recognise that they are responsible for the Group's system of financial and internal controls. The executive directors are responsible for identifying, analysing, reporting and managing Group risk which forms part of their daily functions. The Terms of Reference of the Audit and risk committee includes the need to report to the Board annually on the effectiveness of the Company's internal financial controls.
2.14	The Board and its directors should act in the best interests of the Company	3	Directors are required to declare their interest at every Board meeting.
2.15	The Board should consider business rescue proceedings or other turnaround mechanisms as soon as the Company is financially distressed as defined in the Act.	3	In the event that business rescue proceedings are contemplated, same will be implemented within the framework of the Companies Act.

2.16	The Board should elect a chairman of the Board who is an independent non-executive director. The CEO of the Company should not also fulfill the role of chairman of the Board	3	The roles of the CEO and Chairman are fulfilled by separate individuals.
2.17	The Board should appoint the chief executive officer and establish a framework for the delegation of authority	3	With effect from 1 February 2015, the Company has appointed its Peter van Zyl (previously the Chief Financial Officer) as the permanent Chief Executive Officer. Daily operations of the Group are managed by the executive directors. The Company, following its conversion to an investment entity, has also appointed a dedicated investment manager which manages key operational and strategic functions in terms of an agreed authority matrix.
2.18	The Board should comprise a balance of power, with a majority of non-executive directors. The majority of non-executive directors should be independent.	3	The Board comprises a majority of non-executive directors, all of which are independent. In terms of King III the majority of non-executive directors should be independent. Prior to the restructuring of the Group and changes in the composition of major shareholders, the chairman was considered to be non-independent. The Company was granted dispensation from the JSE to appoint the third independent director on or before 31 December 2013. Subsequent to the restructuring of the Group and change in the composition of major shareholders, the chairman's status as being non-independent has been reconsidered and the Board is satisfied that he is now independent.
2.19	Directors should be appointed through a formal process	3	The appointment of directors is a matter considered by the Board as a whole, as assisted by the remuneration and nomination committees. A formal Appointments to the Board Policy has been adopted by the Board.
2.20	The induction of and ongoing training and development of directors should be conducted through formal processes	2	New directors will have unlimited access to the Company's resources in order to familiarise themselves with all matters related to the Company. They are also provided with induction packs. Formal training is provided on an ad hoc basis.
2.21	The Board should be assisted by a competent, suitably qualified and experienced Company secretary	3	The Board annually reviews the competence and suitability of the Company secretary and is satisfied as to his qualifications and experience.
2.22	The evaluation of the Board, its committees and the individual directors should be performed every year	1	Due to the number of Board changes during the period of Group restructuring, no formal evaluation of the Board has taken place. The Group will endeavour to institute annual evaluations during the forthcoming reporting period.
2.23	The Board should delegate certain functions to well-structured committees without abdicating its own responsibilities	3	The Board has established committees, which report to the Board.
2.24	A governance framework should be agreed between the Group and its subsidiary Boards	3	The audit and risk committee is specifically mandated by the Board to address this matter, and reports to the Board on this matter.

2.25	Companies should remunerate directors and executives fairly and responsibly	3	The remuneration committee is mandated to establish and assess the remuneration policy of the Group.
2.26	Companies should disclose the remuneration of each individual director and certain senior executives	3	The remuneration of the Company's directors is disclosed in its Annual Financial Statements, as required.
2.27	Shareholders should approve the Company's remuneration policy	3	The remuneration of the Company's directors is subject to approval by shareholders at the Company's annual general meetings.
3.	Audit and risk committees		
3.1	The Board should ensure that the Company has an effective and independent audit and risk committee (private Company exception)	3	The committee consists of three independent non-executive directors in accordance with the JSE Listings Requirements and requirements of King III.
3.2	Audit and risk committee members should be suitably skilled and experienced independent, non-executive directors (subsidiary exception)	3	The members of the audit and risk committee, which is constituted by non-executive directors, all have sufficient financial backgrounds and extensive business management and investment experience.
3.3	The audit and risk committee should be chaired by an independent non-executive director	3	The audit and risk committee is chaired by an independent non-executive director.
3.4	<p>The audit and risk committee should oversee the integrated reporting (integrated reporting, financial, sustainability and summarised information)</p> <p>The audit and risk committee should be responsible for evaluating the significant judgments and reporting decisions affecting the integrated report.</p> <p>The audit and risk committee's review of the financial reports should encompass the annual financial statements, interim reports, preliminary or provisional result announcements, summarised integrated information, any other intended release of price-sensitive financial information, trading statements, circulars and similar documents.</p>	3	Processes in this regard are in place for the compilation of an integrated report, the contents whereof are appropriate for the size and nature of Stellar Capital's business, and forms part of the audit and risk committee's mandate.
3.5	The audit and risk committee should ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities	3	The audit and risk committee is mandated to establish a combined assurance model and to apply same in providing a coordinated approach to all assurance activities.
3.6	The audit and risk committee should satisfy itself of the expertise, resources and experience of the Company's finance function	3	The audit and risk committee evaluates the performance of the finance function on an annual basis and makes appropriate recommendations to the Board in this regard.

3.7	The audit and risk committee should be responsible for overseeing of internal audit	1	The audit and risk committee conduct an annual review of the Company's internal controls, and report their findings to the executive Committee. This review covers financial, operational and compliance controls, as well as a review of the risk management policies and procedures of the Company. As a consequence of the restructuring conducted within the Group during the reporting period and subsequent conversion from operating entity to investment holding company with limited executive staff as well as the appointment of a dedicated investment manager to the Group, the Board has not considered it appropriate to establish an internal audit function. The Board monitors performance and internal controls employed by the dedicated investment manager on the basis of the management agreement entered into between the Company and the manager.
3.8	The audit and risk committee should be an integral component of the risk management process	3	The audit and risk committee is mandated by the Board to establish policies and procedures in respect of the risk management process.
3.9	The audit and risk committee is responsible for recommending the appointment of the external auditor and overseeing the external audit process	3	The audit and risk committee considers the appointment of the external auditor on an annual basis and manages the relationship throughout the financial year.
3.10	The audit and risk committee should report to the Board and shareholders on how it has discharged its duties	3	The audit and risk committee's report to the Board and shareholders is included in the integrated report.
4.	The governance of risk		
4.1	The Board should be responsible for the governance of risk	3	The audit and risk committee is specifically mandated by the Board to address this matter, and reports to the Board on this matter.
4.2	The Board should determine the levels of risk tolerance	3	The audit and risk committee is specifically mandated by the Board to address this matter, and reports to the Board on this matter.
4.3	The risk committee or audit and risk committee should assist the Board in carrying out its risk responsibilities	3	The audit and risk committee is specifically mandated by the Board to address this matter, and reports to the Board on this matter.
4.4	The Board should delegate to management the responsibility to design, implement and monitor the risk management plan	3	The audit and risk committee is specifically mandated by the Board to address this matter, and reports to the Board on this matter.
4.5	The Board should ensure that risk assessments are performed on a continual basis	3	The audit and risk committee meets and reports to the Board on a quarterly basis to ensure its mandate is carried.
4.6	The Board should ensure that frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks	3	The audit and risk committee is mandated by the Board to establish and implement frameworks and methodologies to increase the probability of anticipating unpredictable risks.

4.7	The Board should ensure that management considers and implements appropriate risk responses	2	The audit and risk committee is mandated to establish risk management policies and procedures, which is in turn implemented by executive management in responding to various risks. A formal risk management policy was not adopted by the Board during the period under review due to the significant restructuring of the Group. Following the conversion of the company from an operating entity to an investment holding company, the Board has endeavoured to formalize risk management policies and procedures appropriate to the nature of an investment company in the forthcoming financial period.
4.8	The Board should ensure continual risk monitoring by management	3	The audit and risk committee is mandated to establish risk management policies and procedures, which is in turn implemented by executive management in monitoring and responding to various risks. A formal risk management policy was not adopted by the Board during the period under review due to the significant restructuring of the Group. Following the conversion of the company from an operating entity to an investment holding company, the Board has endeavoured to formalize risk management policies and procedures appropriate to the nature of an investment company in the forthcoming financial period.
4.9	The Board should receive assurance regarding the effectiveness of the risk management process	3	The audit and risk committee is mandated to establish risk management policies and procedures, which is in turn communicated to and implemented by executive management. The audit and risk committee reports to the Board in this regard on this matter.
4.10	The Board should ensure that there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosure to stakeholders	3	The audit and risk committee is mandated to establish policies and procedures to ensure risk areas are identified and monitored continuously and timeously. The Board in turn ensures complete, timely, relevant, accurate and accessible communication to stakeholders in this regard.
5.	The governance of Information Technology		
5.1	The Board should be responsible for information technology (IT) governance	3	As per the Board charter the executive Board is responsible that technology and systems used in the organization are adequate. The audit and risk committee assists the Board to consider IT as it relates to financial reporting, IT risk management and related controls.
5.2	IT should be aligned with the performance and sustainability objectives of the Company	3	As per the Board charter the executive Board is responsible that information technology and systems used in the organization are adequate to run the business properly for it to compete through the efficient use of its assets, processes and resources.

5.3	The Board should delegate to management the responsibility for the implementation of an IT governance framework	3	The audit and risk committee assists the Board to consider IT as it relates to financial reporting, IT risk management, related controls and IT Governance. It should specifically oversee IT risk and controls, business continuity and data recovery and IT security.
5.4	The Board should monitor and evaluate significant IT investments and expenditure	3	The audit and risk committee is mandated to establish policies and procedures to ensure significant IT investments and expenditure are monitored and evaluated on a continuous basis. There were no significant investments in IT during the period under review.
5.5	IT should form an integral part of the Company's risk management	3	The audit and risk committee assists the Board in reviewing its IT responsibilities and does form an integral part of the Company's risk management, albeit that the Group's IT function has significantly reduced in size and complexity following the conversion from an operating entity to an investment holding company. The audit and risk committee will continue to monitor the IT function in a manner appropriate to the size and nature of Stellar Capital's operations.
5.6	The Board should ensure that information assets are managed effectively	3	The audit and risk committee is mandated to establish policies and procedures to ensure significant IT investments and expenditure are monitored and evaluated on a continuous basis. There were no significant investments in IT during the period under review.
5.7	A risk committee and audit and risk committee should assist the Board in carrying out its IT responsibilities.	3	As stipulated in its terms of reference the audit and risk committee assists the Board in reviewing its IT responsibilities.
6.	Compliance with laws, codes, rules and standards		
6.1	The Board should ensure that the Company complies with applicable laws and considers adherence to nonbinding rules, codes and standards.	3	The Company secretary advises the Board on all laws, rules, codes and standards applicable to the Company. The directors are well-versed in this regard, and where required, appoint external advisers to assist on specific matters.
6.2	The Board and each individual director should have a working understanding of the effect of the applicable laws, rules, codes and standards on the Company and its business	3	The Company secretary advises the Board on all laws, rules, codes and standards applicable to the Company. The directors are well-versed in this regard, and where required, appoint external advisers to assist on specific matters.
6.3	Compliance risk should form an integral part of the Company's risk management process	3	The audit and risk committee is mandated to identify areas of compliance risk, in conjunction with the Company secretary, and to establish policies and procedures to mitigate same.
6.4	The Board should delegate to management the implementation of an effective compliance framework and processes	3	The audit and risk committee is mandated to establish an effective compliance framework and related processes, which are then implemented by executive management throughout the Group.

7.	Internal Audit		
7.1	The Board should ensure that there is an effective risk-based internal audit	1	The audit and risk committee conducts an annual review of the Company's internal controls, and report their findings to the executive Board. This review covers financial, operational and compliance controls, as well as a review of the risk management policies and procedures of the Company. As a consequence of the restructuring conducted within the Group during the reporting period and subsequent conversion from operating entity to investment holding company with limited executive staff as well as the appointment of a dedicated investment manager to the Group, the Board has not considered it appropriate to establish an internal audit function. The Board monitors performance and internal controls employed by the dedicated investment manager on the basis of the management agreement entered into between the Company and the manager.
7.2	Internal audit should follow a risk-based approach to its plan	1	As per the terms of reference of the audit and risk committee it should satisfy itself that the internal audit coverage plans and approach are informed by and addresses the strategy and risks of the Company. As a consequence of the restructuring conducted within the Group during the reporting period and subsequent conversion from operating entity to investment holding company with limited executive staff as well as the appointment of a dedicated investment manager to the Group, the Board has not considered it appropriate to establish an internal audit function. The Board monitors performance and internal controls employed by the dedicated investment manager on the basis of the management agreement entered into between the Company and the manager.
7.3	Internal audit should provide a written assessment of the effectiveness of the Company's system of internal control and risk management.	1	As a consequence of the restructuring conducted within the Group during the reporting period and subsequent conversion from operating entity to investment holding company with limited executive staff as well as the appointment of a dedicated investment manager to the Group, the Board has not considered it appropriate to establish an internal audit function. The Board monitors performance and internal controls employed by the dedicated investment manager on the basis of the management agreement entered into between the Company and the manager.
7.4	The audit and risk committee should be responsible for overseeing internal audit	3	As per the terms of reference of the audit and risk committee it is responsible for assessing the work performed by the internal audit function.

7.5	Internal audit should be strategically positioned to achieve its objectives	1	As a consequence of the restructuring conducted within the Group during the last reporting period and subsequent conversion from operating entity to investment holding company with limited executive staff as well as the appointment of a dedicated investment manager to the Group, the Board has not considered it appropriate to establish an internal audit function. The Board monitors performance and internal controls employed by the dedicated investment manager on the basis of the management agreement entered into between the Company and the manager.
8.	Governing stakeholder relationships		
8.1	The Board should appreciate that stakeholders' perceptions affect a Company's reputation	3	The Board is ultimately responsible for determining the Company's interactions with its stakeholders and for overseeing the development of a formal stakeholder engagement plan. The Board has procedures in place to ensure that all material matters are communicated to its stakeholders in an effective and responsible manner. Executive management is tasked to implement this policy in conjunction with Board-appointed advisers.
8.2	The Board should delegate to management to proactively deal with stakeholder relationships	3	The Board is ultimately responsible for determining the Company's interactions with its stakeholders and for overseeing the development of a formal stakeholder engagement plan. The Board has procedures in place to ensure that all material matters are communicated to its stakeholders in an effective and responsible manner. Executive management is tasked to implement this policy in conjunction with Board-appointed advisers.
8.3	The Board should strive to achieve the appropriate balance between its various stakeholder groupings, in the best interests of the Company	3	The Board has procedures in place to ensure that all material matters are communicated to its stakeholders in an effective and responsible manner. In doing so, the Company is able to achieve an appropriate balance between its various stakeholders and the Company's best interest.
8.4	Companies should ensure the equitable treatment of shareholders (only applicable to companies and state owned companies)	3	The Board has procedures in place to ensure that all material matters are communicated to its stakeholders in an effective and responsible manner. All shareholders, minorities included, are treated equitably.
8.5	Transparent and effective communication with stakeholders is essential for building and maintaining their trust and confidence	3	The Board is ultimately responsible for determining the Company's interactions with its stakeholders and for overseeing the development of a formal stakeholder engagement plan. The Board has procedures in place to ensure that all material matters are communicated to its stakeholders in an effective and responsible manner. Executive management is tasked to implement this policy in conjunction with Board-appointed advisers.

8.6	The Board should ensure that disputes are resolved as effectively, efficiently and expeditiously as possible	2	Resolution of disputes is not always achieved effectively or timeously and the Company is seeking to improve in this area.
9.	Integrated Reporting and disclosure		
9.1	The Board should ensure the integrity of the Company's integrated report.	3	The Company's annual report, which consists of an integrated report, is reviewed by the Board to ensure integrity thereof prior to its approval.
9.2	Sustainability reporting and disclosure should be integrated with the Company's financial reporting	1	Stellar Capital will not produce a separate sustainability report for the time being.
9.3	Sustainability reporting and disclosure should be independently assured	1	An assurance statement on ethics and sustainability reporting has not been obtained as yet. Consideration is currently being given as to how this recommended practice can best be implemented.

OTHER DIRECTORSHIPS HELD BY STELLAR CAPITAL DIRECTORS

Insofar as is known to Stellar Capital, the following directorships were held by the directors of Stellar Capital during the previous five years:

Director	Directorship in the preceding five years	Status
Janine de Bruyn	Stellar Advisers	Director - active
	African Pioneer Group	Resigned
	Afripalm Brands	Resigned
	Afripalm Horizons	Resigned
	Stellar Capital Partners Limited	Director - active
	Dream World Investments 506	Director - active
	Friedshelf 1678 (Pty) Ltd	Director - active
	Kingsley Technologies	Resigned
	Kutana Resources	Director - active
	Malesele Investments No. 1	Resigned
	Malesele Investments No. 3	Resigned
	Malesele Investments No. 4	Resigned
	Malesele Investments No. 6	Resigned
	Micawber 469	Resigned
	North Oaks No. 10	Director - active
	Nozala Investments	Resigned
	Pamodzi Spice 1	Resigned
	Prowess Investment Managers	Director - active
	Salt Capital	Director - active
	Sarhwi Investment Holdings	Resigned
	Sekunjalo Private Equity	Resigned
	Ticapax	Director - active
	Trans African Concessions	Resigned
Unipalm Investment Holdings	Resigned	
West Coast Capital	Resigned	
Lerato Mangope	Alumni Trading 225	Resigned
	Alumni Trading 252	Director – active
	Stellar Capital Partners Limited	Director – active
	Coral Lagoon Basadi Investment Holdings	Director – active
	Lionshare Properties	Director – active
	Mollo Holdings	Director – active
	Rikhweru Trading	Director – active
	Rowan Tree 61	Director – active
	Sizwe Africa IT Group	Resigned
	UBank	Director – active
Charles Edward Pettit	Stellar Capital	Director - active
	Stellar Investment Holdings	Director - active
	Torre	Director - active
	Torre South Africa Holdings (Pty) Ltd	Director – active
	Torre Holdings (Pty) Ltd	Director - active
	Control Instruments Group Ltd	
	Torre Automotive (Pty) Ltd	
	Control Instruments Automotive Plastics (Pty) Ltd	Director – active
	Transport Lighting and Fleet Products (Pty) Ltd	Director - active
	Manhand SA (Pty) Ltd	Director - active
	Manhand Materials Handling Holdings (Pty) Ltd	Director - active
	Kanu Equipment Proprietary Limited	Director - active
	Torre Capital Proprietary Limited	Director - active
	Tractor and Grader	Appointment
	Supplies Copperbelt Ltd (Zambia)	in process
Afrasia Capital Management Ltd	Resigned	
Afrasia Corporate Finance (Africa) Ltd	Resigned	

Director	Directorship in the preceding five years	Status
	Stellar Advisers (previously ACF)	Resigned
	Afrasia Special Opportunities Fund (Pty) Ltd	Resigned
	Afrasia Special Opportunities Fund Ltd	Resigned
	Dale Capital Holdings SA (Pty) Ltd	Resigned
	Dale Capital Private Equity (Pty) Ltd	Resigned
	Dale Risk Management Services (Pty) Ltd	Resigned
	Goliath Gold Mining Ltd	Resigned
	Imagination Advisory and Distribution Services (Pty) Ltd	Resigned
	Lavender Sky Investments 40 (Pty) Ltd	Resigned
	Mine Restoration Investments Ltd	Resigned
	Rapid Fire Investments Ltd	Resigned
	Sekunjalo Asset Finance (Pty) Ltd	Resigned
	Sekunjalo Asset Management (Pty) Ltd	Resigned
	Sekunjalo Life Assurance Ltd	Resigned
	Sekunjalo Medical Aid Administrators (Pty) Ltd	Resigned
	Sekunjalo Private Equity (Pty) Ltd	Resigned
	Sharenet (Pty) Ltd	Resigned
	Sharenet CFD's (Pty) Ltd	Resigned
	Sharenet Financial Solutions (Pty) Ltd	Resigned
	Sharenet Views (Pty) Ltd	Resigned
	Sheerprops 156 (Pty) Ltd	Resigned
	Silvertree Properties (Pty) Ltd	Resigned
	Thunder Capital (Pty) Ltd	Resigned
	Thunder Properties (Pty) Ltd	Resigned
	Thunder Securitisation (Pty) Ltd	Resigned
	Trinity Asset Management (Pty) Ltd	Resigned
	West Coast Capital (Pty) Ltd	Resigned
	Workers Life Assurance Company (Pty) Ltd	Resigned
	Workers Life Medical Aid Administrators (Pty) Ltd	Resigned
	Yellow Star Group Holdings (Pty) Ltd	Resigned
Dumisani Dumekhaya-Tabata	8 Mile Investments 207	Resigned
	Afrifresh Group	Resigned
	Afriglass	Director – active
	Amatola Green Power	Resigned
	Andrews Kit	Director – active
	Bowes Loon and Connellan	Resigned
	Brooklyn Automotive	Director – active
	Brooklyn V3 Investments	Director – active
	Buildmax Aggregates	Resigned
	Buildmax Equipment and Services	Director – active
	Burcron Trade 61	Resigned
	Capraway	Director – active
	Catwalk Investments 300	Director – active
	Chrystalpine Investments 9	Director – active
	Stellar Capital Partners Limited	Director – active
	Cresta Motor Lab	Director – active
	Delve In Capital	Director – active
	East Rand Motor Lab	Director – active
	HK Automotive Spares	Director – active
	Honey Silk Trading and Investments 1031	Director – active
	Komver Investments	Director – active
	Labonte 24	Director – active
	Lamacs Solutions	Resigned
	Matlosana Medical Health Services	Director – active
	Micawber 809	Director – active

Director	Directorship in the preceding five years	Status
	Mulcris Aviation	Resigned
	Nciba Solutions	Resigned
	New Heights 368	Director – active
	Platinum Budget Office Furniture	Director – active
	PMG Motors Amanzimtoti	Resigned
	Putuma Investments	Director – active
	Ramsay Webber	Resigned
	Razor Mechanical Centre	Director – active
	Riverside Motor Lab	Director – active
	Rowan Tree 11	Director – active
	Royal Anthem Investments 54	Director – active
	Sizwe Africa IT Group	Resigned
	Smith Tabata	Director – active
	Smith Tabata Buchanan Boyes	Director – active
	Smith Tabata Loon and Connellan	Director – active
	Soilon Investments	Director – active
	South Rand Motor Lab	Director – active
	STBB Smith Tabata Buchanan Boyes	Director – active
	Super 5 Media	Resigned
	Telkom SA	Resigned
	Transaction Capital	Director – active
	Uqilima Investments	Director – active
	Vuwa Capital	Director – active
	Vuwa Fleet Services	Director – active
	Vuwa Investments	Director – active
	Vuwa Investments	Director – active
	Zamindlela Motor Group	Resigned
Peter John van Zyl	Stellar Advisers	Resigned
	Afrasia Special Opportunities Fund	Director – active
	Amrichprop 27 Properties	Director – active
	Consolidated Resources	Resigned
	Control Instruments Group	Director – active
	Emergent Energy	Director – active
	FIOS	Resigned
	First Light Administration	Resigned
	Friedshelf 1678 (Pty) Ltd	Director – active
	Goliath Gold Mining	Resigned
	Imagination Advisory and Distribution	Resigned
	Imagination Capital Management	Resigned
	Imagination Capital Management	Resigned
	Kilomix Investments	Resigned
	LAN Solutions	Director – active
	Octigon (SA)	Resigned
	Preparatory Play and Learning Centre	Director – active
	Saratoga Private Equity	Director – active
	Saratoga Software	Director – active
	Saratoga Software	Resigned
	Sekunjalo Asset Finance	Resigned
	Sekunjalo Asset Management	Resigned
	Sekunjalo Capital	Resigned
	Sekunjalo Corporate Services	Resigned
	Sekunjalo Financial Services	Resigned
	Sekunjalo Financial Services	Resigned
	Sekunjalo Fund Administrators	Resigned
	Sekunjalo Fund Administrators	Resigned
	Sekunjalo Health Care	Resigned
	Sekunjalo Healthcare	Resigned
	Sekunjalo Private Equity	Resigned

Director	Directorship in the preceding five years	Status
	Sekunjalo Private Equity	Resigned
	Sekunjalo Properties	Resigned
	Sekunjalo Properties	Resigned
	Sekunjalo Technology	Resigned
	Silvertree Properties	Director – active
	Stellar Capital Partners Limited	Director - active
	Synbi	Resigned
	TDF Fund Administrators	Resigned
	The Centre for Play and Learning	Resigned
	Thunder Capital	Director - active
	Thunder Properties	Director - active
	Thunder Securitisations	Director – active
	Torre Holdings	Director – active
	Torre Industries	Director – active
	West Coast Capital	Resigned
	Workers Life Assurance Company	Resigned
	Workers Life Medical Aid	Resigned
Caroline Clare Wiese	Capstone 597	Director – active
	Incapoint Investments	Director – active
	Metcap 14	
	Sloane and Madison	Director – active
	Stellar Capital Partners Limited	Director - active
	Wiese Dini Property Development	Member – active
Christina Helmien Wiese	Cool Ideas 225	Director - active
	Cream Magenta 140	Director – active
	Incarite Investments	Director - active
	Stellar Capital Partners Limited	Director - active
Charl Benjamin de Villiers	Friedshelf 1678 (Pty) Ltd	Director - active
	Stellar Capital Partners Limited	Director - active



Stellar Capital Partners Limited
(Previously ConvergeNet Holdings Limited)
(Incorporated in the Republic of South Africa)
(Registration number 1998/015580/06)
("Stellar Capital" or the "Company")
Share code: SCP
ISIN: ZAE000198586

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of shareholders will be held at **10:00 on Wednesday, 21 October 2015** at Level P3, Oxford Corner, cnr Jellicoe and Oxford Roads, Rosebank, Johannesburg.

Purpose

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 The definitions and interpretations commencing on page 4 of the circular to which this notice is attached (the "**Circular**"), apply, *mutatis mutandis*, to this notice and to the resolutions set out below.
- 2 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.
- 3 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.
- 4 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.

Please note that the Company will not provide for electronic participation at the General Meeting.

- 1 **SPECIAL RESOLUTION NUMBER 1 – Issue of more than 30% of Stellar Capital's issued share capital**

"**RESOLVED THAT**, in accordance with section 41(1) and 41(3) of the Companies Act, the board of directors of the Company be and is hereby authorised to issue, as consideration for the Torre Sale Shares, such number of ordinary Stellar Capital shares to the vendors comprising the Vendor Consortium, if and to the extent that such shares (i) are issued to a person related or inter-related to the Company, or to a director, future director, prescribed officer, and/or (ii) constitute more than 30% of the Company's issued share capital immediately before the issue of such shares."

Information and explanatory material with respect to Special Resolution Number 1 as contemplated in section 65(4)(b) of the Companies Act:

This resolution is required to be approved in accordance with section 65(11)(d) and (e) read together with section 41(3) of the Companies Act in terms of which a special resolution is required to the extent that a company issues shares to a person who is related or inter-related to such company, or to a director, future director, prescribed officer of that company, and/or the shares issued equal or exceed 30% of the total issued shares capital held by shareholders immediately before the transaction is voted on. The Transaction contemplated the Company issuing in excess of 30% of the total shares currently in issue.

This resolution requires the approval of 75% of the voting rights of shareholders exercised on the resolution, in accordance with section 65(11)(d) and (e) of the Companies Act.

2 **ORDINARY RESOLUTION NUMBER 1 – Approval of the Transaction**

"RESOLVED THAT, subject to special resolution number 1 being approved, the Transaction be and is hereby approved, as defined in and on the terms set out in the Circular which forms part of this notice."

Information and explanatory material with respect to Ordinary Resolution Number 1

In accordance with the Listings Requirements the Company will be regarded as having undertaken a reverse takeover as a result of the Transaction and accordingly requires the general approval of shareholders.

This resolution requires the approval of 50% of the voting rights of shareholders exercised on the resolution, in accordance with section 9.20 of the Listings Requirements. Any parties to the Vendor Consortium including any of their associates, to the extent they hold any shares in Stellar Capital to vote at the General Meeting, will be precluded from voting on the resolutions required to implement the Transaction.

3 **ORDINARY RESOLUTION NUMBER 2 – Authorising Resolution**

"RESOLVED THAT, any director or the Company Secretary 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 Special Resolutions contained herein."

Information and explanatory material with respect to Ordinary Resolution Number 2 as contemplated in section 65(4)(b) of the Companies Act

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, in accordance with the Listings Requirements.

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, 28 August 2015. The last day to trade in order to be eligible to vote at the General Meeting is Friday, 9 October 2015.

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, 16 October 2015.

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 by not later than **10:00** on Monday, 19 October 2015.

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 ROSEBANK ON BEHALF OF THE BOARD ON 2 SEPTEMBER 2015 IN TERMS OF POWERS OF ATTORNEY GRANTED BY THE DIRECTORS.

By order of the Board



STELLAR CAPITAL PARTNERS LIMITED

PJ van Zyl

Chief Executive Officer

4 September 2015

Registered Office

Level P3, Oxford Corner
Cnr Jellicoe and Oxford Roads
Rosebank
Johannesburg, 2196

Transfer Secretaries

Computershare Investor Services Proprietary Limited
70 Marshall Street
Johannesburg, 2001



Stellar Capital Partners Limited
(Previously ConvergeNet Holdings Limited)
(Incorporated in the Republic of South Africa)
(Registration number 1998/015580/06)
("Stellar Capital" or the "Company")
Share code: SCP
ISIN: ZAE000198586

FORM OF PROXY

The definitions and interpretations commencing on page 4 of the Circular to which this form of proxy is attached apply, mutatis mutandis, to this section.

For use by certificated shareholders or "own name" dematerialised shareholders at the General Meeting of the Company to be held at Level P3, Oxford Corner, cnr Jellicoe and Oxford Roads, Rosebank, Johannesburg at 10:00 on Wednesday, 21 October 2015.

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 **10:00**, on Monday, 19 October 2015. 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):

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):

		Number of shares		
		For	Against	Abstain
1.	Special Resolution Number 1 Issuing of shares in excess of 30%			
2.	Ordinary Resolution Number 1 Approval of the Transaction			
3.	Ordinary Resolution Number 2 Authorising Resolution			

Signed at on 2015

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.

On a show of hands, every shareholder shall have one vote (irrespective of the number of Stellar Capital shares held). 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 Memorandum of Incorporation, 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, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), to be received by no later than **10:00** on Monday, 19 October 2015, in order to be effective.
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.