

CALGRO M3 HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
(Registration Number 2005/027663/06)
Share code: CGR
ISIN: ZAE000109203
("Calgro M3" or "the Group")

CONDUIT CAPITAL LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1998/017351/06)
Share code: CND
ISIN: ZAE000073128
("Conduit")

CONCLUSION OF MARKETING PARTNERSHIP AGREEMENT

1. Introduction

Calgro M3 and Conduit ("the Parties") are pleased to announce that the Parties have entered into a marketing partnership in respect of the sale of burial sites within Calgro M3's Memorial Parks ("Partnership"). The Partnership is in line with both Parties' strategy of collaborating with industry leaders and leveraging complementary skills.

The Partnership is regulated by the partnership agreement entered into between Calgro M3 Developments Limited, a wholly owned subsidiary of Calgro M3 and Constantia Life Limited ("Constantia Life"), a wholly owned subsidiary of Conduit ("Partnership Agreement").

2. Background and rationale of the Partnership Agreement

Calgro M3 launched its first Memorial Park in Nasrec, Johannesburg during the third quarter of 2015. The Nasrec Memorial Park comprises 36,000 burial sites and was established in line with Calgro M3's distinct "park" look and feel. Calgro M3 intends expanding the Memorial Parks business, initially in Gauteng and then elsewhere in South Africa. Key to Calgro M3 Memorial Parks' success is ensuring sustainable growth through direct cash sales of burial sites, as well as insurance policy based sales thereof.

Constantia Life, for the past six decades, remains a market leader in the funeral insurance industry. The company is constantly exploring new avenues of growth and partnering with Calgro M3 in selling its unique Memorial Park burial sites has been identified as a complementary addition to its growing product range. Calgro M3 will support the partnership by ensuring that its Memorial Parks, provide the much-needed alternative to traditional burial sites across South Africa, and are established and maintained in accordance with the high standards for which the Group is known.

It is the intention that the Partnership will generate annuity income that will enable both Calgro M3, through Calgro M3 Developments, and Conduit, through Constantia Life, to enjoy a fixed source of income to assist in the reduction of capital costs and overheads.

3. Salient terms of the Partnership Agreement

The Partnership Agreement provides, amongst other, that Calgro M3 will:

- (i) make all unsold burial sites within its Memorial Parks available to Constantia Life, on a non-exclusive basis, in order for the latter to sell to the general public, either in conjunction with funeral policies or as cash sales; and
- (ii) ensure that its Memorial Parks are maintained and managed to the highest standards.

Constantia Life, in turn, will:

- (iii) integrate the Memorial Parks burial sites into its product range; and
- (iv) sell the burial sites through its sales and distribution channels, including a call centre that will be dedicated to the generation of direct burial site sales.

Agreements that Calgro M3 have in place with existing insurance providers will continue in line with the terms of those agreements.

Sandton
9 May 2016

Sponsor to Conduit
Merchantec Capital

Sponsor to Calgro M3
Grindrod Bank Limited