

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the action you should take, please consult your broker, CSDP, banker, accountant, legal adviser or other professional adviser immediately.

If you have disposed of all of your ordinary shares in TRU on or before Wednesday, 16 March 2016, this Circular should be handed to the purchaser to, or the CSDP, broker, banker, attorney or agent through, whom you disposed of such shares.



TRUWORTHS INTERNATIONAL LIMITED

Incorporated in the Republic of South Africa

Registration number: 1944/017491/06

JSE code: TRU NSX code: TRW ISIN: ZAE000028296

('TRU' or 'the company')

CIRCULAR TO ORDINARY SHAREHOLDERS

('Circular')

relating to

**A CAPITALISATION SHARE AWARD,
OR, AS AN ALTERNATIVE, AN ELECTION TO RECEIVE A CASH DIVIDEND**

including

A FORM OF ELECTION

(FOR USE BY CERTIFICATED ORDINARY SHAREHOLDERS ONLY)

Sponsor

**ONE CAPITAL SPONSOR SERVICES (PTY) LTD
(South Africa)**

Transfer secretaries

**COMPUTERSHARE INVESTOR SERVICES (PTY) LTD
(South Africa)**

**TRANSFER SECRETARIES (PTY) LTD
(Namibia)**

Date of issue: 29 February 2016

This Circular is available in English only and copies may be obtained from the head office of TRU at the registered address which is set out in this Circular, during normal business hours on business days during the period from Wednesday, 2 March 2016, up to and including Thursday, 24 March 2016, both days inclusive.

ACTIONS REQUIRED BY ORDINARY SHAREHOLDERS OF TRU ('SHAREHOLDERS')

SHAREHOLDERS NEED ONLY MAKE AN ELECTION IF THEY WISH TO RECEIVE THE CASH ALTERNATIVE. IF YOU DO NOT ELECT THE CASH ALTERNATIVE, YOU WILL BE DEEMED TO HAVE ELECTED THE CAPITALISATION SHARE AWARD.

You are not required to pay for the ordinary shares to which you are entitled in terms of the capitalisation share award. Shareholders may make an election to receive the cash dividend alternative in lieu of receiving the capitalisation share award, in respect of all or part of their holding of ordinary shares ('shareholding') in TRU held on the record date. Shareholders are responsible for informing themselves about and observing any applicable legal and regulatory requirements in their relevant jurisdictions. To the extent that the distribution of this Circular and/or the receipt of the capitalisation share award in jurisdictions other than South Africa might be prohibited or otherwise restricted by legal or regulatory requirements, and/or the failure to comply with any of those legal or regulatory requirements might constitute a violation of the laws or regulatory requirements of such jurisdictions, shareholders will not be entitled to receive the capitalisation share award, directly or indirectly, in those jurisdictions, and shall be deemed to elect the cash dividend alternative.

If you wish to receive the cash dividend alternative, please note the following action that is required to be taken by you:

Certificated shareholders

Shareholders who hold certificated ordinary TRU shares ('certificated shareholders') must complete the attached form of election in accordance with the instructions contained therein and lodge it with:

South African and foreign (other than Namibian) shareholders

Computershare Investor Services (Pty) Ltd, 70 Marshall Street, Johannesburg, 2001, South Africa
PO Box 61763, Marshalltown, 2107, South Africa
Faxed to +27 (11) 688 5210 or e-mailed to corporate.events@computershare.co.za

Namibian shareholders

Transfer Secretaries (Pty) Ltd, 4 Robert Mugabe Avenue, Windhoek, Namibia
PO Box 2401, Windhoek, Namibia
Faxed to +264 (61) 24 8531 or e-mailed to info@nsx.com.na

(together the 'transfer secretaries').

Form of election and banking account details form ('Forms') (*attached*), are to be received by them by no later than 12:00 on Thursday, 24 March 2016. Forms received after this date and time will not be accepted. Electronic fund transfers will be effected and, where applicable, share certificates will be dispatched to all certificated shareholders, at the risk of such certificated shareholders, to their registered addresses by ordinary post, on Tuesday, 29 March 2016, or in accordance with the instructions given to the transfer secretaries.

The transfer secretaries will not be responsible for any loss and/or damage whatsoever in relation to or arising from the late or non-receipt of posted, faxed or e-mailed Forms or as a result of Forms being forwarded to any other postal box, fax or e-mail address other than those provided above and in accordance with the instructions provided on the Forms. Forms shall be deemed to be received on the date reflected in the transfer secretaries' electronic or fax systems. Notwithstanding anything to the contrary, it is the certificated shareholder's responsibility to ensure that his/her Form is timeously received by the transfer secretaries.

Dematerialised shareholders

Shareholders who have dematerialised their ordinary TRU shares through a Central Securities Depository Participant ('CSDP') or broker ('dematerialised shareholders') must not complete the attached form of election. Dematerialised shareholders are required to notify their duly appointed CSDP or broker if they wish to receive the cash dividend alternative in the manner and at the time stipulated in the agreement governing the relationship between such dematerialised shareholders and their CSDP or broker, failing which they will receive the capitalisation share award. Dematerialised shareholders' CSDP/broker accounts will be credited/updated on Tuesday, 29 March 2016, in accordance with any election made or deemed to be made, as the case may be.

Actions and omissions of CSDP, broker or other agent of any beneficial owner of ordinary shares

TRU does not accept responsibility, and will not be held liable for any action of, or omission by, any CSDP, broker or other agent of any beneficial owner of ordinary shares in relation to this corporate action.

IMPORTANT DATES AND TIMES

Event	Date
Publication of declaration data	Monday, 29 February 2016
Circular and Forms posted to shareholders	Wednesday, 2 March 2016
Finalisation date: Announcement of ratio applicable to the capitalisation share award, based on the three-day VWAP ending on Tuesday, 8 March 2016, released on SENS by 11:00 on	Wednesday, 9 March 2016
Last day to trade <i>cum</i> dividend in order to be eligible for the capitalisation share award/cash dividend alternative	Wednesday, 16 March 2016
Ordinary shares trade ex the capitalisation share award/cash dividend alternative	Thursday, 17 March 2016
Listing of maximum possible number of new ordinary shares that could be issued in terms of the capitalisation share award	Thursday, 17 March 2016
Last day to elect the capitalisation share award/cash dividend alternative by 12:00	Thursday, 24 March 2016
Record date in respect of the capitalisation share award/cash dividend alternative	Thursday, 24 March 2016
Payment of cash dividends elected by electronic funds transfer	Tuesday, 29 March 2016
Posting of share certificates to certificated shareholders	Tuesday, 29 March 2016
CSDP/broker accounts credited with the new ordinary shares or the cash dividends due to dematerialised shareholders (where applicable)	Tuesday, 29 March 2016
Maximum number of new ordinary shares listed adjusted to reflect the actual number of new ordinary shares issued on or about	Thursday, 31 March 2016

Notes:

1. All times provided are South African local time (SAST). The above dates and times are subject to change. If applicable, any changes will be announced on SENS.
2. Ordinary shares may not be dematerialised or rematerialised, nor may transfers between registers take place between 17 March 2016 and 24 March 2016, both days inclusive.

CIRCULAR TO SHAREHOLDERS

1. INTRODUCTION AND RATIONALE

In an announcement released on SENS on Monday, 29 February 2016, notice was given that the board of directors of TRU had declared a dividend in favour of the holders of ordinary shares in TRU for the period ended 27 December 2015 to be settled by way of the award of fully paid TRU ordinary capitalisation shares of 0.015 cent each from the company's share premium account, and to the extent necessary the company's retained income, to ordinary shareholders recorded in the TRU register on the record date, being Thursday, 24 March 2016 ('the capitalisation share award'). As an alternative, shareholders will be entitled, in respect of all or part of their shareholding, to elect to receive a gross cash dividend of 270.0 cents per ordinary share from the company's retained income, which cash dividend will be paid only to those shareholders who elect to receive the cash dividend, in respect of all or part of their shareholding, on or before 12:00 on Thursday, 24 March 2016 ('the cash dividend alternative').

Shareholders **not** electing the cash dividend alternative in respect of all or part of their shareholding will, by default, be deemed to have elected to receive the capitalisation share award and will consequently be issued with fully paid ordinary TRU shares in terms of the capitalisation share award.

The dividend provides shareholders with capitalisation shares or, alternatively, an option of cash. TRU will benefit from the transaction by way of an increase in the amount of shareholders' funds and cash available to support continued growth of the company and the businesses conducted by its subsidiaries, and will enable the Group's debt to equity ratio to be suitably managed.

2. THE CAPITALISATION SHARE AWARD

2.1 Terms of the capitalisation share award

Subject to the terms contained in this Circular and the accompanying Forms (*attached*), the number of new ordinary TRU shares to which ordinary shareholders participating (or deemed to be participating) in the capitalisation share award will become entitled will be determined in the ratio that 270.0 cents multiplied by a factor of 1.04 bears to the volume-weighted average price ('VWAP') of the TRU ordinary shares on the JSE during the three-day trading period ending on Tuesday, 8 March 2016.

2.2 Fractions

Trading in the Strate environment does not permit fractions and fractional entitlements. Accordingly, where an ordinary shareholder's entitlement to new ordinary TRU shares results in a fraction of a new ordinary share, such fraction of an ordinary share will be rounded up to the nearest whole number where the fraction is greater than or equal to half (0.5) of a TRU share, and rounded down to the nearest whole number where the fraction is less than 0.5 of a TRU share.

2.3 Tax implications

The cash dividend alternative will be paid out of the retained income of the company to a maximum Rand value of R1 160 058 626. A net cash dividend of 229.5 cents per ordinary share will apply to shareholders liable for the South African 15% dividend withholding tax and 270.0 cents per ordinary share for shareholders exempt from the dividend withholding tax. The new ordinary shares will, pursuant to the capitalisation share award, be issued as a capitalisation of a maximum amount of R1 206 460 971 from the share premium account together with the retained income (to the extent necessary) of the company. The capitalisation share award will entail the transfer to shareholders of an amount that constitutes shares in the company, and such amount will accordingly not comprise a dividend for South African tax purposes. In the finalisation announcement, TRU will disclose the price and ratio relating to such capitalisation. The issued ordinary share capital of TRU as at 26 February 2016 is 429 651 343 ordinary shares with a par value of 0.015 cent each. The company's income tax reference number is 9875/145/71/7.

The capitalisation share award and the cash dividend alternative may have different tax implications for resident as well as non-resident shareholders. Shareholders should not rely on the contents of this paragraph as regards the tax implications of the corporate action, and are therefore encouraged to consult with their professional advisers should they be in any doubt as to the tax implications and the appropriate action to take.

3. PAYMENT OF THE CASH DIVIDEND ALTERNATIVE, POSTING OF SHARE CERTIFICATES AND UPDATING/ CREDITING OF CSDP ACCOUNTS

To the extent elected by ordinary shareholders, the cash dividend alternative is declared in South African currency. Where applicable, cash dividends in respect of certificated ordinary shares will be transferred electronically to ordinary shareholders' bank accounts on the payment date at the risk of those shareholders. Ordinary shareholders who hold dematerialised shares will have their accounts at their CSDP or broker credited/updated electronically on Tuesday, 29 March 2016. In accordance with the company's memorandum of incorporation:

- 3.1 the cash dividend alternative will only be paid by electronic funds transfer and no cheque payments will be made. Accordingly, shareholders who have not yet provided their bank account details should do so to the company's transfer secretaries; and
- 3.2 the directors have determined that gross cash dividend alternative amounts to less than 1 000 South African cents, due to any one shareholder of the company's shares held in certificated form, will not be paid, unless otherwise requested in writing, but the net amount thereof will be aggregated with other such net amounts and donated to a charity to be nominated by the directors.

Where applicable, share certificates will be dispatched to certificated shareholders by ordinary post at the risk of such shareholders on or about Tuesday, 29 March 2016 to their last known and/or registered addresses or in accordance with the written instructions given to the transfer secretaries. Dematerialised shareholders' CSDP/broker accounts will be updated electronically on Tuesday, 29 March 2016.

4. LISTING OF NEW ORDINARY SHARES

Application will be made to the JSE to list the maximum possible number of TRU ordinary shares that could be issued in terms of the capitalisation share award, with effect from the commencement of business on Thursday, 17 March 2016. The JSE will adjust the number of new ordinary shares listed, to reflect the actual number of ordinary shares issued, on or about Thursday, 31 March 2016. A shareholder may not refuse, abandon or transfer his/her right to receive new ordinary shares allotted to him/her pursuant to the capitalisation share award, nor may such right be traded on the JSE.

5. EXCHANGE CONTROL

This paragraph provides guidance with respect to the Exchange Control Regulations of South Africa ('Exchange Control') to shareholders who are either non-residents or emigrants from the common monetary area, comprising South Africa, Namibia and the Kingdoms of Lesotho and Swaziland. Such guidance, in terms of Exchange Control, is as follows:

5.1 In the case of certificated shareholders

5.1.1 Non-residents

Share certificates will be issued with a 'non-resident' endorsement. Dividend payments, which are freely transferable from South Africa, will be sent to the last known or registered address of the shareholder concerned by ordinary post (at the risk of that shareholder) or in accordance with the written instructions given to the transfer secretaries.

5.1.2 Emigrants

The election of the cash dividend alternative must be made through the bank that has been appointed as the emigrant's authorised dealer in foreign exchange controlling his/her blocked assets, in terms of which dividend payments derived from distributable reserves may be regarded as transferable and credited to the emigrant's non-resident Rand account. Share certificates, which will be issued with a 'non-resident' endorsement, and dividend payments, based on ordinary shares controlled in terms of Exchange Control, will similarly be forwarded to the authorised dealer controlling the blocked assets of the emigrant.

5.2 In the case of dematerialised shareholders

All aspects relating to Exchange Control will be managed by the CSDP or broker of the shareholder, as follows:

5.2.1 Non-residents

Ordinary shares issued will be credited to their CSDP or broker accounts and a 'non-resident' annotation will appear in the CSDP or broker register. Dividend payments will be credited directly to the bank accounts nominated for such non-residents by their CSDP or broker.

5.2.2 Emigrants

The election of the cash dividend alternative must be made through the authorised dealer in foreign exchange controlling the blocked assets of the emigrant. Ordinary shares issued, based on ordinary shares controlled in terms of Exchange Control, will be credited to the blocked share accounts at the CSDP or broker controlling the blocked assets of the emigrant and an 'emigrant' annotation will appear in the CSDP or broker register. Dividend payments derived from distributable reserves, based on ordinary shares controlled in terms of Exchange Control, will be credited to the CSDP or broker accounts of such emigrants and their CSDP or broker will arrange for the same to be credited directly to the shareholder's non-resident Rand account held by and to the order of that shareholder's authorised dealer.

6. EXPERTS' CONSENTS

The Sponsor and transfer secretaries of TRU have consented in writing to act in the capacity stated and to their names being included in this Circular and have not withdrawn their consents prior to the publication of this Circular.

By order of the board of directors

C Durham

Company Secretary

29 February 2016

Registered office

No. 1 Mostert Street

Cape Town, 8001

South Africa



TRUWORTHS INTERNATIONAL LIMITED
 Incorporated in the Republic of South Africa
 Registration number: 1944/017491/06
 JSE code: TRU NSX code: TRW ISIN: ZAE000028296
 ('TRU' or 'the company')

FORM OF ELECTION

Only for use by ordinary shareholders ('shareholders') who hold ordinary TRU shares in certificated form and who elect to receive a gross interim cash dividend of 270.0 cents per ordinary share, in lieu of the capitalisation share award, for all or part of their shareholding held or deemed to be held on the record date ('the cash dividend alternative'), failing which fully paid ordinary shares in terms of the capitalisation share award will, by default, be issued to such shareholders.

Dematerialised shareholders who wish to receive the cash dividend alternative must instruct their Central Securities Depository Participant ('CSDP') or broker accordingly, in terms of the custody agreement entered into between them and their CSDP or broker.

Shareholders who wish to receive the ordinary shares to be issued in terms of the capitalisation share award, being new fully paid ordinary TRU shares, must NOT complete this form of election and no further action is required.

NO LATE POSTAL ELECTIONS WILL BE ACCEPTED.

For the terms and conditions governing the election, refer to the accompanying Circular and the notes reflected below.

If you hold share certificate(s) and elect to receive the cash dividend alternative in respect of all or part of your holding of ordinary TRU shares ('shareholding'), you should complete block (5) overleaf in accordance with the instructions herein and lodge this form of election with the transfer secretaries:

South Africa and other countries

Computershare Investor Services (Pty) Ltd
 70 Marshall Street, Johannesburg, 2001, South Africa
 (PO Box 61763, Marshalltown, 2107, South Africa)

E-mail: corporate.events@computershare.co.za
 Fax: +27 (11) 688 5210

Namibia

Transfer Secretaries (Pty) Ltd
 4 Robert Mugabe Avenue, Windhoek, Namibia
 (PO Box 2401, Windhoek, Namibia)

E-mail: info@nsx.com.na
 Fax: +264 (61) 24 8531

I/We (full name in BLOCK LETTERS) _____

regarding the election of the cash dividend alternative in lieu of the capitalisation share award:

- hereby irrevocably elect to accept the cash dividend alternative in respect of the number of ordinary TRU shares reflected in block (5) overleaf and on the terms and conditions contained in this form of election and in the accompanying Circular;
- acknowledge that this form of election is applicable only in respect of ordinary TRU shares of which I/we am/are the registered holder(s) on the record date, being Thursday, 24 March 2016; and
- acknowledge that I/we am/are only entitled to an issue of ordinary TRU shares determined in the ratio that 270.0 cents multiplied by a factor of 1.04 bears to the volume-weighted average price ('VWAP') of the TRU ordinary shares on the JSE during the three-day trading period ending on Tuesday, 8 March 2016, excluding any ordinary shares in respect of which I/we elected to receive the cash dividend alternative.

Signed at _____ on _____ 2016.

Signature _____

Assisted by (where applicable) _____

Telephone number, including area code, and international code, if outside South Africa

(home): _____ (work): _____ (cell phone): _____

(e-mail address): _____

In order to comply with the requirements of the Financial Intelligence Centre Act, 2001 (Act No. 38 of 2001, as amended) ('FICA'), Computershare Investor Services (Pty) Ltd ('Computershare') will be unable to record any change of payment mandated unless the following documentation is received from the relevant shareholder:

- an original certified copy of your identity document;
- an original certified copy of a document issued by the South African Revenue Services to verify your tax number. If you do not have one please submit this in writing and have the letter signed by a Commissioner of Oaths; and
- a certified true copy of an original bank statement (not an internet bank statement, ATM slip, credit card or cancelled cheque) or a signed and stamped letter from your bankers on a letterhead confirming your banking details. Please note that we may not accept third-party banking details. You may also request your bank to verify your bank account details by stamping and signing the first page of the relevant Custody and Settlement Agreement Form (to be verified by the bank official). Please note that all documents should be dated within the preceding three months.

Please note that copies of certified copies will not be accepted.

In order to comply with the requirements of FICA, Computershare will be unable to record any **change of address** mandated unless the following documentation is received from the relevant shareholder:

- an original certified copy of your identity document;
- an original certified copy of a document issued by the South African Revenue Services to verify your tax number. If you do not have one please submit this in writing and have the letter signed by a Commissioner of Oaths; and
- an original or an original certified copy of a service bill to verify your residential address e.g. rates/electricity bill or telephone bill (not a mobile telephone account) bearing your name and current residential address. Alternatively you may provide any two approved retail credit account statements, e.g. Truworths, that reflects your residential address. Should the service bill be in the name of a third party, please supply a certified copy of that third party and/or homeowner's identity document, service bill and a completed and signed co-habitant form. Please note that all documents should be dated within the preceding three months.

Please note that copies of certified copies will not be accepted.

Name, address and contact details of registered shareholder	Nominated authorised dealer in the case of a certificated shareholder who is an emigrant from or non-resident of the common monetary area:
(1)	(2)

Account number/Investor code ('IVC') (This is the shareholder's reference no.)	Number of TRU ordinary shares held or deemed to be held on the record date, being Thursday, 24 March 2016 based on your shareholding at the close of business on Friday, 19 February 2016	Maximum gross cash dividend to which you will become entitled should you elect to receive the cash dividend alternative based on the number of ordinary shares held or deemed to be held on the record date, being Thursday, 24 March 2016 based on your shareholding at the close of business on Friday, 19 February 2016
	(3)	(4)

The figures in blocks (3) and (4) above are indicative and may change if your holding has changed between Friday, 19 February 2016 and Thursday, 24 March 2016.

Number of ordinary shares for which the cash dividend alternative is elected – thereafter, the extent of the ordinary shares to be issued in terms of the capitalisation share award will be calculated by the transfer secretaries. The maximum number of ordinary shares for which the cash dividend alternative can be elected is reflected in block (3) above or, if ordinary shares have been transacted since Friday, 19 February 2016, then the number of ordinary shares recorded in the register on the record date, being Thursday, 24 March 2016. The maximum gross cash dividend alternative to which you are entitled is reflected in block (4) above or, if ordinary shares have been transacted since Friday, 19 February 2016, then the number of ordinary shares recorded in the register on the record date, being Thursday, 24 March 2016.

Number of TRU ordinary shares for which the cash dividend alternative is elected

(Please note that if the cash dividend alternative is preferred, an election must be made in respect of the number of ordinary shares for which the cash dividend alternative is required. If this box is not completed, then you are deemed to have elected to receive the cash dividend alternative based on your entire holding of ordinary shares held on the record date, being Thursday, 24 March 2016.)

Date of signature _____ Signature _____

The non-receipt of forms of election by 12:00 South African time on Thursday, 24 March 2016 will be construed by TRU as an indication that such shareholders do not wish to elect to receive the cash dividend alternative in lieu of the capitalisation share award and consequently you will be deemed to have elected the capitalisation share award.

Notes:

- Shareholders should refer to the 'Action required by ordinary shareholders' section of the accompanying Circular.
- You acknowledge and agree that if the cash dividend alternative is elected, the maximum gross cash dividend to which you will become entitled is determined by reference to the number of ordinary shares you hold or are deemed to hold on the record date, being Thursday, 24 March 2016 based on your shareholding at the close of business on Friday, 19 February 2016.
- The signature on this form of election of any person who is under legal disability shall be accompanied by the signature of such person's parent or guardian or legal representative, as the case may be.
- In order to be valid, this form of election must be properly completed, signed and lodged with or posted to the transfer secretaries detailed above, to be received by them by no later than 12:00 on Thursday, 24 March 2016.
- TRU reserves the right in its discretion to:
 - treat as invalid (in which case ordinary shares will be issued in terms of the capitalisation share award) any form of election not complying with the terms of the election or any instruction contained herein; and
 - require proof of the authority of the person signing this form of election where such proof has not yet been lodged with or recorded by the transfer secretaries.
- Fractional entitlements to ordinary shares to be issued in terms of the capitalisation share award will be dealt with as explained in paragraph 2.2 of the accompanying Circular.
- Any alteration or correction made to this form of election must be initialled by the signatory(ies).
- Should you have any queries as to the completion of this form of election, please contact the transfer secretaries.
- Certificated shareholders who are emigrants from or non-residents of the common monetary area, whose registered addresses are outside of the common monetary area and whose documents of title have been restrictively endorsed under the Exchange Control Regulations should nominate an authorised dealer in block (2) above.
- If this form of election is signed under a power of attorney, then such power of attorney, or a notarially certified copy thereof, must be sent with this form of election for noting (unless it has already been noted by TRU or the transfer secretaries).
- Where the certificated shareholder is a company or close corporation, unless it has already been registered with TRU or the transfer secretaries, a certified copy of the directors' or members' resolution authorising the signing of this form of election must be submitted if so requested by TRU.
- Where there are joint holders of any certificated shares, only that holder whose name stands first in the register in respect of such shares needs to sign this form of election.