



## SA CORPORATE REAL ESTATE LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 2015/015578/06)

JSE share code: SAC ISIN: ZAE000203238

("Newco" or "the Company")

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### PRE-LISTING STATEMENT

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*This Pre-listing Statement is not an invitation to the public to subscribe for shares in Newco. It is issued in compliance with the Listings Requirements to provide information to SA Corporate Unitholders with regards to Newco.*

The definitions and interpretations commencing on page 5 of this Pre-listing Statement have, where appropriate, been used in these cover pages.

This Pre-listing Statement has been prepared on the assumption that the resolution proposed in the notice of General Meeting forming part of the Circular enclosed with this Pre-listing Statement, will be passed at the General Meeting of SA Corporate Unitholders to be held on Friday, 29 May 2015.

Immediately prior to the Listing:

- the authorised share capital of the Company comprised 4 000 000 000 ordinary Shares of no par value;
- the issued share capital of the Company comprised 1 ordinary Share, held by the Manager, of no par value with stated capital amounting to R4.97; and
- there were no treasury Shares in issue.

Immediately after the Listing, it is expected that:

- the authorised share capital of the Company will comprise 4 000 000 000 ordinary Shares of no par value;
- the issued share capital of the Company will comprise 2 024 162 411 ordinary Shares of no par value with stated capital amounting to R6 891 373 842; and
- the one Share which the Manager holds in Newco will, after implementation of the Transaction, be held as a treasury Share.

The JSE has granted Newco a Listing in respect of all its issued Shares in the Real Estate, Diversified REITs, sector of the JSE, in terms of the FTSE classification, under abbreviated name: "SA Corp", JSE share code: SAC and ISIN: ZAE000203238 with effect from the commencement of trade on Monday, 29 June 2015.

The Directors, whose names are set out on the inside front cover of this Pre-listing Statement, collectively and individually accept full responsibility for the accuracy of the information given herein and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Pre-listing Statement contains all information required by law and the Listings Requirements.

The Corporate Advisor and Transaction Sponsor, Independent Reporting Accountants and Auditors, Attorneys, Transfer Secretaries, and the Tax and Competition Law Advisors, whose names are set out in the "Corporate Information and Advisors Section", have given and have not, prior to the publication of this Pre-listing Statement, withdrawn their written consent to the inclusion of their names in the capacities stated and, where applicable, to their reports being included in this Pre-listing Statement.

An abridged version of this Pre-listing Statement will be released on SENS on Thursday, 30 April 2015 and published in the press on Monday, 4 May 2015.

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**Corporate Advisor, and  
Transaction Sponsor**



**Independent Reporting Accountants  
and Auditors**



**Attorneys, Tax and Competition  
Law Advisors**



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**Date of issue:** 30 April 2015

*This Pre-listing Statement is available only in English. Copies may be obtained from the registered offices of Newco, the Transfer Secretaries and the Corporate Advisor and Transaction Sponsor, details of which are set out in the "Corporate Information and Advisors" section of this Pre-listing Statement.*

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## CORPORATE INFORMATION AND ADVISORS

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### Directors of Newco

J Molobela (Independent non-executive Chairman)  
TR Mackey (Managing Director)  
AM Basson (Financial Director)  
RJ Biesman-Simons (Independent non-executive Director)  
GP Dingaana (Independent non-executive Director)  
KJ Forbes (Independent non-executive Director)  
ES Seedat (Independent non-executive Director)  
EM Hendricks (Independent non-executive Director)  
MA Moloto (Independent non-executive Director)

### Company Secretary

B Swanepoel  
South Wing, First Floor  
Block A, The Forum  
North Bank Lane  
Century City  
7441  
(Postnet Suite no. 1051, Private Bag X2, Century City, 7446)

### Attorneys, Tax and Competition Law Advisors

Cliffe Decker Hofmeyr Inc.  
1 Protea Place  
Sandton  
2196  
(Private Bag X40, Benmore, 2010)

### Transfer Secretaries

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

### Registered office of Newco

South Wing, First Floor  
Block A, The Forum  
North Bank Lane  
Century City  
7441

### Place of incorporation: South Africa

### Date of incorporation: 19 January 2015

### Corporate Advisor and Transaction Sponsor

Investec Corporate Finance  
(a division of Investec Bank Limited)  
100 Grayston Drive  
Sandown  
Sandton  
2196  
(PO Box 785700, Sandton, 2146)

### Independent Reporting Accountants and Auditors

Deloitte & Touche  
(Practice number 902276)  
1<sup>st</sup> Floor, The Square  
Cape Quarter  
27 Somerset Road  
Green Point  
Cape Town  
8005

### Sponsor

Nedbank Capital (a division of Nedbank Limited)  
135 Rivonia Road  
Sandown  
2196  
(PO Box 1144, Johannesburg, 2000)

### Forward-looking statements

This Pre-listing Statement includes forward-looking statements. Forward-looking statements are statements including, but not limited to, any statements regarding the future financial position of Newco and its future prospects. These forward-looking statements have been based on current expectations and projections about future results, which, although the Directors believe them to be reasonable, are not a guarantee of future performance.

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## SALIENT FEATURES

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This summary contains the salient features of Newco set out in this Pre-listing Statement, which should be read in its entirety for a complete understanding thereof. The definitions and interpretations disclosed on pages 5 to 8 of this Pre-listing Statement apply, *mutatis mutandis*, to the salient features as set out below.

### I. NATURE OF BUSINESS AND PROSPECTS

#### I.1 Introduction

Newco was incorporated as a public company on 19 January 2015. Newco's financial year-end is 31 December. Newco, through its subsidiaries, holds a diversified portfolio of 140 properties, spread across the retail, industrial and office sectors, and a further 26 properties which form part of the Afhco portfolio comprising predominantly residential (71%) and retail (29%) assets. The Afhco transaction was concluded on 1 July 2014 and constituted a category two transaction for SA Corporate in terms of the Listings Requirements.

#### I.2 Nature of business

Newco is a diversified REIT invested in retail, industrial, office and residential property primarily in the metropolitan centres of South Africa. Its strategy is to deliver sustainable distribution growth, unlock value within its retail portfolio, maintain a quality industrial portfolio and expand its Johannesburg inner-city residential portfolio.

Refer to SA Corporate's annual financial statements for the year ended 31 December 2014 and [www.sacorporatefund.co.za](http://www.sacorporatefund.co.za) for more detail on the Property Portfolio.

#### I.3 Strategy and prospects

Newco's strategic objectives include:

- a diversified Property Portfolio that generates stable growing income and capital gains;
- improving the Property Portfolio through:
  - quality acquisitions;
  - development of inner-city properties;
  - improving industrial properties to meet the operational needs of tenants; and
  - redevelopment of shopping centres to unlock value in the retail portfolio;
- enhanced returns by managing liquidity and interest rate risk through the effective use of debt and equity;
- efficient and effective property operations to enhance property fundamentals; and
- reducing the business impact on the environment and reducing costs through green initiatives.

### 2. PURPOSE OF THIS PRE-LISTING STATEMENT

The main purpose of this Pre-listing Statement is to:

- provide SA Corporate Unitholders with relevant information relating to the Company, Property Portfolio, Directors and the Property Manager; and
- communicate the strategy and vision of the Company.

### 3. SALIENT DATES AND TIMES

The dates and times in this Pre-listing Statement are subject to change and any changes will be communicated on SENS.

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Announce posting of Circular, notice of General Meeting and abridged Pre-listing Statement on SENS on	Thursday, 30 April 2015
Announce posting of Circular, notice of General Meeting and abridged Pre-listing Statement in the press on	Monday, 4 May 2015
The General Meeting of SA Corporate Unitholders to be held at 11:00 on	Friday, 29 May 2015
Last day to trade in SA Corporate Units on the JSE to participate in the Transaction	Friday, 26 June 2015
Anticipated Listing of Newco on the JSE from the commencement of trade on	Monday, 29 June 2015
SA Corporate Units suspended from the commencement of trade on	Monday, 29 June 2015
Trading in Newco shares with the JSE share code: SAC and ISIN: ZAE000203238 commences on	Monday, 29 June 2015
Effective Date of the Transaction	Wednesday, 1 July 2015
Record Date to participate in the Delisting and to be entitled to receive Newco Shares	Friday, 3 July 2015
Accounts at CSDP or broker updated in respect of Newco Dematerialised Shareholders	Monday, 6 July 2015
Expected date of posting of share certificates to Newco Certificated Shareholders	Monday, 6 July 2015
Delisting of SA Corporate Units from the JSE at the commencement of trade on	Monday, 6 July 2015

*These dates and times are South African dates and times and are subject to amendment. Any such amendment will be released on SENS.*

### 4. FURTHER COPIES OF THE PRE-LISTING STATEMENT

Further copies of this Pre-listing Statement may be obtained during normal business hours from 30 April 2015 to 3 July 2015 from:

- SA Corporate Real Estate Limited, South Wing, First Floor, Block A, The Forum, North bank Lane, Century City, 7441;
- SA Corporate Real Estate Limited, 7<sup>th</sup> Floor, World Trade Centre, Cnr West Road South and Lower Road, Morningside, Sandton, 2196;
- Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001; and
- Investec Corporate Finance, a division of Investec Bank Limited, 2nd Floor, 100 Grayston Drive, Sandown, Sandton, 2196.

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## DEFINITIONS AND INTERPRETATIONS

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In this Pre-listing Statement and the annexures hereto, unless otherwise indicated, the words in the first column have the meanings stated opposite them in the second column, words in the singular include the plural and *vice versa*, words importing one gender include the other gender and references to a person include references to an entity and *vice versa*.

<b>“Afhco”</b>	Afhco Holdings Proprietary Limited (registration number 1998/017120/07), a private company duly incorporated in accordance with the laws of South Africa and a wholly owned subsidiary of SA Retail, which holds the fixed properties forming part of the Afhco portfolio of companies;
<b>“Amalgamation”</b>	the disposal by SA Corporate of all of its assets comprising of the shares in its Property Companies to Newco and the assumption of all its existing obligations by Newco as at the Effective Date, in consideration for which Shares in Newco will be issued directly to SA Corporate Unitholders on behalf of SA Corporate in the ratio of one Newco Share for every one SA Corporate Unit held on the Record Date where-after SA Corporate will be wound up;
<b>“Amalgamation Agreement”</b>	the agreement between the Manager, the Trustee and Newco that gives effect to the Amalgamation dated 31 March 2015;
<b>“Annual General Meeting”</b>	the annual general meeting of Unitholders, convened by the notice of annual general meeting dated Wednesday, 15 April 2015, to be held at The Board Room, South Wing, First Floor, Block A, The Forum, North Bank Lane, Century City, 7441 (Cape Town) at 10:30 on Friday, 15 May 2015;
<b>“Board”</b>	the board of Directors of Newco, the details of which are set out in paragraph 2.1 and <b>Annexure 3</b> of this Pre-listing Statement;
<b>“Broll”</b>	Broll Property Group Proprietary Limited (registration number 2008/027519/07), a private company duly incorporated in accordance with the laws of South Africa and registered at the address 27 Fricker Road, Johannesburg, 2196;
<b>“Business Day”</b>	any day other than a Saturday, Sunday or official public holiday in South Africa;
<b>“Certificated Shareholders”</b>	Newco shareholders who hold Certificated Shares;
<b>“Certificated Shares”</b>	shares that have not been Dematerialised, and title to which is represented by a share certificate or other Document of Title acceptable to the Board;
<b>“CGT”</b>	Capital Gains Tax as levied in terms of the Income Tax Act;
<b>“CIP(s)”</b>	Co-investment plan – executives were offered matched Units in the Fund that vest over a period of three to five years, provided that the executive remained in the employment of SA Corporate or a company in the SA Corporate group for the duration of the period;
<b>“CIPC”</b>	Companies and Intellectual Property Commission, established in terms of section 185 of the Companies Act;
<b>“Circular”</b>	the circular dated 30 April 2015, which sets out the full terms of the Transaction, a copy of which accompanies this Pre-listing Statement;
<b>“CISCA”</b>	the Collective Investment Schemes Control Act, No. 45 of 2002, as amended;
<b>“CISIP”</b>	means a collective investment scheme in property in terms of CISCA;
<b>“Common Monetary Area”</b>	South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
<b>“Companies Act”</b>	the Companies Act, No. 71 of 2008, as amended;
<b>“Company Secretary”</b>	Benjamin Swanepoel, full details of whom are set out in the Corporate Information and Advisors section of this Pre-listing Statement;

<b>“Corporate Advisor” and “Transaction Sponsor”</b>	Investec Corporate Finance, a division of Investec Bank Limited, full details of which are set out in the corporate information and advisors section of this Pre-listing Statement;
<b>“CSDP”</b>	Central Securities Depository Participant as defined in section 1 of the Financial Markets Act;
<b>“Delisting”</b>	the delisting of SA Corporate Units from the main board of the JSE;
<b>“Dematerialise” or “Dematerialisation”</b>	the process whereby certificated shares are replaced by electronic records of ownership under Strate and recorded in the sub-register of Shareholders maintained by a CSDP or broker;
<b>“Dematerialised”</b>	in relation to Shares, means Shares which have been dematerialised and incorporated into Strate;
<b>“Director”</b>	a director of the Board;
<b>“Distributable Income” or “Distributable Profit”</b>	gross income, as defined in the Income Tax Act; less deductions and allowances that are permitted to be deducted by a REIT in terms of the Income Tax Act, other than the qualifying distribution, as defined in terms of section 25BB of the Income Tax Act, being qualifying distributions that form part of distributable profit;
<b>“Effective Date”</b>	the date on which the Amalgamation is effective, which is anticipated to be midnight on 30 June 2015;
<b>“Exchange Control Regulations”</b>	Exchange Control Regulations, 1961, as amended, promulgated in terms of section 9 of the Currency and Exchanges Act, 9 of 1933, as amended;
<b>“Financial Markets Act”</b>	Financial Markets Act, No. 19 of 2012, as amended;
<b>“Financial Year”</b>	the financial year of SA Corporate and Newco which commences on 1 January of each year and ends on 31 December of the same year;
<b>“FUP(s)”</b>	Forfeitable Unit Plan, the existing SA Corporate employee incentive scheme that was approved by the JSE on 24 April 2014 and by Unitholders on 15 May 2014;
<b>“General Meeting”</b>	the general meeting of Unitholders, convened by the notice of general meeting contained in the Circular; to be held at the Johannesburg offices of Cliffe Dekker Hofmeyr Inc., being 1 Protea Place, Sandown, Sandton at 11:00 on Friday, 29 May 2015;
<b>“Group”</b>	collectively, Newco and its Property Companies;
<b>“IFRS”</b>	International Financial Reporting Standards;
<b>“Income Tax Act”</b>	the Income Tax Act, No. 58 of 1962, as amended;
<b>“Independent Reporting Accountants and Auditors”</b>	Deloitte & Touche, full details of which are set out in the Corporate Information and Advisors section of this Pre-listing Statement;
<b>“Independent Valuers”</b>	the independent property valuers of SA Corporate as at 31 December 2014 being Africa Corporate Real Estate Solutions Proprietary Limited and Quadrant Properties Proprietary Limited;
<b>“Internalisation”</b>	the economic internalisation of the Manager; which resulted in the Manager taking over the asset management function in relation to the assets of the Fund from OMP, with effect from 1 May 2014;
<b>“Investec”</b>	Investec Bank Limited, (registration number 1969/004763/06), a public company duly incorporated in accordance with the laws of South Africa;
<b>“JSE”</b>	JSE Limited (registration number 2005/022939/06), a public company duly incorporated in accordance with the laws of South Africa and licensed as an exchange under the Financial Markets Act;



<b>“King III”</b>	the King Code of Governance Principles for South Africa, 2009 (“King Code”) and the King Report on Governance for South Africa, 2009 (“King Report”) as amended from time to time;
<b>“Last Practicable Date”</b>	Friday, 24 April 2015, being the last practicable date prior to the finalisation of this Pre-listing Statement;
<b>“Listing”</b>	the listing of the Shares on the main board of the JSE which is expected to take place on Monday, 29 June 2015;
<b>“Listings Requirements”</b>	the Listings Requirements published by the JSE from time to time;
<b>“Manager”</b>	SA Corporate Real Estate Fund Managers Limited (registration number 1994/009895/06), a public company duly incorporated in accordance with the laws of South Africa;
<b>“Marriott” or “MPS”</b>	Marriott Property Services Proprietary Limited (registration number 1982/006032/07), a private company duly incorporated in accordance with the laws of South Africa;
<b>“MOI”</b>	the memorandum of incorporation of Newco, the salient details of which are set out in <b>Annexure 5</b> to this Pre-listing Statement;
<b>“MTI(s)”</b>	Medium Term Incentives;
<b>“Newco” or “the Company”</b>	SA Corporate Real Estate Limited (registration number 2015/015578/06), a public company duly incorporated in accordance with the laws of South Africa, the Shares of which will list on the main board of the JSE;
<b>“OMP”</b>	Old Mutual Property Proprietary Limited, a private company duly incorporated in accordance with the laws of South Africa, and the 100% shareholder in Marriott;
<b>“Pre-listing Statement”</b>	all documents contained in this bound document, including the annexures hereto, dated 30 April 2015;
<b>“Property Companies”</b>	the fixed property companies (as defined in CISCA) owned by the Fund, the shares of which are held by the Trustee in its capacity as custodian of the Fund, in its nominee company, SA Corporate Real Estate Fund Nominees Proprietary Limited comprising Rock Kestrel Investments Proprietary Limited, Blue Heron Proprietary Limited, Dune Lark Investments Proprietary Limited, Erf 84-85-86 Shakas Head Proprietary Limited, Wood Ibis Investments Proprietary Limited, Grey Heron Investments Proprietary Limited, Jrad Investments Proprietary Limited (to be deregistered), Madison Park Properties 24 Proprietary Limited (to be deregistered), Whirlprops 25 Proprietary Limited (to be deregistered), Stondell Investments Proprietary Limited, Umlazi Mega City Proprietary Limited, SA Retail and Afhco (together with its subsidiaries), and which shares will be transferred to Newco in terms of the Amalgamation;
<b>“Property Management Agreement”</b>	the property management agreement between the Manager and Broll (signed 13 May 2013), which commenced on 1 July 2013 and expires on 30 June 2016;
<b>“Property Portfolio”</b>	the portfolio of properties acquired from SA Corporate pursuant to the Amalgamation, the details of which are set out in <b>Annexure 6</b> to this Pre-listing Statement;
<b>“Rand” or “R”</b>	South African Rand, the lawful currency of South Africa;
<b>“Record Date”</b>	Friday, 3 July 2015, being the date on which Unitholders are to be recorded in SA Corporate’s register in order to receive Newco Shares;
<b>“Registrar”</b>	means the Registrar of Collective Investment Schemes appointed in terms of CISCA;
<b>“REIT”</b>	a Real Estate Investment Trust, which status an applicant issuer may receive on application and subject to compliance with the terms of the Listings Requirements;
<b>“South Africa” or “SA”</b>	the Republic of South Africa;

<b>“SA Corporate” or “the Fund”</b>	SA Corporate Real Estate Fund, a CISIP registered in terms of CISCA, and managed by the Manager;
<b>“SA Corporate Units” or “Units”</b>	participatory interests in SA Corporate listed on the JSE;
<b>“SA Corporate Unitholder” or “Unitholder”</b>	the holder or holders of Units in SA Corporate;
<b>“SARB”</b>	the South African Reserve Bank;
<b>“SA Retail”</b>	SA Retail Properties Proprietary Limited (registration number: 1999/025764/07), a private company duly incorporated in the Republic of South Africa as a Property Company;
<b>“SENS”</b>	Stock Exchange News Service of the JSE;
<b>“Share” or “Shares”</b>	a no par value ordinary share or no par value ordinary shares in the issued share capital of Newco;
<b>“Shareholder” or “Shareholders”</b>	the holder or holders of Shares in Newco;
<b>“Share Incentive Scheme”</b>	the share incentive scheme for the employees of Newco and other participants;
<b>“Strate”</b>	Strate Proprietary Limited (registration number 1998/022242/07), a private company duly incorporated in accordance with the laws of South Africa, which is a registered central securities depository and which is responsible for the electronic settlement system used by the JSE;
<b>“Transaction”</b>	collectively, the Amalgamation, the Listing, the Delisting and the winding up of the Fund;
<b>“Transfer Secretaries”</b>	Computershare Investor Services Proprietary Limited, full details of which are set out in the corporate information section of this Pre-listing Statement;
<b>“Trustee”</b>	FirstRand Bank Limited (acting through its RMB Custody and Trustee Services Divisions) (in its capacity as Trustee for the Scheme), a company duly incorporated in accordance with the laws of South Africa and registered as a bank in terms of the Banks Act, No 94 of 1990, as amended; and
<b>“VAT”</b>	Value Added Tax as defined in the Value Added Tax Act, 89 of 1991, as amended.

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## INFORMATION ON THE GROUP

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### 1. INCORPORATION, HISTORY AND NATURE OF THE BUSINESS

#### 1.1 Background and history

Newco was incorporated on 19 January 2015 as a public company. Newco's Financial Year end is 31 December. Newco's registered address is South Wing, First Floor, Block A, The Forum North Bank Lane, Century City, 7441.

Newco is a newly incorporated company and accordingly does not have any trading history. Newco was established in order to facilitate the conversion of the Fund from a CISIP to a Corporate REIT.

#### 1.2 Nature of business

Newco is a REIT company, which invests in direct real estate, for the purpose of generating sustainable income and capital growth for its Shareholders.

Newco's Property Portfolio consists of 166 properties, spread across the following sectors:

Portfolio	By market value	By lettable area
Industrial	40%	57%
Retail	41%	27%
Offices and other	10%	6%
Afhco	9%	10%
Total	<b>100%</b>	<b>100%</b>

#### 1.3 Group structure and subsidiaries

The Group structure is set out in **Annexure I**. Immediately after Listing, the Company will comprise fifteen subsidiaries, however, Newco's intention is to restructure the Group going forward by reducing the number of directly held subsidiaries to three:

- SA Retail will hold all Newco's retail, industrial and office properties;
- Afhco will hold Newco's inner city properties; and
- The Manager will house all Newco's employees and will perform the asset management function of the Company.

The full names, registration numbers, dates and places of incorporation, nature of business and the percentage held by Newco in the subsidiaries are set out in **Annexure 2**.

### 2. DIRECTORS

#### 2.1 Directors of the Company

The Board currently comprises nine Directors of whom seven are independent non-executive, and two are executive.

2.1.1 The full names, ages, business addresses, qualifications, positions and experience of the Directors of the Company are outlined below:

<b>Name and age</b>	<b>Jeff Molobela (59)</b>
<b>Business address</b>	114 Glendower Drive Woodhill Golf Estate, Pretorius Park Pretoria East, 0081
<b>Qualification</b>	BSc (Hons) Eng; MBA
<b>Position</b>	Independent Chairman, Non-Executive Director Chairman of the Nomination Committee Member of the Remuneration Committee
<b>Experience</b>	Jeff holds a BSc engineering degree from Imperial College (University of London) and a MBA from Imperial College Business School. He has extensive experience in financial services, property, information and telecommunications technology. He has also served on the Boards of Africon Engineering Limited, Transnet, Primegro Limited, CBS Properties Limited, Growthpoint Properties Limited, Decillion Limited, Cashbuild Limited and Telkom SA Soc Limited. He currently serves on the boards of N3 Toll Concession Proprietary Limited, Afrisam Limited and Chairs the South African Bureau of Standards.
<b>Name and age</b>	<b>Terence Rory Mackey (53)</b>
<b>Business address</b>	SA Corporate Real Estate Fund 7th Floor, World Trade Centre Cnr West Road South and Lower Road Morningside, Sandton, 2196
<b>Qualification</b>	BSc Eng; Postgrad Dip Eng; CPFA; Pr CPM
<b>Position</b>	Managing Director Member of the Social, Ethics and Environmental Committee Member of the Risk and Compliance Committee Member of the Investment Committee Invited to attend the Nomination, Remuneration and Audit Committee meetings
<b>Experience</b>	Rory is responsible for formulating and executing the investment strategy and portfolio management of SA Corporate Real Estate Fund. He joined SA Corporate as Chief Operating Officer on 1 August 2012 and took over the role of Managing Director on 6 December 2012. He was previously part of the team managing the Old Mutual Investment Group South Africa ("OMIGSA") Alternative Investments boutique from 2008, where he was instrumental in establishing an international infrastructure fund. Prior to that Rory was Group Executive: Commercial at Airports Company South Africa Limited. He was also General Manager of Africa's largest airport, OR Tambo International Airport, from 1996 to 2001. Rory also serves on the boards of the Fund's underlying property investment companies and the Afhco group of companies.
<b>Name and age</b>	<b>Antoinette Margaret Basson (45)</b>
<b>Business address</b>	SA Corporate Real Estate Fund South Wing, First Floor Block A, The Forum North Bank Lane Century City, 7441
<b>Qualification</b>	CA (SA)
<b>Position</b>	Financial Director Member of the Social, Ethics & Environmental Committee Member of the Risk and Compliance Committee Invited to attend the Audit and Investment Committee meetings

**Experience** Antoinette has 21 years' experience, 14 of which have been in the financial services industry. She joined Old Mutual Bank from PwC in London in 2000 and then went on to become a member of the Old Mutual South Africa Central Finance team, where she served as the Group Regulatory Accountant. In June 2008 she joined Old Mutual Property as Financial Manager before being appointed to the position of Finance Director at SA Corporate. Antoinette also serves on the boards of the Fund's underlying property investment companies and the Afhco group of companies.

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**Name and age** **Robert John Biesman-Simons (60)**

**Business address** Lombard Insurance Company Limited  
Sanclare Building  
21 Dreyer Street  
Claremont, 7708

**Qualification** CA(SA)  
**Position** Independent Non-Executive Director  
Chairman of the Remuneration Committee  
Chairman of the Audit Committee  
Member of the Investment Committee  
*Ex-officio* member of the Risk & Compliance Committee

**Experience** John is the Cape Regional Executive of Lombard Insurance Company Limited. He serves on the audit committees of the Auditor-General South Africa and Cape Finance Corporation Limited and is also a director of the latter. He was previously a director of Century City Limited, Canal Walk Limited and JSE-listed Command Holdings Limited and a partner at Deloitte & Touche.

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**Name and age** **Gugulethu Patricia Dingaan (39)**

**Business address** Wipcapital Proprietary Limited  
WIPHOLD House, 29 Central Street,  
Houghton, 2198

**Qualification** CA (SA)  
**Position** Independent Non-Executive Director  
Member of the Audit Committee  
Member of the Remuneration Committee

**Experience** Gugu has 14 years' experience in corporate finance and investments. She is currently the Investments Executive at WIPHOLD and a non-executive board member of Distell Group, Adcorp Holdings, and Landis+Gyr. She is also Chairman of Khulisani Foundation and an audit committee member of Distell Group and Landis+Gyr. Gugu holds an Executive Development Program Certificate from the University of Stellenbosch Business School.

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**Name and age** **Kenneth John Forbes (65)**

**Business address** 2 Thirlmere Place  
Durban North  
4051

**Qualification** CA (SA)  
**Position** Independent Non-Executive Director  
Chairman of the Investment Committee  
Member of the Social, Ethics & Environmental Committee

**Experience** Ken has over 31 years' experience in the township development industry as director of Tongaat Hulett Developments Proprietary Limited, most of which involved the industrial, commercial and resort sectors. He is currently practicing as a property development consultant.

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**Name and age** **Ebrahim Suleman Seedat (63)**

**Business address** eThekweni Municipality  
6th Floor, Florence Mkhize Building  
251 Smith Street,  
Durban, 4001

<b>Qualification</b>	FIMFO; CA(SA)
<b>Position</b>	Independent Non-Executive Director Chairman of the Risk and Compliance Committee Member of the Audit Committee
<b>Experience</b>	Ebrahim has extensive local government experience, the past 18 years of which have been in property, with particular emphasis on the listed real estate sector. He is currently the Senior Manager: Investments for eThekweni Municipality.
<b>Name and age</b>	<b>Emily Mauristene Hendricks (41)</b>
<b>Business address</b>	National Empowerment Fund West Block 187 Rivonia Road Morningside, 2057
<b>Qualification</b>	Dip in Teaching, LLB and LLM
<b>Position</b>	Independent Non-Executive Director Chairman of the Social, Ethics & Environmental Committee Member of the Investment Committee
<b>Experience</b>	Emily joined Barclays Africa Group Limited in September 2014 as legal advisor in the Corporate and Investment Banking Division with a focus on regulatory developments in Africa. She was previously employed at the National Empowerment Fund ("NEF") for three years where she gained experience in legal due diligence and execution of commercial legal agreements. Before joining the NEF, Emily gained extensive experience in deal making and business analysis at Business Partners Limited between 2008 and 2011. She served articles and worked at Attorneys Glyn and Marais, where she assisted with property projects, commercial litigations as well as regulatory issues and filings with the competition commission. Emily completed the Diploma in Education in 1995, and subsequently graduated from the University of Western Cape in 2002 with an LLB. She went on to complete the LLM in International Business Transactions at the University Stellenbosch in 2005.
<b>Name and age</b>	<b>Mabotha Arthur Moloto (46)</b>
<b>Business address</b>	315 Broadlands Estate Bendor, Polokwane 0699
<b>Qualification</b>	BA (Hons); Post Grad Eco Principles; MSc in Finance & Financial Law
<b>Position</b>	Independent Non-Executive Director Member of the Investment Committee Member of the Nomination Committee Member of the Risk and Compliance Committee
<b>Experience</b>	Arthur has extensive experience in infrastructure development, financial regulation, pension fund governance, energy regulation and legislative work. He has served on the boards of Pan African Infrastructure Development Fund, Government Employees Pension Fund and currently serves on the boards of Kansai Plascon Africa Limited, Development Bank of Southern Africa and Land and Agricultural Development Bank of South Africa. Arthur holds a B.A Education and B.A Honours in Development Studies from University of Limpopo. He also holds a Postgraduate diploma in Economic Principles and a Master of Science in Finance and Financial Law from the University of London.

All of the Directors are South African nationals.

## 2.2 Directors of major subsidiaries

2.2.1 The major subsidiaries of Newco are SA Retail, Afhco and the Manager. The directors of these subsidiaries as at 1 July 2015 will be as follows:

- SA Retail: Terence Rory Mackey and Antoinette Margaret Basson;
- Afhco: Terence Rory Mackey, Antoinette Margaret Basson, Renney David Plit and Wayne Jeffrey Plit; and

- The Manager: The Directors of the Manager are deemed to be the directors of the Fund and are the Directors of Newco, with the exception of Peter Levett. After the Effective Date, the Board of the Manager will be reconstituted as a subsidiary board, with only the two executive Directors and two independent non-executive Directors of Newco, subject to the Registrar's approval.

## 2.3 Additional information

### 2.3.1 Directors' interests in Units:

All Directors (including Directors who have resigned in the last eighteen months) of SA Corporate and subsidiaries that, directly or indirectly, were beneficially interested in SA Corporate Units in issue as at 31 December 2014:

Director	Beneficially held		Total	% holding
	Directly	Indirectly		
Jeff Molobela	3 734	–	3 734	–
Rory Mackey	–	3 036 762 <sup>1</sup>	3 036 762	0.152%
Antoinette Basson	–	624 505 <sup>2</sup>	624 505	0.031%
John Biesman-Simons	–	50 000	50 000	0.003%
Gugu Dingaan	–	–	–	–
Ken Forbes	130 000 <sup>4</sup>	–	130 000	0.007%
Peter Levett	–	–	–	–
Ebrahim Seedat	–	–	–	–
Arthur Moloto	–	–	–	–
Emily Hendricks	–	–	–	–
Renney Plit	2 508 776 <sup>3</sup>	–	2 508 776	0.126%
Wayne Plit	6 142 176 <sup>3</sup>	–	6 142 176	0.308%
<b>Total</b>	<b>8 784 686</b>	<b>3 711 267</b>	<b>12 495 953</b>	<b>0.626%</b>

**Note:** FUPs vest in 3 years and are subject to performance conditions. CIPs vest in 3 to 5 years and are subject to minimum holding conditions i.r.o. the underlying Units bought by the executive Director.

<sup>1</sup> Includes 374,687 in invested MTIs, 807,103 in invested FUPs and 491,031 in invested CIPs

<sup>2</sup> 170,510 in invested MTIs and 453,995 in invested FUPs

<sup>3</sup> Afhco vendor issuance

<sup>4</sup> Bought an additional 50,000 Units on 26 March 2015

Refer to SA Corporate's annual financial statements for the year ended 31 December 2014, note 16 "Employee share scheme" on pages 75 and 76 (available online at [www.sacorporatefund.co.za](http://www.sacorporatefund.co.za)) for more information regarding SA Corporate's share-based payment arrangements, including the fair value at grant date and expiry date.

### 2.3.2 Directors' interests in transactions:

None of the Directors have had any material interest, direct or indirect, in any transaction entered into by the Company, which remains in any respect outstanding or unperformed.

No Director has been paid any monies to induce him or her to become a Director between the date of incorporation and the Last Practicable Date.

### 2.3.3 **Directors' emoluments:**

<b>Director</b>	<b>Basic salary<sup>1</sup></b>	<b>Directors' fees</b>	<b>Bonus and other performance payments</b>	<b>Total</b>
<b>Executive</b>				
Rory Mackey	1 843 402	92 500 <sup>2</sup>	1 012 865	2 948 767
Antoinette Basson	1 262 997	92 500 <sup>2</sup>	698 331	2 053 828
<b>Non-executive</b>				
Jeff Molobela	–	455 833	–	455 833
John Biesman-Simons	–	568 666	–	568 666
Gugu Dinga	–	268 333	–	268 333
Ken Forbes	–	377 542	–	377 542
Peter Levett	–	308 333 <sup>2</sup>	–	308 333
Ebrahim Seedat	–	338 000	–	338 000
Arthur Moloto	–	133 694	–	133 694
Emily Hendricks	–	218 334	–	218 334
Roshan Morar (resigned)	–	37 500	–	37 500
Sayed Mia (retired)	–	129 375	–	129 375
<b>Total</b>	<b>3 106 399</b>	<b>3 020 610</b>	<b>1 711 196</b>	<b>7 838 705</b>

<sup>1</sup> Excludes pension fund paid by employer

<sup>2</sup> Paid to Old Mutual Property

Contributions paid by SA Corporate in respect of a pension scheme:

- Rory Mackey – R193,626; and
- Antoinette Basson – R152,919.

Save as disclosed in this Pre-listing Statement, no other fees were paid or Units issued to Directors in respect of:

- Management, consulting, technical or other fees paid for such services rendered, directly or indirectly, including payments to management companies, a part of which is then paid to a Director of the Company;
- Sums paid by way of expense allowance;
- Any other material benefits received;
- Any commission, gain or profit-sharing arrangements;
- Fees paid or accrued as payable to a third party in lieu of Directors' fees; and
- Remuneration varied in consequence of any transaction.

### 2.3.4 **Borrowing powers of Directors:**

The Directors' borrowing powers have not been exceeded during the past three years and may only be varied by way of a special resolution passed by the Shareholders in a general meeting.

The Board will limit the borrowings of the Company to a maximum of 60% of the total value of the Property Portfolio at any particular time.

### 2.3.5 **Directors' declarations:**

None of the Directors mentioned in paragraph 2.1.1 above have:

- ever been convicted of an offence resulting from dishonesty, fraud or embezzlement;
- ever been put into liquidation or placed under judicial management or had an administrator or other executor appointed during the period when the Director was (or within the preceding twelve months had been) one of its Directors, or alternate Directors;
- ever been declared bankrupt or sequestered in any jurisdiction and not been rehabilitated;
- ever been party to any business rescue plans and/or resolution proposed by any entity to commence business rescue proceedings, application having been made for any entity to begin business rescue



proceedings, notices having been delivered in terms of Section 129(7) of the Companies Act, receiverships, compulsory liquidations, creditors' voluntary liquidations, administrations, company voluntary arrangements or any compromise or arrangement with creditors generally or any class of creditors of any company;

- at any time been a party to scheme of arrangement or made any other form of compromise with their creditors;
- ever been found guilty in disciplinary proceedings by an employer or regulatory body, due to dishonest activities;
- ever been involved in any compulsory liquidations, administrations or partnership voluntary arrangements of any partnerships where such person is or was a partner at the time of or within the twelve months preceding such event(s);
- ever been involved in any receiverships of asset(s) of such person or of a partnership of which the person is or was a partner at the time of, or within the twelve months preceding, such event;
- ever been subject to any public criticisms by statutory or regulatory authorities, including recognized professional bodies;
- ever 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;
- ever been barred from entry into a profession or occupation;
- ever been convicted in any jurisdiction of any criminal offence or of an offence under legislation relating to the Companies Act;
- been removed from an office of trust, on the grounds of misconduct, involving dishonesty; and
- been given an order granted by court declaring the person delinquent or placing the person under probation in terms of section 162 of the Companies Act and/or section 47 of the Close Corporations Act, 69 of 1984 or if the person was disqualified by a court to act as a Director in terms of section 219 of the Companies Act, 61 of 1973.

All the Directors appointed have submitted their completed Director's declarations in compliance with Schedule 13 of the Listings Requirements.

2.3.6 **Annexure 3** contains details of Directors' other directorships and partnerships in the previous five years.

2.3.7 The salient terms of the executive Directors' service contracts are set out in **Annexure 4**.

2.3.8 The provisions of the MOI regarding the following are set out in **Annexure 5**:

2.3.8.1 Qualification of Directors;

2.3.8.2 Remuneration of Directors;

2.3.8.3 Any power enabling the Directors to vote remuneration to themselves or any member of the Board; and

2.3.8.4 Retirement or non-retirement of Directors under an age limit.

## 2.4 Relationship information

2.4.1 Save as in relation to their holdings in SA Corporate Units as detailed in 2.3.1, the Directors of Newco, the directors of its subsidiaries and the promoters, did not have any beneficial interests, direct or indirect, in relation to any material property or investment acquired or disposed of or to be acquired or disposed of during the preceding two years nor are they contracted to become a tenant of any part of the property of the Group.

## 3. CODE OF CORPORATE PRACTICE AND CONDUCT

The Board is fully committed to the principles of the Code of Corporate Practices and Conduct as set out in King III. The Board recognises that it is ultimately responsible for conducting the affairs of the Company with integrity and in accordance with the generally accepted corporate practices. Newco's corporate governance statement is set out in **Annexure 14** to this Pre-listing Statement and additional information can be found in SA Corporate's integrated annual report for the year ended 31 December 2014.

## 4. MANAGEMENT

### 4.1 Asset management

The asset management function will be housed internally through the Manager. SA Corporate concluded the Internalisation in May 2014, which had the effect of internalising SA Corporate's management company. The rationale for the Internalisation was to better align the interests of SA Corporate's management and investors and provide Unitholders with more control over management. Further information regarding the Internalisation and rationale is provided in the Circular.

### 4.2 Property management

The Property Management Agreement between the Manager and OMP expired on 30 June 2013 and was not renewed. Following a request for proposals, Broll was appointed as property manager for the entire Property Portfolio of SA Corporate excluding the Afhco property portfolio (which is managed internally by Afhco employees). The Property Management Agreement with Broll expires on 30 June 2016. The monthly fee as a percentage of collected income varies between 1% and 3%, depending on property type.

## 5. MAJOR AND CONTROLLING SHAREHOLDERS

5.1 Set out below are the names of Unitholders that held a beneficial interest in SA Corporate of 5% or more as at 26 March 2015:

Name of Unitholder	Number of Units		% of Units in issue
	Directly	Indirectly	
Government Employees Pension Fund	524 300 564	–	25.90%
Coronation Fund Managers	1 18 865 694	–	5.87%
Stanlib	1 14 436 871	–	5.65%
<b>Total</b>	<b>757 603 129</b>	<b>–</b>	<b>37.42%</b>

5.2 Set out below are the names of Shareholders that held a beneficial interest in Newco of 5% or more as at the Last Practicable Date:

Name of Shareholder	Number of Shares		% of Shares in issue
	Directly	Indirectly	
The Manager	1	–	100.0%
<b>Total</b>	<b>1</b>	<b>–</b>	<b>100.0%</b>

5.3 Set out below are the names of Shareholders that are expected to hold a beneficial interest in Newco of 5% or more after the implementation of the Transaction:

Name of Shareholder	Number of Shares		% of Shares in issue
	Directly	Indirectly	
Government Employees Pension Fund	524 300 564	–	25.90%
Coronation Fund Managers	1 18 865 694	–	5.87%
Stanlib	1 14 436 871	–	5.65%
<b>Total</b>	<b>757 603 129</b>	<b>–</b>	<b>37.42%</b>

5.4 Prior to the implementation of the Transaction, the controlling shareholder of Newco was the Manager. Post the implementation of the Transaction, the Manager will hold one Share in Newco, which Share will be regarded as a treasury Share and rank *pari passu* to all Shares. There has been no change of control in SA Corporate as a result of the Transaction and during the previous five years.

## 6. CONSIDERATIONS RELATING TO NEWCO BEING APPROVED AS A REIT

Amendments to the Income Tax Act have recently been promulgated and the newly incorporated REIT legislation came into effect on 1 April 2013.

Newco confirms that it will be granted REIT status by the JSE upon Listing as the following qualification requirements have and will be met.

- The Company will have gross property assets above R300m as reflected in SA Corporate's 31 December 2014 year-end results;
- The Company is a property entity;
- A minimum of 75% of the Fund's revenue, as reflected in the 31 December 2014 statement of comprehensive income, is derived from rental revenue;
- The Company will distribute at least 75% of its total Distributable Profits as a distribution to Shareholders by no later than six months after the Financial Year end, subject to the relevant solvency and liquidity test as defined in the Companies Act;
- The Company will, to the best of the Directors' knowledge, qualify for a tax deduction of distributions under section 25BB(2) of the Income Tax Act for the current Financial Year;
- The Company confirms that at the time new borrowings are authorised, that the total consolidated liabilities as reflected in the latest published interim or annual consolidated IFRS financial statements, less any capital repayments made on those liabilities after the statement of financial position date, plus the nominal value of new debt, divided by the greater of gross asset value ("GAV") or adjusted GAV, will not be more than 60%;
- The Company's total consolidated liabilities is not more than 60% of the total consolidated assets as set out in the latest audited consolidated IFRS financial statements;
- The Newco audit committee has confirmed to the JSE that as part of its terms of reference it has adopted the policy referred to in paragraph 13.46 (h)(i) of the Listings Requirements and that the Company complies/will comply with the following provisions set out in the Listings Requirements:
  - Adopted and implemented an appropriate risk management policy, which policy as a minimum is in accordance with industry practice and specifically prohibits Newco from entering into any derivative transactions that are not in the normal course of Newco's business;
  - Reporting in the annual report each year that the audit committee has monitored compliance with the policy and that Newco has, in all material respects, complied with the policy during the year concerned; and
  - Reporting to the JSE, in the annual compliance declaration referred to in paragraph 13.49(d) of the Listings Requirements, that the audit committee has monitored compliance with the policy and that Newco has, in all material respects, complied with the policy during the year concerned.
- The Company and the Board will comply with the general continuing obligations imposed by the JSE and more specifically those set out in section 13.49 of the Listings Requirements as amended from time to time, which include *inter alia*:
  - that Newco will procure that, subject to the solvency and liquidity test and the provisions of section 4 and section 46 of the Companies Act, the subsidiaries of Newco that are property entities incorporated in South Africa will distribute at least 75% of their total Distributable Profits as a distribution by no later than six months after their Financial Year ends; and
  - Interim distributions will occur before the end of a Financial Year.

## DETAILS OF THE PROPERTY PORTFOLIO

### 7. OVERVIEW OF THE PROPERTY PORTFOLIO

Newco's Property Portfolio consists of 166 properties split across the industrial, retail and offices sectors, with additional exposure to residential through the recent acquisition of Afhco.

### 8. ANALYSIS OF THE PROPERTY PORTFOLIO

An analysis of the Property Portfolio in respect of geographic, sectoral, tenant, vacancy and lease expiry profiles as at 31 December 2014 is provided in the tables below:

#### 8.1 Geographic profile:

	By market value	By rental area	By revenue
<b>Gauteng</b>	52.7%	56.2%	49.7%
<b>Kwa-Zulu Natal</b>	37.7%	32.0%	40.8%
<b>Western Cape</b>	6.3%	6.0%	6.2%
<b>Other</b>	3.3%	5.8%	3.3%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

#### 8.2 Sectoral profile:

	By market value	By rental area	By revenue
<b>Industrial</b>	40.3%	57.2%	37.6%
<b>Retail</b>	40.9%	27.1%	46.9%
<b>Offices and other</b>	10.4%	6.1%	10.4%
<b>Afhco</b>	8.4%	9.6%	5.1%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

#### 8.3 Tenant profile – SA Corporate portfolio:

	By rental area
<b>A</b>	60.5%
<b>B</b>	32.5%
<b>C</b>	7.0%
<b>Total</b>	<b>100%</b>

#### Tenant profile – Afhco portfolio:

	By rental area
<b>A</b>	19.7%
<b>B</b>	37.5%
<b>C</b>	42.8%
<b>Total</b>	<b>100%</b>

8.4 **Vacancy profile – SA Corporate portfolio:**

	<b>By rental area</b>	<b>By revenue</b>
<b>Industrial</b>	1.4%	1.2%
<b>Retail</b>	5.9%	3.4%
<b>Offices and other</b>	12.7%	7.8%
<b>Total</b>	<b>3.7%</b>	<b>3.1%</b>

**Vacancy profile – Afhco portfolio:**

	<b>By rental area</b>	<b>By revenue</b>
<b>Residential</b>	7.9%	8.9%
<b>Retail/Commercial</b>	1.8%	2.3%
<b>Total</b>	<b>6.1%</b>	<b>6.3%</b>

8.5 **Lease expiry profile – SA Corporate portfolio:**

	<b>By rental area</b>
<b>Vacancies</b>	3.7%
<b>Monthly</b>	4.3%
<b>2015</b>	18.6%
<b>2016</b>	14.7%
<b>2017</b>	23.4%
<b>2018</b>	15.2%
<b>Thereafter</b>	20.1%
<b>Total</b>	<b>100%</b>

**Lease expiry profile – Afhco portfolio (retail/commercial):**

	<b>By rental area</b>
<b>Vacancies</b>	1.8%
<b>Monthly</b>	12.2%
<b>2015</b>	16.7%
<b>2016</b>	24.0%
<b>2017</b>	10.4%
<b>2018</b>	7.7%
<b>Thereafter</b>	27.2%
<b>Total</b>	<b>100%</b>

8.6 **Rental escalations and rental per square metre:**

The weighted average rental escalation in the Property Portfolio as at 31 December 2014 is presented in the table below:

<b>Sector</b>	<b>%</b>
<b>Industrial</b>	8.1%
<b>Retail</b>	7.9%
<b>Offices and other</b>	8.1%
<b>Afhco</b>	9.5%
<b>Total</b>	<b>8.1%</b>

The weighted average rental per square metre in the Property Portfolio as at 31 December 2014 is presented in the table below:

<b>Sector</b>	<b>R/m<sup>2</sup></b>
<b>Industrial</b>	51.90
<b>Retail</b>	123.92
<b>Offices and other</b>	124.34
<b>Afhco</b>	66.86
<b>Total</b>	<b>76.32</b>

Average annualised property yield of the Fund as at 31 December 2014 was 10.4%.

## 9. STRATEGY AND PROSPECTS

The objectives of the Fund (and now Newco) which are aligned to its vision of exceeding stakeholder expectations are as follows:

- investing in a diversified portfolio that generates stable and growing income and capital gains;
- improving the quality of the Property Portfolio through active portfolio management and redevelopments;
- enhanced returns by managing liquidity and interest rate risk through the effective use of debt and equity;
- efficient and effective property operations to enhance property fundamentals;
- reducing the business impact on the environment and reducing cost through green initiatives; and
- a high performing workforce with performance and remuneration aligned to the stakeholder objectives.

## 10. PROPERTY, ASSETS AND BUSINESS UNDERTAKINGS ACQUIRED OR TO BE ACQUIRED

10.1 Save as disclosed in **Annexure 7**, no other material immovable property and/or fixed assets and/or business undertakings have been acquired by the Group in the last three years or are in the process of being or are proposed to be acquired by the Group.

## 11. VENDORS

11.1 Details relating to the vendors of the material properties ("Acquisition Properties") in the Property Portfolio purchased by SA Corporate in the preceding three years or proposed to be purchased are set out in **Annexure 7**.

11.2 All of the risks and benefits pertaining to the assets comprising the Property Portfolio would have transferred to Newco post the implementation of the Transaction.

## 12. PROPERTY, ASSETS AND UNDERTAKINGS DISPOSED OR TO BE DISPOSED OF

Save as disclosed in **Annexure 7**, no material immovable properties and/or fixed assets and/or business undertakings have been disposed of by SA Corporate in the three years preceding the Last Practicable Date or are intended to be disposed of by SA Corporate.

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## FINANCIAL INFORMATION

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### 13. HISTORICAL FINANCIAL INFORMATION

- 13.1 The historical information of Newco for the period from incorporation (19 January 2015) to 31 March 2015 is set out in **Annexure 8**.
- 13.2 The preparation of the historical information is the responsibility of the Directors. The Independent Reporting Accountant and Auditor's report thereon is contained in **Annexure 9**.
- 13.3 The accounting policies of Newco are the same policies applied by SA Corporate, and are presented in **Annexure 10** to this Pre-listing Statement.

### 14. PRO FORMA FINANCIAL INFORMATION

- 14.1 As Newco will be acquiring all of SA Corporate's assets in consideration for the assumption of SA Corporate's liabilities and the issue of Shares to SA Corporate Unitholders on behalf of SA Corporate in terms of the Amalgamation, the financial position of Newco will be the same as SA Corporate's post the Effective Date. The *pro forma* financial effects of the Transaction and Listing on SA Corporate Unitholders are insignificant and have thus not been disclosed. Refer to paragraph 4 of the Circular for further information.

### 15. SHARE CAPITAL

- 15.1 Newco was incorporated on 19 January 2015 with authorised share capital of 4 000 000 000 no par value shares.
- 15.2 The authorised and issued share capital of the Company prior to the implementation of the Transaction was as follows:

	<b>R</b>
Authorised share capital 4 000 000 000 ordinary Shares of no par value	–
Issued share capital Stated capital – 1 ordinary Share of no par value	4.97
<b>Total</b>	<b>4.97</b>

- 15.3 The authorised and issued share capital of the Company after the implementation of the Transaction is expected to be as follows:

	<b>R</b>
Authorised share capital 4 000 000 000 ordinary shares of no par value	–
Issued share capital Stated capital – 2 024 162 411 ordinary Shares of no par value	6 891 373 842
<b>Total</b>	<b>6 891 373 842</b>

The one Share which the Manager holds in Newco will, after implementation of the Transaction, be held as a treasury Share.

Save for the one Share issued to the Manager, and the 2 024 162 411 Shares to be issued to existing SA Corporate Unitholders in the ratio of one Newco Share for every one SA Corporate Unit held, there have been no issues or offers of Newco Shares or its subsidiaries during the preceding three years.

- 15.4 Other than provided in this paragraph, there have been no sub-divisions or consolidations of Shares during the three preceding years.

- 15.5 Other than provided in this paragraph, there have been no alterations to the authorised share capital of Newco in the preceding three years.
- 15.6 Other than provided in this paragraph, there are no other classes of securities listed on any other stock exchange.
- 15.7 **Rights attaching to shares**
- 15.7.1 Extracts of the Company's MOI relating to the rights attaching to Shares are set out in **Annexure 5**.
- 15.7.2 Every ordinary Shareholder present and entitled to exercise voting rights shall be entitled to 1 (one) vote on a show of hands, irrespective of the number of voting rights that ordinary Shareholder would otherwise be entitled to exercise; or on a poll a member who is present in person or represented by proxy shall be entitled to 1 (one) vote in respect of each Share he holds. No objection shall be raised to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes.
- 15.7.3 Dividends must be paid to the Shareholders according to their respective rights in proportion to the number of Shares held by them. All the authorised and issued Shares are of the same class and rank *pari passu* in every respect and accordingly, no Shares have any special right to dividends, profits or capital or any other right, including redemption rights and rights on liquidation or distribution of capital assets.
- 15.7.4 Any variation in rights attaching to Shares will require the consent of 75% of Shareholders in a general meeting in accordance with the Company's MOI.
- 15.7.5 Except for the FUP, a summary of which has been set out in **Annexure 12** to this Pre-listing Statement, there are no contracts or arrangements, 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 Shares in Newco.
- 15.8 **Annexure 11** sets out the resolutions that would have been passed by Manco as at the date of the Annual General Meeting as well as those resolutions to be proposed by SA Corporate and approved by Unitholders at the Annual General Meeting, which resolutions, if passed, will be adopted by Newco post the Annual General Meeting and prior to Listing.

## 16. **SHARE INCENTIVE SCHEME**

- 16.1 SA Corporate established a FUP (Share Incentive Scheme) in May 2014, which plan was to provide management of SA Corporate with incentives and to align management's interests with those of its Unitholders. The FUP will remain in place, however the terms of such plan will be amended to reflect a stated capital structure in lieu of participatory interests.

## 17. **ADEQUACY OF WORKING CAPITAL**

- 17.1 At the Last Practicable Date, the Directors are of the opinion that:
- Newco and its subsidiaries' working capital resources will be adequate for the purposes of conducting its business for the foreseeable future, being the twelve months following from the date of issue of this Pre-Listing Statement;
  - the issued share capital of Newco will be adequate for the purposes of conducting its business for the foreseeable future, being the twelve months following from the date of issue of this Pre-listing Statement.

## 18. **DISTRIBUTIONS AND DIVIDENDS**

- 18.1 No dividends have been declared by Newco to date.
- 18.2 It is the Directors' intention to declare at least 75% of Distributable Profits as dividends semi-annually, which dividends are expected to be declared for the periods ended 30 June and 31 December. These dividends will be paid to Shareholders within three months of the end of June and December respectively.



## 19. MATERIAL COMMITMENTS, LEASE PAYMENTS AND CONTINGENT LIABILITIES

19.1 Other than set out below and in SA Corporate's year-end results for the twelve months ended 31 December 2014, there are no material commitments, lease payments and contingent liabilities in respect of SA Corporate as at 31 December 2014:

### 19.1.1 **Capital commitments**

	<b>R'000</b>
Authorised and contracted	457 303
Authorised and not yet contracted	–
<b>Total</b>	<b>457 303</b>

The expenditure will be funded by available cash and debt.

### 19.1.2 **Operating lease arrangements**

The minimum future lease payments receivable under non-cancellable operating leases are as follows:

	<b>R'000</b>
Within one year	837 297
Within two to five years	1 601 160
More than five years	301 655
<b>Total</b>	<b>2 740 112</b>

These rentals relate to leases with tenants.

### 19.1.3 **Operating lease commitments**

	<b>R'000</b>
Within one year	9 676
Within two to five years	26 464
More than five years	214 289
<b>Total</b>	<b>250 429</b>

Operating lease expense relates to leases of land with leases expiring between 2017 and 2043.

### 19.1.4 **Contingent liabilities**

#### **Renbro Shopping Centre**

During April 2009 the Fund purchased Renbro Shopping Centre from Kaponong Developments Proprietary Limited (the "seller") for an amount of R106m.

The finalisation of the purchase price was subject to a contingent payment based on the income earned from the property in the twelve months following the date of purchase. The Fund and the seller are in disagreement with respect to the calculation of the net property income. It is not practicable to quantify the amounts due to either party as a result of the different interpretations of the net income calculation. Management has satisfied itself that it is improbable that the purchase price will be increased and has not raised a receivable based on a possible decrease in the purchase price as this is not assured.

## 20. MATERIAL BORROWINGS

20.1 Details of the material borrowings advanced to SA Corporate, which post the implementation of the Transaction and Listing will be transferred to Newco, are set out in **Annexure 13**.

## 21. LOANS RECEIVABLE

21.1 No material loans were made by SA Corporate, any of its subsidiaries, or Newco as at the Last Practicable date.

## 22. MATERIAL CHANGES

- 22.1 In terms of the Transaction outlined in this Pre-Listing Statement, SA Corporate will dispose of all of its assets comprising its holdings in Property Companies to Newco. Consequently the Property Portfolio to be transferred to Newco will be identical to that of SA Corporate and no material changes have occurred in the value of the properties from the valuation date of 31 December 2014 to the Last Practicable Date.
- 22.2 The Directors confirm that there has been no material change in the financial or trading position of SA Corporate since the last reporting period being 31 December 2014, other than information contained in this Pre-listing Statement and the Circular. Furthermore, there have been no material changes in the business of Newco since incorporation, or any of its subsidiaries during the past five years, other than set out in this Pre-listing Statement in respect of the acquisition of the Property Portfolio.

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## GENERAL INFORMATION

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### 23. PROMOTERS AND OTHER INTERESTS

No promoter or Director has had any material beneficial interest, direct or indirect, in the Property Portfolio or properties to be acquired by the Company. No amount has been paid in the preceding three years, or is proposed to be paid to any promoter, Director, partnership, syndicate or other association of which the Company is or was a member. Since incorporation, no commission, discount, brokerage or other special terms have been granted by the Company in connection with the issue or sale of any Shares in the Company.

### 24. MATERIAL CONTRACTS

SA Corporate and Newco have not entered into any material contract, being a contract entered into otherwise than in the ordinary course of business, or any restrictive funding arrangements, within the two years preceding the Last Practicable Date or a contract entered into at any time containing an obligation or settlement that is material to SA Corporate and Newco, as at the Last Practicable Date.

No royalties are payable by either Newco or SA Corporate or any of their subsidiaries.

### 25. EXCHANGE CONTROL REGULATIONS

Currency and Shares are not freely transferable from South Africa and must be dealt with in terms of the Exchange Control Regulations of the SARB. The Exchange Control Regulations also regulate the purchase by former residents and non-residents of Shares in Newco. Applicants who are resident outside the Common Monetary Area should seek advice as to whether any governmental and/or other legal consent is required and/or whether any other formality must be observed to enable an acquisition of Shares in Newco. The following summary is intended as a guide and is, therefore, not comprehensive. If you are in any doubt hereto, please consult your professional advisor.

#### 25.1 Emigrants from the Common Monetary Area

- A former resident of the Common Monetary Area who has emigrated from South Africa may use blocked Rand to purchase Shares in Newco;
- All payments in respect of Shares acquired by emigrants using blocked Rand must be made through an authorised dealer in foreign exchange;
- Any Shares issued pursuant to the use of emigrant block Rand will be credited to investors' blocked accounts at the CSDP controlling their blocked portfolios; and
- Share certificates issued in respect of Shares purchased with blocked Rand will be endorsed "non-resident" in accordance with the Exchange Control Regulations. Share certificates will be placed under the control of the authorised dealer through whom the payment was made.

#### 25.2 Applicants resident outside the Common Monetary Area

- A person who is not resident in the Common Monetary Area should obtain advice as to whether any government and/or other legal consent is required and/or whether any other formality must be observed to enable an acquisition of Shares in Newco; and
- All share certificates issued to non-residents will be endorsed "non-resident" in terms of the Exchange Control Regulations. Statements issued to Dematerialised Shareholders will be restrictively endorsed as "NON-RESIDENT".

### 26. EXPERTS' CONSENTS

The Corporate Advisor and Transaction Sponsor, Independent Reporting Accountants and Auditors, Attorneys, Tax and Competition Law Advisors, and Transfer Secretaries, whose names are set out in the "Corporate Information and Advisors Section", have consented in writing to act in the capacities stated, to their names being included in this Pre-listing Statement and have not withdrawn their consents prior to the publication of this Pre-listing Statement. The Independent Reporting Accountants and Auditors have consented to the inclusion of their reports in the form and context in which they appear and have not withdrawn such consents prior to the publication of this Pre-listing Statement.

## 27. GOVERNMENT PROTECTION AND INVESTMENT ENCOURAGEMENT LAW

There is no government protection or investment encouragement law affecting the business of Newco.

## 28. LITIGATION STATEMENT

Other than noted in paragraph 19.1.4, there are no legal or arbitration proceedings nor are the Directors aware of any proceedings which are pending or threatened which may have or have had, in the 12 month period preceding the Last Practicable Date, a material effect on the financial position of Newco and SA Corporate or any of their subsidiaries.

## 29. EXPENSES

The expenses that are expected to be incurred in relation to the Transaction and the Listing are estimated at R2 067 161 (excluding VAT), as set out below:

	<b>Rand</b>
Corporate Advisor and Transaction Sponsor – Investec Corporate Finance	500 000
Independent Auditors and Reporting Accountants – Deloitte & Touche	170 000
Attorney, Tax, Competition advisory and Competition filing fees – Cliffe Dekker Hofmeyr Inc.	920 000
Tax ruling fees – SARS	100 000
FSB fees	32 000
Transfer secretaries – Computershare	50 000
Documentation fees – JSE	35 161
Printing and publishing fees – Ince	250 000
Sundry & administrative expenses	10 000
<b>TOTAL</b>	<b>2 067 161</b>

As set out in paragraph 4.2 of the Circular, SA Corporate will utilise the CAR (as defined in paragraph 4.2 of the Circular) in discharging these expenses.

As part of the internal restructure of SA Corporate (i.e. the transfer of the directly held properties of the Fund to SA Retail), conveyancing and bond registration costs of approximately R3.76 million are expected to be incurred by the Group, which costs will also be settled by utilising the CAR.

Save for the fees disclosed above and as otherwise disclosed in this Pre-listing Statement, none of the advisors have any interest in the Company.

Newco has not incurred any preliminary expenses in the three years preceding this Pre-listing Statement.

## 30. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection at Newco's registered office and at SA Corporate, 7th Floor, World Trade Centre, Cnr West Road South and Lower Road, Morningside, Sandton at any time during business hours on weekdays (official public holidays excluded) from 30 April 2015 to 3 July 2015:

- the MOI of Newco and its subsidiaries;
- copies of all material contracts;
- copies of service agreements with Directors, entered into during the last three years;
- a signed copy of this Pre-listing Statement;
- a signed copy of the Circular;
- a copy of the Share Incentive Scheme;
- the audited financial statements of Newco for the period from incorporation to 31 March 2015;
- the valuation reports prepared by the Independent Valuers as at 31 December 2014;
- the Independent Reporting Accountant and Auditor's report on the historical financial statements, as set out in **Annexure 9**;
- the audited annual financial statements of SA Corporate for the preceding three years; and
- the written consents of the experts.

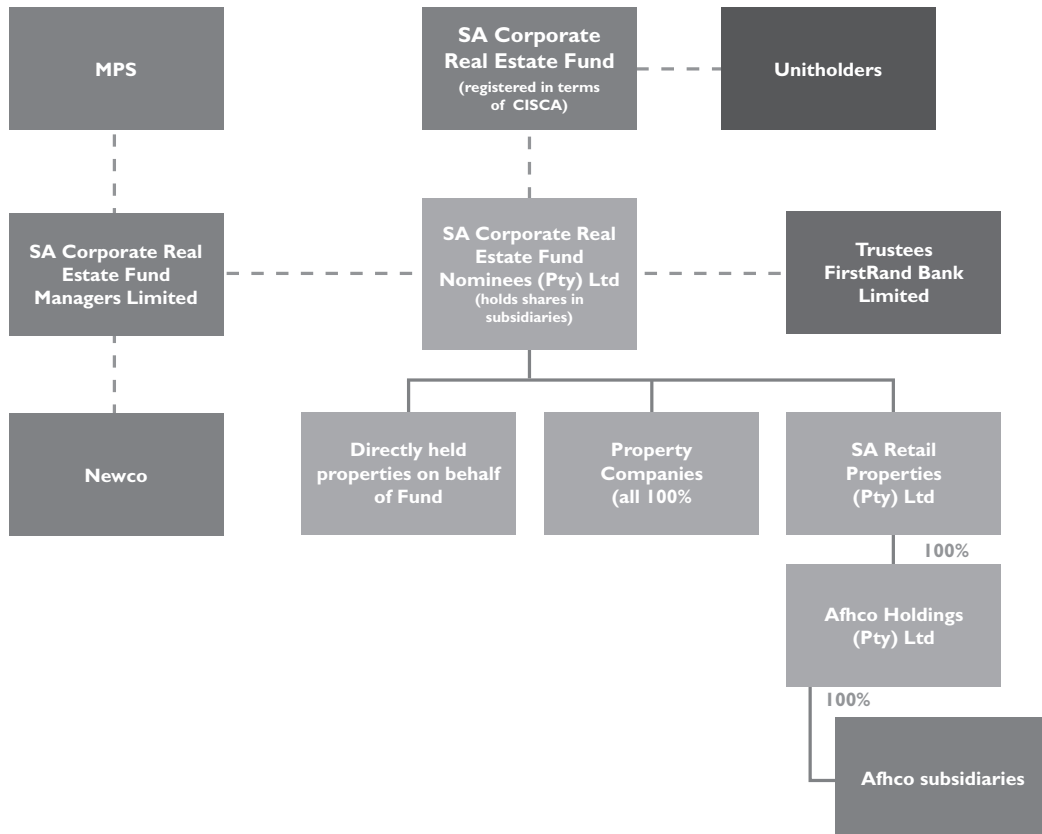
**SIGNED AT SANDTON ON 24 APRIL 2014 BY TERENCE RORY MACKEY IN HIS CAPACITY AS MANAGING DIRECTOR OF SA CORPORATE REAL ESTATE LIMITED ON BEHALF OF EACH OF THE OTHER DIRECTORS OF SA CORPORATE REAL ESTATE LIMITED IN TERMS OF THE AUTHORISATION BY WAY OF A DIRECTORS' RESOLUTION PASSED ON WEDNESDAY, 1 APRIL 2015.**

**Terence Rory Mackey**

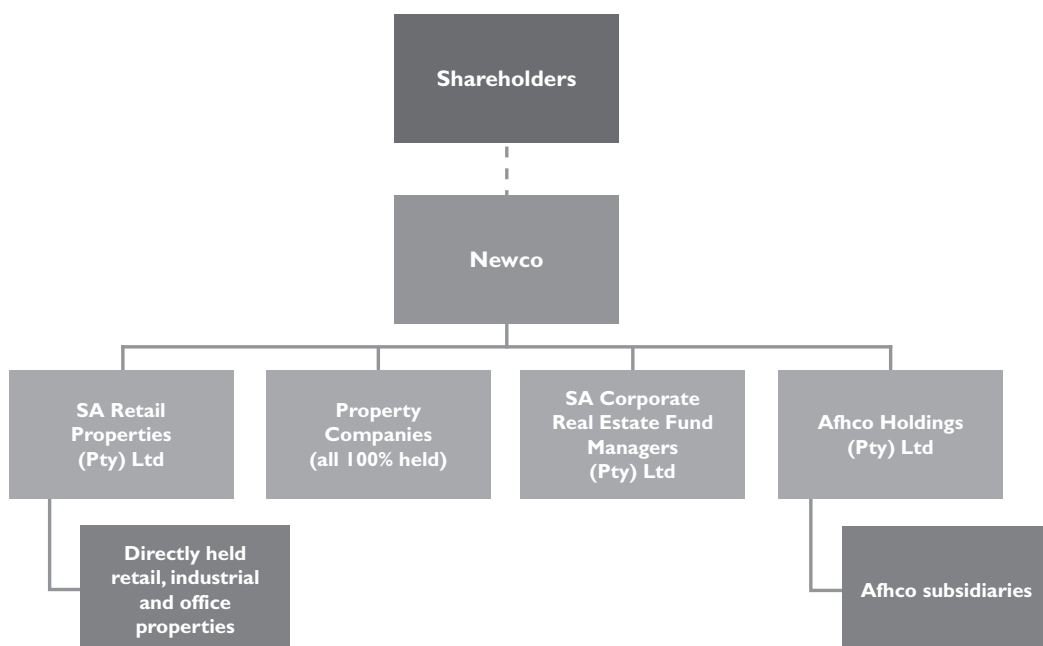
*Managing Director*

**GROUP STRUCTURE**

**1. THE CURRENT SA CORPORATE GROUP STRUCTURE BEFORE THE TRANSACTION IS SET OUT BELOW:**



**2. THE PROPOSED GROUP STRUCTURE AFTER THE TRANSACTION IS SET OUT BELOW:**



## DETAILS OF SUBSIDIARIES

The following table contains a list, as at 31 December 2014, of the subsidiary undertakings of the Company. The subsidiaries are not listed on any stock exchange.

No. number	Name of company and registration	Date and place of incorporation	Issued share capital (R)	% held by SA Corporate	31 December 2014 (R)	Nature of business	Date of becoming a subsidiary
1	Blue Heron Investments (Pty) Ltd	4 Jan 89	1	100%	8 560 000	Property Investment	04 Jan 89
2	Dune Lark Investments (Pty) Ltd	24 Jul 87	1	100%	6 686 000	Property Investment	31 Jul 98
3	Erf 84/85/86 Shakas Head (Pty) Ltd	13 Mar 98	100	100%	14 968 000	Property Investment	15 Dec 98
4	Grey Heron Investments (Pty) Ltd	24 Jul 87	1	100%	4 273 000	Property Investment	31 Jul 98
5	Madison Park Properties 24 (Pty) Ltd <sup>4</sup>	27 Aug 88	100	100%	–	Property Investment	12 Jun 07
6	Rock Kestrel Investments (Pty) Ltd	24 Jul 87	1	100%	1 801 000	Property Investment	31 Jul 07
7	Stondell Investments (Pty) Ltd	8 Apr 69	100	100%	1 489 000	Property Investment	01 Oct 87
8	Jrad Investments (Pty) Ltd <sup>4</sup>	27 Aug 98	100	100%	30 794 000	Property Investment	24 Apr 06
9	Umlazi Mega City (Pty) Ltd	2 Mar 04	100	100%	65 244 000	Property Investment	15 Dec 05
10	Whirlprops 25 (Pty) Ltd <sup>4</sup>	29 Jun 00	100	100%	36 133 000	Property Investment	01 Mar 01
11	Wood Ibis Investments (Pty) Ltd	24 Jul 87	1	100%	5 312 000	Property Investment	31 Jul 07
12	SA Retail Properties (Pty) Ltd	23 Nov 99	2 610	100%	1 077 978 000	Property Investment	29 Jun 07
13	SA Corporate Real Estate Fund Managers Ltd <sup>2</sup>	1 Dec 94	218 000	100% <sup>3</sup>	–	Management Company	30 Jun 15

No. number	Name of company and registration	Date and place of incorporation	Issued share capital (R)	% held by SA Corporate	Intercompany loan owing to SA Corporate as at 31 December 2014 (R)		Nature of business	Date of becoming a subsidiary
<b>Afhco related subsidiaries:</b>								
14	120 End Street Property Investment (Pty) Ltd	23 May 05	120	100%	–	–	Property Investment	01 Jul 14
15	Afhco (Pty) Ltd	8 Oct 96	100	100%	–	–	Property Investment	01 Jul 14
16	Afhco Holdings (Pty) Ltd	31 Aug 98	110	100%	–	–	Holding Company	01 Jul 14
17	Afhco Property Management	5 Jun 01	100	100%	–	–	Property Management	01 Jul 14
18	Cross Atlantic Properties 117 (Pty) Ltd	16 Mar 07	649	100%	–	–	Property Investment	01 Jul 14
19	Dusty Gold Investments 3 (Pty) Ltd <sup>1</sup>	5 Dec 05	200	100%	–	–	Property Investment	01 Jul 14
20	Ocwen Investments 57 (Pty) Ltd <sup>1</sup>	18 Jun 99	120	100%	–	–	Property Investment	01 Jul 14
21	Only the Best Properties 223 <sup>1</sup>	29 Jun 05	120	100%	–	–	Property Investment	01 Jul 14
22	Purple Fountain Properties 59 (Pty) Ltd	5 Jun 06	100	100%	–	–	Property Investment	01 Jul 14
23	Siemwright Corner Properties (Pty) Ltd <sup>1</sup>	16 Mar 07	100	100%	–	–	Property Investment	01 Jul 14
24	Morulat Property Investments 4 (Pty) Ltd	1 Dec 05	100	100%	–	–	Property Investment	01 Jan 15
25	Elite Star Properties 3 (Pty) Ltd	10 Feb 06	100	100%	–	–	Property Investment	01 Mar 15

- All subsidiaries are incorporated in South Africa.

- The amounts owing by/to subsidiaries are unsecured and bear interest at rates agreed from time to time, and the terms of the repayment have not been determined. The Directors do not intend to demand payment of the loans within 12 months.

- The property companies do not have bank accounts (other than Afhco). All cash is therefore paid through SA Corporate's bank account and the outstanding amount is reflected as an intercompany loan. For this reason the loans are unsecured. Afhco is allocated cash for capital expenditure and developments, as all net property income earned by Afhco is transferred to SA Corporate.

- The dates for when the intercompany loans arose cannot be determined as they are not individual bullet loans. As the bank account is in the name of the Fund, the costs for the property companies are paid by the Fund. These loans are therefore constantly changing.

<sup>1</sup> Dormant

<sup>2</sup> Subsidiary of Marriott

<sup>3</sup> As agreed during the Internalisation, as part of the Transaction Newcco would purchase the Manager from MPS and become a 100% held subsidiary of Newcco.

<sup>4</sup> To be deregistered



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## CURRENT AND PAST DIRECTORSHIPS

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The companies and partnerships of which each Director of the Company is currently a Director or partner; as well as the companies and partnerships of which each Director of the company was a director or partner over the five years preceding this Pre-listing Statement:

<b>Director</b>	<b>Current directorships and partnerships</b>	<b>Past directorships and partnerships held in the last five years</b>
<b>Jeff Molobela</b>	SA Corporate Real Estate Fund Managers Limited Bopang Investments Holding Proprietary Limited Labemo Properties Proprietary Limited Jeff Molobela & Associates Proprietary Limited Labemo Properties Four Proprietary Limited Labemo One Properties Proprietary Limited Erf 1378 Parkmore Proprietary Limited Zinhle Investments Proprietary Limited Zimele Investment Enterprise Company Proprietary Limited N3 Toll Concession Proprietary Limited Abangani Community Development NPC Africa Ulwazi Brokers Proprietary Limited Blue Horison Properties 39 Proprietary Limited South African Bureau of Standards Commercial SOC Limited Afrisam South Africa Proprietary Limited Afrisam Group Proprietary Limited Labemo Three Properties Proprietary Limited SA Corporate Real Estate Limited	Telkom South Africa Limited Cashbuild Limited Concorde Foundry Vereeniging Proprietary Limited National Regulator for Compulsory Specifications
<b>Terence Rory Mackey</b>	SA Corporate Real Estate Fund Managers Limited Blue Heron Proprietary Limited Dune Lark Investments Proprietary Limited Erf 84-85-86 Shakas Head Proprietary Limited Grey Heron Investments Proprietary Limited Jrad investments Proprietary Limited <sup>2</sup> Madison Park Properties 24 Proprietary Limited <sup>2</sup> Rock Kestrel Investments Proprietary Limited SA Retail Properties Proprietary Limited Stondell Investments Proprietary Limited Umlazi Mega City Proprietary Limited Whirlprops 25 Proprietary Limited Wood Ibis Investments Proprietary Limited Afhco Holdings Proprietary Limited Afhco Proprietary Limited 120 End Street Property Investments Proprietary Limited Dusty Gold Investments 3 Proprietary Limited Ocwen Investments 57 Proprietary Limited Only the Best Properties 223 Proprietary Limited Siemwright Corner Properties 117 Proprietary Limited Purple Fountain Properties 59 Proprietary Limited Cross Atlantic 117 Proprietary Limited Serfon Investments Proprietary Limited <sup>4</sup>	

Director	Current directorships and partnerships	Past directorships and partnerships held in the last five years
	Anchor Towers Property Investments <sup>4</sup> Proprietary Limited Aviation Co-ordination Services Proprietary Limited Xyletate Proprietary Limited Zelpy 2940 Proprietary Limited Autumn Star Trading 100 Proprietary Limited Rendalex Proprietary Limited Double Ring Trading 190 Proprietary Limited Parnis Engineering Group Proprietary Limited Tour de Force ("TDF") Properties LLC, Georgia, USA Mumbai International Airport Private Limited, India Navi Mumbai Airport Developers Private Limited, India Mumbai Airport Habitation Private Limited, India Mumbai Aerotropolis Private Limited, India Mumbai Aviation Fuel Farm Facility Private Limited, India Morulat Property Investments 4 Proprietary Limited Elite Star Properties 3 Proprietary Limited SA Corporate Real Estate Limited	
<b>Antoinette Margaret Basson</b>	SA Corporate Real Estate Fund Managers Limited Blue Heron Proprietary Limited Dune Lark Investments Proprietary Limited Erf 84-85-86 Shakas Head Proprietary Limited Grey Heron Investments Proprietary Limited Jrad Investments Proprietary Limited <sup>2</sup> Madison Park Properties 24 Proprietary Limited <sup>2</sup> Rock Kestrel Investments Proprietary Limited SA Retail Properties Proprietary Limited Stondell Investments Proprietary Limited Umlazi Mega City Proprietary Limited Whirlprops 25 Proprietary Limited Wood Ibis Investments Proprietary Limited Afhco Holdings Proprietary Limited Afhco Proprietary Limited 120 End Street Property Investments Proprietary Limited Dusty Gold Investments 3 Proprietary Limited Ocwen Investments 57 Proprietary Limited Only the Best Properties 223 Proprietary Limited Siemwright Corner Properties 117 Proprietary Limited Purple Fountain Properties 59 Proprietary Limited Cross Atlantic 117 Proprietary Limited Serfon Investments Proprietary Limited <sup>4</sup> Anchor Towers Property Investments Proprietary Limited <sup>4</sup> Morulat Property Investments 4 Proprietary Limited Elite Star Properties 3 Proprietary Limited SA Corporate Real Estate Limited	Marriott Property Services Proprietary Limited Imbumba Aganang Facilities Proprietary Limited Tيروسano Facilities Management Proprietary Limited Forktailed Drongo Investments Proprietary Limited <sup>1</sup> Portion 4 of erf 12445 Durban Proprietary Limited <sup>1</sup> Portion 5 of erf 12445 Durban Proprietary Limited <sup>1</sup> Widah Bird Investments Proprietary Limited <sup>1</sup> Lusi Park Proprietary Limited <sup>1</sup> Lusi Park Development Proprietary Limited <sup>1</sup>

<b>Director</b>	<b>Current directorships and partnerships</b>	<b>Past directorships and partnerships held in the last five years</b>
<b>Robert John Biesman-Simons</b>	SA Corporate Real Estate Fund Managers Limited CW Investor Solutions Proprietary Limited Ligiprops 85 Proprietary Limited Anchor at Greenford CC Cape Finance Corporation Limited SA Corporate Real Estate Limited	
<b>Gugulethu Patricia Dingaan</b>	SA Corporate Real Estate Fund Managers Limited Distell Group Limited Distell Beverages Proprietary Limited (RF) WIPHOLD Financial Services No. 1 Proprietary Limited WIP Investment Number One Proprietary Limited MCG Industries Proprietary Limited Landis+GYR Proprietary Limited Adcorp Holdings Limited Adcorp Staffing Solutions Proprietary Limited Quest Staffing Solutions Proprietary Limited WIPCOAL Proprietary Limited Ixial Coal Proprietary Limited Ixial Coal Funding Proprietary Limited Khulisani Foundation NPF Fortress Administration Proprietary Limited Sasol Mynbou Proprietary Limited Imvelo Concession Company Proprietary Limited (RF) ZUAZ Proprietary Limited Clidet No 232 Proprietary Limited SA Corporate Real Estate Limited	ABB Holdings Proprietary Limited ABB SA Proprietary Limited Rainbow Pepper Trading 103 Proprietary Limited SC Net Proprietary Limited
<b>Kenneth John Forbes</b>	SA Corporate Real Estate Fund Managers Limited SA Corporate Real Estate Limited	Lot 8 Cato Ridge Proprietary Limited Effingham Joint Venture Partnership Zimbali Estates Proprietary Limited Cloudberry Investments 21 Proprietary Limited Tongaat Hulett Estates Proprietary Limited <sup>3</sup> Tongaat Hulett Developments Proprietary Limited <sup>3</sup> Zimbali Office Estate Management NPC <sup>3</sup> Tongaat Hulett – Zimbali Resorts Proprietary Limited <sup>3</sup> Moreland Properties Proprietary Limited <sup>3</sup> Zimbali Infrastructural Funding Company <sup>3</sup> Zimbali Development Company Proprietary Limited <sup>3</sup> Tongaat Hulett/IFA Resort Developments Partnership <sup>3</sup>

<b>Director</b>	<b>Current directorships and partnerships</b>	<b>Past directorships and partnerships held in the last five years</b>
<b>Ebrahim Suleman Seedat</b>	SA Corporate Real Estate Fund Managers Limited SA Corporate Real Estate Limited	
<b>Mabotha Arthur Moloto</b>	SA Corporate Real Estate Fund Managers Limited Kansai Plascon Africa Limited Centre for Education in Economics and Finance Africa (CEEf.Africa) Omricon Capital Proprietary Limited Development Bank of Southern Africa Land and Agricultural Development Bank of South Africa Sebokha Resources Proprietary Limited Harith General Partners Proprietary Limited SA Corporate Real Estate Limited	Government Employees Pension Fund Pan African Infrastructure Development Fund Afrene Mining Proprietary Limited Afrene Technologies Proprietary Limited Dikwena Investments Proprietary Limited Afhco Holdings Proprietary Limited
<b>Emily Mauristene Hendricks</b>	SA Corporate Real Estate Fund Managers Limited SA Corporate Real Estate Limited	Bashira Consulting Proprietary Limited

<sup>1</sup> Deregistered

<sup>2</sup> To be deregistered

<sup>3</sup> Resigned with effect 30 September 2014

<sup>4</sup> Dormant

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**SALIENT FEATURES OF THE SERVICE CONTRACTS OF EXECUTIVE DIRECTORS**

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**Service contract entered into between the Manager and Terence Rory Mackey (“Rory”)****Commencement date and termination**

Rory was appointed as Managing Director on 1 August 2012. His employment contract has no fixed term and he is required to give three months' notice to terminate his employment.

**Duties and responsibilities**

As Managing Director, Rory reports directly to the Board.

**Remuneration**

Annual total guaranteed package as at 31 December 2014 was R2 037 028.

**Restraint of trade**

None

**Service contract entered into between the Manager and Antoinette Basson “Antoinette”****Commencement date and termination**

Antoinette was appointed as Finance Director on 17 February 2011. Her employment contract has no fixed term and she is required to give three months' notice to terminate her employment.

**Duties and responsibilities**

As Finance Director, Antoinette has dual reporting lines to the Managing Director and to the Board.

**Remuneration**

Annual total guaranteed package as at 31 December 2014 was R1 415 916.

**Restraint of trade**

None

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## EXTRACTS OF THE MEMORANDUM OF INCORPORATION

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### 4. POWERS OF THE COMPANY

- 4.1 The Company has all of the legal powers and capacity contemplated in the Act, and no provision contained in this Memorandum of Incorporation should be interpreted or construed as negating, limiting, or restricting those powers in any way whatsoever.
- 4.2 The legal powers and capacity of the Company are not subject to any restrictions, limitations or qualifications, as contemplated in section 19(1)(b)(ii) of the Act.

### 7. ISSUE OF SHARES AND VARIATION OF RIGHTS

- 7.1 The Company is authorised to issue Shares as set out in clause 8.
- 7.2 The Board may, subject to section 41 of the Act and clause 7.6, and with the prior approval of the Shareholders, resolve to issue Shares of the Company at any time, but only within the classes and to the extent that those Shares have been authorised by or in terms of this Memorandum of Incorporation.
- 7.3 Notwithstanding anything to the contrary in this Memorandum of Incorporation, unissued Equity Securities shall be offered to existing holders of Equity Securities, *pro rata* to their holding of the Equity Securities, unless such Equity Securities are to be issued for an acquisition of assets. Notwithstanding the foregoing, the ordinary Shareholders in a general meeting may authorise the Directors to issue unissued Securities and/or grant options to subscribe for unissued Securities as the Directors in their discretion think fit, provided that such corporate action/s has/have been approved by the JSE and are subject to the JSE Listings Requirements.
- 7.4 The Board shall not have the power to:
- 7.4.1 create any class of Shares;
  - 7.4.2 increase or decrease the number of authorised Shares of any class of the Company's Shares;
  - 7.4.3 consolidate and reduce the number of the Company's issued and authorised Shares of any class;
  - 7.4.4 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;
  - 7.4.5 convert one class of Shares into one or more other classes, save where a right of conversion attaches to the class of Shares created;
  - 7.4.6 reclassify any classified Shares that have been authorised but not issued;
  - 7.4.7 classify any unclassified Shares that have been authorised but not issued; or
  - 7.4.8 vary any preferences, rights, limitations or other share terms attaching to any class of shares;
- and such powers shall only be capable of being exercised by the Shareholders by way of a special resolution of the Shareholders and an amendment to the Memorandum of Incorporation.
- 7.5 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. The variation of any preferences, rights, limitations and other terms associated with any class of Shares as set out in this Memorandum of Incorporation may be enacted only by an amendment of this Memorandum of Incorporation approved by special resolution of the ordinary Shareholders. If any amendment of the Memorandum of Incorporation relates to the variation of any preferences, rights, limitation and other Share terms attaching to any other class of Shares already in issue, that amendment must not be implemented without a special resolution, taken by the holders of Shares in that class at a separate meeting. In such instances, the holders of such Shares will be allowed to vote at the meeting of ordinary Shareholders subject to clause 21.2. No resolution of Shareholders of the company shall be proposed or passed, unless a special resolution of the holders of the Shares in that class approve the amendment.
- 7.6 The authorisation and classification of Shares, the creation of any class of Shares, the conversion of one class of Shares into one or more other classes, the consolidation of Securities, the sub-division of Securities, the change

of the name of the Company, the increase of the number of Securities, and, subject to clause 7.5, the variation of any 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 ordinary Shareholders and in accordance with the JSE Listings Requirements, to the extent required, save if such an amendment is ordered by a court in terms of sections 16(1)(a) and 16(4) of the Act.

- 7.7 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 and no such resolution may be proposed to Shareholders for rights to include such variation in response to any objectively ascertainable external fact or facts as provided for in sections 37(6) and 37(7).
- 7.8 The Company may only issue Shares which are fully paid up and freely transferable and only within the classes and to the extent that those Shares have been authorised by or in terms of this Memorandum of Incorporation.
- 7.9 The Board may, subject to clause 7.14 and the further provisions of this clause 7.9, resolve to issue Shares of the Company at any time, but:
- 7.9.1 only within the classes and to the extent that those Shares have been authorised by or in terms of this Memorandum of Incorporation; and
- 7.9.2 only to the extent that such issue has been approved by the Shareholders in general meeting, either by way of a general authority (which may be either conditional or unconditional) to issue Shares in its discretion or a specific authority in respect of any particular issue of Shares, in accordance with the JSE Listings Requirements, provided that, if such approval is in the form of a general authority to the Directors, it shall be valid only until the next annual general meeting of the Company or for 15 months from the date of the ordinary resolution, whichever is the earlier; and it may be varied or revoked by any general meeting of the Shareholders prior to such annual general meeting.
- 7.10 Alterations of share capital, authorised Shares and rights attaching to a class or classes of Shares, all issues of Shares for cash and all issues of options and convertible securities granted or issued for cash must, in addition to the foregoing provisions, be in accordance with the JSE Listings Requirements.
- 7.11 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, but unless otherwise required by the Act, only be issued after the Company has received the consideration approved by the Board for the issuance of such Securities.
- 7.12 Subject to section 40(5) to 40(7) of the Act, when the Company has received the consideration approved by the Board for the issuance of any Shares:
- 7.12.1 those Shares are fully paid up; and
- 7.12.2 the Company must issue those Shares and cause the name of the holder to be entered onto the Company's Securities Register in accordance with sections 49 to 56 of the Act.
- 7.13 Subject to what may be authorised by the Act, the JSE Listings Requirements and subject to clause 7.15, the Board may only issue unissued Shares if such Shares have first been offered to existing ordinary Shareholders in proportion to their shareholding on such terms and in accordance with such procedures as the Board may determine, unless such Shares are issued for the acquisition of assets by the Company.
- 7.14 Notwithstanding the provisions of clauses 7.4, 7.10 and 7.15, 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% of the voting power of all the Shares of that class held by Shareholders immediately before that transaction or series of integrated transactions.
- 7.15 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 (as is set out in clause 7.13), 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.

## 8. SHARES

- 8.1 The Company is authorised to issue 4 000 000 000 (four billion) Shares of the same class, each of which ranks *pari passu* (which shall have the meaning ascribed thereto in paragraph 3.29 of the Listings Requirements or any amendment paragraph in the Listings Requirements) in respect of all rights and entitles the Shareholder:
- 8.1.1 to vote on any matter to be decided by the Shareholders of the Company as contemplated in clause 21.1.2;
- 8.1.2 to participate proportionally with every other ordinary Shareholder in distributions (except for the payment *in lieu* of a capitalisation Share as contemplated in section 47(1)(c) of the Act and any consideration payable by the Company for any of its own Shares or for any shares of another company within the same group as contemplated in paragraph a(iii)(aa) and a(iii)(bb) of the definition of “distribution” in the Act), if and when declared in favour of Shareholders holding ordinary Shares, made by the Company;
- 8.1.3 upon a winding up of the Company, to participate in the proceeds of the winding up.

## 21. VOTES OF SHAREHOLDERS

- 21.1 Subject to any special rights or restrictions as to voting attached to any Shares by or in accordance with this Memorandum of Incorporation, at a meeting of the Company:
- 21.1.1 every ordinary Shareholder present and entitled to exercise voting rights shall be entitled to 1 (one) vote on a show of hands, irrespective of the number of voting rights that ordinary Shareholder would otherwise be entitled to exercise;
- 21.1.2 on a poll a member who is present in person or represented by proxy shall be entitled to 1 (one) vote in respect of each Share he holds. No objection shall be raised to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairperson of the meeting, whose decision shall be final and conclusive; and
- 21.1.3 the holders of Shares other than ordinary Shares shall not be entitled to vote on any resolution at a meeting of Shareholders, except as provided in clause 21.2.

## 23. SHAREHOLDERS RESOLUTIONS

- 23.1 For an ordinary resolution to be approved it must be supported by more than 50% (fifty percent) of the voting rights of Shareholders exercised on the resolution by all Shareholders present in person, or represented by proxy, as provided in section 65(7). Notwithstanding the foregoing, to the extent that the JSE Listings Requirements require the support of a higher percentage of voting rights to be exercised in respect of any ordinary resolution, the Company shall not implement such ordinary resolution unless such ordinary resolution is supported by the higher percentage of voting rights of Shareholders required to be exercised on that resolution in terms of the JSE Listings Requirements.
- 23.2 For a special resolution to be approved it must be supported by the holders of at least 75% (seventy five percent) of the voting rights exercised on the resolution by all Shareholders present in person, or represented by proxy, as provided in section 65(9).
- 23.3 No matters, except:
- 23.1.1 those matters set out in section 65(11); or
- 23.1.2 and any other matter required by the Act or this Memorandum of Incorporation to be resolved by means of a special resolution; or
- 23.1.3 for so long as the Company's Securities are listed on the JSE, any other matter required by the JSE Listings Requirements to be resolved by means of a special resolution in terms of the JSE Listings Requirements, require a special resolution of the Company.
- 23.4 In the event that any Shareholder abstains from voting in respect of any resolution, such Shareholder will, for the purposes of determining the number of votes exercised in respect of that resolution, be deemed not to have exercised a vote in respect thereof (i.e. that Shareholder's votes will neither be included in the aggregate number of votes cast nor in the total number of votes exercised in favour of or against that resolution).



## 25. COMPOSITION AND POWERS OF THE BOARD OF DIRECTORS

- 25.1 In addition to the minimum number of Directors, if any, 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 must comprise at least 4 (four) Directors and not more than 12 (twelve) Directors. The Shareholders shall be entitled by ordinary resolution to amend such maximum number of Directors as they from time to time shall consider appropriate.
- 25.2 Subject to clauses 25.3 and 25.4 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 valid.
- 25.3 Subject to the requirements of the Act, the chairman of the Board or the chief executive officer shall be entitled, subject to the written approval of the majority of the Directors, to appoint any person as a Director in terms of section 66(4)(a)(i), provided that such appointment must be approved by the Shareholders at the next Shareholders meeting or annual general meeting.
- 25.4 The authority of the Board to fill a vacancy on the Board on a temporary basis, as set out in section 68(3) is not limited or restricted by this Memorandum of Incorporation provided that any Directors so appointed must resign at the next annual general meeting of the Company, provided that they may make themselves available for election by the Shareholders at such annual general meeting of the Company.
- 25.5 Accordingly, the Board shall have the power at any time and from time to time to appoint any person as a Director, either to fill a casual vacancy or as an addition to the Board.
- 25.6 Until 1 (one) or more Directors have been so elected, each incorporator of the Company shall, in terms of section 67(1), serve as a Director of the Company.
- 25.7 In any election of Directors:
- 25.7.1 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 to confirm an additional appointment, with the series of votes continuing until all vacancies on the Board have been filled or all additional appointments have been confirmed; and
- 25.7.2 in each vote to fill a vacancy:
- 25.7.2.1 each vote entitled to be exercised may be exercised once; and
- 25.7.2.2 the vacancy is filled or the additional appointment confirmed only if a majority of the votes exercised support the candidate,
- provided only that, in the event that the Company only has 1 (one) Shareholder; the provisions of this clause 25.7 will not apply and the election of Directors shall take place in such manner as the Shareholder shall determine.
- 25.8 The Company shall only have elected Directors and there shall be no appointed or *ex officio* Directors as contemplated in section 66(4).
- 25.9 Apart from satisfying the qualification and eligibility requirements set out in section 69, a person need not satisfy any eligibility requirements or qualifications to become or remain a Director or a Prescribed Officer of the Company.
- 25.10 A Director shall cease to hold office as such if:
- 25.10.1 he becomes insolvent, or assigns his estate for the benefit of his creditors, or suspends payment or files a petition for the liquidation of his affairs, or compounds generally with his creditors;
- 25.10.2 he becomes of unsound mind;
- 25.10.3 in the case of an executive Director who is an employee of the Company, his employment relationship with the Company is terminated for whatsoever reason, including but not limited to, resignation, retirement, misconduct or otherwise;
- 25.10.4 he is prohibited from being, is removed as or is disqualified from acting as a director of a company in terms of the Act;
- 25.10.5 he is required to do so in terms of the JSE Listings Requirements;

- 25.10.6 he absents himself from meetings of the Board for 6 (six) consecutive months without the leave of the other Directors and is not represented at such meetings during such 6 (six) months by an alternate Director; and the Directors resolve that his office shall be vacated, provided that the Directors shall have the power to grant any Director leave of absence for an indefinite period;
- 25.10.7 he has given 1 (one) month's (or with the permission of the Directors, a lesser period) notice in writing of his intention to resign;
- 25.10.8 he is removed under clause 25.11; or
- 25.10.9 the Board resolved to remove him in accordance with section 71(3).
- 25.11 The Company may by ordinary resolution in accordance with clause 25.10.8 and section 71(2), 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 annual general meeting of the Company and shall then retire and be eligible for re-election.
- 25.12 No Director shall be appointed for life or for an indefinite period and the non-executive Directors shall rotate in accordance with the following provisions:
- 25.12.1 at each annual general meeting referred to in clause 19.4, 1/3 (one third) of the non-executive Directors for the time being, or if their number is not three or a multiple of three, the number nearest to 1/3 but not less than 1/3, shall retire from office;
- 25.12.2 the non-executive Directors to retire in every year are, firstly, those who have been appointed to fill a casual vacancy or an additional appointment to the Board, and, secondly, those who have been longest in office since their last election, but as between persons who were elected as non-executive Directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot. Notwithstanding the foregoing, if at the date of any annual general meeting, any Director will have:
- 25.12.2.1 held office for a period of 3 (three) years since his last election or appointment;
- 25.12.2.2 reached the age of 75 (seventy five) years or older; and/or
- 25.12.2.3 held office for an aggregate period of 9 (nine) years since his first election or appointment, then such non-executive Director shall retire at such annual general meeting, either as one of the non-executive Directors to retire in pursuance to the foregoing or additionally thereto;
- 25.12.3 a retiring non-executive Director may be re-elected, provided he is eligible for election. If elected or re-elected he shall be deemed not to have vacated his office;
- 25.12.4 a retiring non-executive Director shall act as a non-executive Director throughout the annual general meeting at which he retires;
- 25.12.5 the Company, at the annual general meeting at which a non-executive 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 the provisions of section 60 of the Act as set out in clause 24;
- 25.12.6 if at any meeting at which an election of non-executive Directors ought to take place the offices of the retiring non-executive 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 19.13 to 19.15 (inclusive) will apply *mutatis mutandis* to such adjournment, and if at such adjourned meeting the vacancies are not filled, the retiring non-executive Directors, or such of them as have not had their offices filled, shall be deemed to have been re-elected at such adjourned meeting.
- 25.13 The Board shall, through its nomination committee (if so constituted in terms of clause 31), provide the Shareholders with a recommendation in the notice of the meeting at which the re-election of a retiring non-executive Director is proposed, as to which retiring Directors are eligible for re-election, taking into account that non-executive Director's past performance and contribution. Any Shareholder shall have the right to nominate Directors.
- 25.14 The Board has the power to exercise all of the powers and perform any of the functions of the Company, as set out in section 66(1), and the powers of the Board in this regard are only limited and restricted as contemplated in this clause 25.

- 25.15 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 members, 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.
- 25.16 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.
- 25.17 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.
- 25.18 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 three months from the date that the number falls below such minimum, fill the vacancy/ies, provided that such Director/s are elected by the Shareholders at the next annual general meeting or call a general meeting for the purpose of filling the vacancy/ies.
- 25.19 The failure by the Company to have the minimum number of Directors during the said 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.
- 25.20 The Directors in office may act notwithstanding any vacancy in their body, but if after the expiry of the three month period contemplated in clause 25.18 and for so long as their number is reduced below the minimum number fixed in accordance with this Memorandum of Incorporation, they may act only for the purpose of filling vacancies in their body in terms of section 68(3) or of summoning general meetings of the Company for that purpose provided that if there is no Director able or willing to act, then any Shareholder may convene a general meeting for that purpose, but not for any other purpose.
- 25.21 A Director may hold any other office or place of profit under the Company (except that of auditor or Company Secretary) or any subsidiary of the Company in conjunction with the office of Director; provided that the appointment, duration and remuneration (in addition to the remuneration to which he may be entitled as a Director) in respect of such other office must be determined by a disinterested quorum of Directors.
- 25.22 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 and he shall not be accountable for any remuneration or other benefits received by him as a director or officer of or from his interest in such other company.
- 25.23 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) and the qualifications contained in section 75(3), comply with all of the provisions of section 75 in the event that they (or any person who is a related person to them) have a personal financial interest in any matter to be considered by the Board.
- 25.24 A Director may not vote on any resolution pertaining to any matter in which he has a personal financial interest as contemplated in section 75. However, notwithstanding his interest in any matter, such Director may be counted for the purposes of determining a quorum for a Board meeting.
- 25.25 The Board may authorise the payment of such donations by the Company to such religious, charitable, public or other bodies, clubs, funds, associations or persons as may seem desirable in the interests of the Company, provided that any donations to any political parties or associations shall require prior approval of Shareholders in a general or annual general meeting.

## 28. DIRECTORS' COMPENSATION AND FINANCIAL ASSISTANCE

- 28.1 The Company may pay remuneration to the Directors for their services as Directors in accordance with a special resolution approved by the Company's Shareholders within the previous 2 (two) years, as set out in section 66(8) and (9), and the power of the Company in this regard is not limited or restricted by this Memorandum of Incorporation.
- 28.2 Any Director who:
- 28.2.1 serves on any executive or other committee;
  - 28.2.2 devotes special attention to the business of the Company;
  - 28.2.3 goes or resides outside South Africa for the purpose of the Company;
  - 28.2.4 otherwise performs or binds himself to perform services which, in the opinion of the Directors, are outside the scope of the ordinary duties of a Director;
- may be paid such extra remuneration or allowances in addition to or in substitution of the remuneration to which he may be entitled as a Director; as a disinterested quorum of the Directors may from time to time determine.
- 28.3 The Directors may also be paid all their travelling and other expenses necessarily incurred by them in connection with:
- 28.3.1 the business of the Company; and
  - 28.3.2 attending meetings of the Directors or of committees of the Directors of the Company.
- 28.4 The Board may, as contemplated in and subject to the requirements of section 45, authorise the Company to provide financial assistance to a Director; Prescribed Officer or other person referred to in section 45(2), and the power of the Board in this regard is not limited or restricted by this Memorandum of Incorporation.

## 30. BORROWING POWERS

- 30.1 Subject to this Memorandum of Incorporation, the Directors may from time to time exercise all of the powers of the Company to:
- 30.1.1 borrow for the purpose of the Company such sums as they think fit; and
  - 30.1.2 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, including any notarial bond.
- 30.2 For the purposes of clause 30.1, at the time that any new borrowing is authorised by the Company:
- 30.2.1 the total consolidated liabilities as reflected in the Company's latest published interim or annual consolidated IFRS financial statements;
  - 30.2.2 less any capital repayments made on those liabilities after the balance sheet date;
  - 30.2.3 plus the nominal value of the new debt;
- shall not be more than 60% of the total consolidated assets as reflected in the Company's latest audited or reviewed consolidated IFRS financial statements or *pro forma* consolidated balance sheet.

## 34. DISTRIBUTIONS

- 34.1 Subject to the provisions of the Act, and particularly section 46, the Company may make a proposed distribution if such distribution:
- 34.1.1 is pursuant to an existing legal obligation of the Company, or a court order; or
  - 34.1.2 is authorised by resolution of the Board,
- and in compliance with the JSE Listings Requirements.
- 34.2 Subject to clause 34.1, the Company, to the extent required, shall comply with the JSE Listings Requirements as regards Real Estate Investment Trusts.
- 34.3 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.

- 34.4 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.
- 34.5 The Directors may from time to time declare and pay to the Shareholders such interim distributions as the Directors consider to be appropriate.
- 34.6 All unclaimed monies due to Shareholders will be held by or on behalf of the Company in trust for the benefit of the Shareholder concerned until claimed, provided that, subject to the provisions of the Prescription Act, 68 of 1969, as amended from time to time and any other applicable laws of prescription, monies unclaimed for a period of 3 (three) years from the date on which they were declared (or such longer period as may be required under the laws of prescription) 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.

#### 40. **WINDING UP**

- 40.1 If the Company be wound up, the assets remaining after payment of the debts and liabilities of the Company and the costs of the liquidation shall be applied as follows:
  - 40.1.1 to repay to the Shareholders the amounts paid up on the Shares respectively held by each of them; and
  - 40.1.2 the balance (if any) shall be distributed among the Shareholders in proportion to the number of ordinary Shares respectively held by each of them,provided that the provisions of this clause shall be subject to the rights of the holders of Shares (if any) issued upon special conditions.
- 40.2 In a winding-up, any part of the assets of the Company, including any shares or securities of other companies may, with the sanction of a special resolution of the Company, be paid to the Shareholders of the Company *in specie*, or may, with the same sanction, be vested in trustees for the benefit of such Shareholders, and the liquidation of the Company may be closed and the Company dissolved.

## DETAILS OF THE PROPERTY PORTFOLIO

The details of the Property Portfolio as at 31 December 2014 are detailed in the table below.

No.	Property name	Address	Province	Sector	GLA (m <sup>2</sup> )	Valuation as at		Effective date of acquisition	Weighted average rental per square metre per month as at 31 December 2014 (R/m <sup>2</sup> )
						31 December 2014 (R'000)	31 December 2014 (R/m <sup>2</sup> )		
1	Atterbury Décor	Corner Atterbury Road and Nieuwhout Street, Pretoria	Gauteng	Retail	5 827	56 200	103,71	May 2007	
2	Cambridge Crossing	Corner Witkoppen Road and Stone Haven Street, Paulshof, Sandton	Gauteng	Retail	3 600	53 500	168,30	May 2007	
3	Coachman's Crossing	Corner Peter Place and Karen Street, Bryanston West, Sandton	Gauteng	Retail	6 377	72 800	155,06	May 2007	
4	Comaro Crossing	Corner Comaro Street and Boundary Lane, Oakdene	Gauteng	Retail	15 065	100 800	105,52	May 2007	
5	Cullinan Jewell Shopping Centre	Corner Main Road and Oak Avenue, Cullinan	Gauteng	Retail	6 113	26 200	68,23	April 2007	
6	East Point	Corner Northrand and Rietfontein Roads, Jansen Park, Boksburg	Gauteng	Retail	38 965	565 900	80,07	May 2007	
7	Forest Road Design and Décor Centre	Corner Forest Drive and Sunset Avenue, Pineslopes, Fourways	Gauteng	Retail	11 680	84 100	71,61	February 2007	
8	Kempton Shoprite Checkers	Corner Langenhoven Avenue and Voortrekker Road, Kempton Park	Gauteng	Retail	15 949	63 100	50,21	May 2007	
9	Midway Mews	Corner Harry Galaun Drive and Seventh Street, Halfway Gardens	Gauteng	Retail	8 434	60 100	99,29	May 2007	
10	Montana Crossing	Corner Zambesi Drive and Dr Swanepoel Road, Montana	Gauteng	Retail	23 441	192 200	87,72	August 2007	
11	Northpark Mall	526 Rachel De Beer Street, Pretoria North	Gauteng	Retail	27 947	131 800	88,84	May 2007	
12	The Boulevard – Melville <sup>3</sup>	Corner Main and Ayr Roads, Melville	Gauteng	Retail	5 380	31 200	84,07	April 2006	

No. Property name	Address	Province	Sector	GLA (m <sup>2</sup> )	Valuation as at		Effective date of acquisition	Weighted average rental per square metre per month as at 31 December 2014 (R/m <sup>2</sup> )
					31 December 2014 (R'000)	31 December 2014 (R/m <sup>2</sup> )		
13 Town Square Shopping Centre	Corner Hendrik Potgieter Road and Albert Street, Weltevredenpark	Gauteng	Retail	5 655	85 300		May 2007	168.62
14 Willow Way Shopping Centre	Corner Lynnwood Road and Power Avenue, Lynnwood	Gauteng	Retail	7 965	77 200		May 2007	100.10
15 Bluff Shopping Centre	Corner Grays Inn and Tara Roads, KwaZulu-Natal Bluff	KwaZulu-Natal	Retail	21 386	283 600		May 2007	115.16
16 Davenport Square Shopping Centre	Corner Clark and Brand Roads, Glenwood	KwaZulu-Natal	Retail	9 331	139 500		May 2007	160.17
17 Hayfields Mall	Corner Blackburn Road and Cleland Roads, Hayfields, Pietermaritzburg	KwaZulu-Natal	Retail	12 683	181 100		May 2007	155.26
18 Musgrave Centre	115 Musgrave Road, Musgrave	KwaZulu-Natal	Retail	39 201	768 800		September 2004	176.29
19 Pine Crest Shopping Centre	Corner Kings and Glenugie Roads, Pinetown	KwaZulu-Natal	Retail	20 027	331 300		May 2007	299.80
20 Pine Walk Centre	22 Kings Road, Pinetown	KwaZulu-Natal	Retail	8 513	86 600		May 2007	114.66
21 Springfield Value Centre	Corner Umgeni and Electron Roads, Springfield	KwaZulu-Natal	Retail	20 393	296 700		May 2007	125.26
22 Umlazi Mega City <sup>2</sup>	50 Mangosuthu Highway, Umlazi	KwaZulu-Natal	Retail	23 359	292 425		January 2005	173.02
23 Checkers Somerset West	Corner Main and Gordon Roads, Somerset West	Western Cape	Retail	6 259	65 100		May 2007	87.67
24 Stellenbosch Square	Corner R44 and Webersvallei Road, Stellenbosch	Western Cape	Retail	10 380	92 600		June 2003	85.00
25 Middelburg Pick n Pay	Corner Walter Sisulu and Joubert Streets, Middelburg	Mpumalanga	Retail	7 622	34 200		May 2007	63.01
26 Rhodesdene Centre	Corner Caters Way and Selous Avenue, Kimberley	Northern Cape	Retail	2 960	32 400		May 2007	93.06
27 11 Enterprise Close	Linbro Business Park, Linbro Business Park	Gauteng	Industrial	1 913	14 400		April 2003	- <sup>4</sup>
28 11 Wankel Street	11 Wankel Street, Jet Park	Gauteng	Industrial	6 729	32 200		July 1998	- <sup>4</sup>
29 111 Mimetts Road	111 Mimetts Road, Denver	Gauteng	Industrial	18 051	87 500		December 2005	- <sup>4</sup>
30 112 Yaldwyn Road	112 Yaldwyn Road, Jet Park	Gauteng	Industrial	30 299	277 400		April 2010	- <sup>4</sup>

No.	Property name	Address	Province	Sector	GLA (m <sup>2</sup> )	Valuation as at		Effective date of acquisition	Weighted average rental per square metre per month as at 31 December 2014 (R/m <sup>2</sup> )
						31 December 2014 (R'000)	31 December 2014 (R/m <sup>2</sup> )		
31	120 Loper Avenue	120 Loper Avenue, Airport Industrial Estate	Gauteng	Industrial	3 575	22 500	22 500	February 1996	- <sup>4</sup>
32	137 Kuschke Street	137 Kuschke Street, Meadowdale	Gauteng	Industrial	1 541	9 600	9 600	June 2001	- <sup>4</sup>
33	141 Hertz Close	141 Hertz Close, Meadowdale	Gauteng	Industrial	3 616	21 600	21 600	June 2001	- <sup>4</sup>
34	144 Kuschke Street	144 Kuschke Street, Meadowdale	Gauteng	Industrial	1 488	6 200	6 200	June 2001	- <sup>4</sup>
35	145 Kuschke Street	145 Kuschke Street, Meadowdale	Gauteng	Industrial	1 518	7 000	7 000	June 2001	- <sup>4</sup>
36	148 Fleming Street	148 Fleming Street, Meadowdale	Gauteng	Industrial	1 417	7 100	7 100	June 2001	- <sup>4</sup>
37	149 Fleming Street	149 Fleming Street, Meadowdale	Gauteng	Industrial	2 090	11 400	11 400	June 2001	- <sup>4</sup>
38	15 Patrick Road	15 Patrick Road, Jet Park	Gauteng	Industrial	2 275	12 600	12 600	October 2007	- <sup>4</sup>
39	150 Fleming Street	150 Fleming Street, Meadowdale	Gauteng	Industrial	1 835	9 200	9 200	June 2001	- <sup>4</sup>
40	18 Covora Street	18 Covora Street, Jet Park	Gauteng	Industrial	4 638	24 200	24 200	July 1998	- <sup>4</sup>
41	2 Fobian Street	2 Fobian Street, Boksburg	Gauteng	Industrial	5 258	31 600	31 600	October 1997	- <sup>4</sup>
42	2 Webb Road	2 Webb Road, Jet Park	Gauteng	Industrial	1 859	8 700	8 700	July 1998	- <sup>4</sup>
43	21 Pomona Road	21 Pomona Road, Pomona	Gauteng	Industrial	4 585	25 000	25 000	December 2002	- <sup>4</sup>
44	27 Jet Park Road	27 Jet Park Road, Jet Park	Gauteng	Industrial	12 582	54 800	54 800	April 1997	- <sup>4</sup>
45	293 Hebbard Road <sup>3</sup>	293 Hebbard Road, Robertville	Gauteng	Industrial	7 762	23 500	23 500	April 2007	- <sup>4</sup>
46	3 Remblok Street <sup>3</sup>	3 Remblok Street, Strydom Park	Gauteng	Industrial	1 787	10 400	10 400	July 1998	- <sup>4</sup>
47	3 Wankel Street	3 Wankel Street, Jet Park	Gauteng	Industrial	3 952	22 400	22 400	July 1998	- <sup>4</sup>
48	32/34 Yaldwyn Road	32/34 Yaldwyn Road, Jet Park	Gauteng	Industrial	4 000	18 100	18 100	July 1998	- <sup>4</sup>
49	33 Ontdekkers Road	33 Ontdekkers Road, Roodepoort	Gauteng	Industrial	6 386	66 500	66 500	December 2007	- <sup>4</sup>
50	36 Wankel Street	36 Wankel Street, Jet Park	Gauteng	Industrial	5 101	26 700	26 700	July 1998	- <sup>4</sup>
51	37 Yaldwyn Road	37 Yaldwyn Road, Jet Park	Gauteng	Industrial	39 738	222 700	222 700	September 2003	- <sup>4</sup>
52	40 Electron Avenue	40 Electron Avenue, Isando	Gauteng	Industrial	13 172	59 500	59 500	June 2001	- <sup>4</sup>
53	5 Yaldwyn Road	5 Yaldwyn Road, Jet Park	Gauteng	Industrial	17 552	89 400	89 400	August 2005	- <sup>4</sup>
54	Nampak	530 Nicholson Road, Denver	Gauteng	Industrial	24 880	70 000	70 000	December 2013	- <sup>4</sup>
55	57 Sarel Baard Crescent	57 Sarel Baard Crescent, Centurion	Gauteng	Industrial	34 460	300 500	300 500	March 2003	- <sup>4</sup>
56	7 Belgrade Avenue	7 Belgrade Avenue, Airport Industrial Estate	Gauteng	Industrial	1 535	8 100	8 100	July 1998	- <sup>4</sup>
57	8 Director Drive	8 Director Drive, Airport Industrial Estate	Gauteng	Industrial	3 750	19 100	19 100	July 1998	- <sup>4</sup>
58	83 Heidelberg Avenue	Production Park, 83 Heidelberg Ave, City Deep	Gauteng	Industrial	7 898	36 600	36 600	December 2007	- <sup>4</sup>



No. Property name	Address	Province	Sector	GLA (m <sup>2</sup> )	Valuation as at		Effective date of acquisition	Weighted average rental per square metre per month as at 31 December 2014 (R/m <sup>2</sup> )
					31 December 2014 (R'000)	31 December 2014 (R/m <sup>2</sup> )		
59	85 Newton Street	Gauteng	Industrial	3 178	16 200	— <sup>4</sup>	June 2001	— <sup>4</sup>
60	88 Loper Avenue Industrial Estate	Gauteng	Industrial	7 711	41 400	— <sup>4</sup>	October 2003	— <sup>4</sup>
61	96 – 15th Road Midrand	Gauteng	Industrial	10 443	72 100	— <sup>4</sup>	November 2007	— <sup>4</sup>
62	Beryl Street	Gauteng	Industrial	27 681	301 800	— <sup>4</sup>	September 1995	— <sup>4</sup>
63	Corner Bismuth and Graniet Streets, Jet Park	Gauteng	Industrial	1 800	7 200	— <sup>4</sup>	July 1998	— <sup>4</sup>
64	Corner Fleming St and Koornhof Road	Gauteng	Industrial	2 914	14 200	— <sup>4</sup>	June 2001	— <sup>4</sup>
65	Corner Koornhof Rd and Essex Street	Gauteng	Industrial	9 783	47 600	— <sup>4</sup>	August 2005	— <sup>4</sup>
66	8 Paul Smit Street	Gauteng	Industrial	18 197	55 200	— <sup>4</sup>	October 2007	— <sup>4</sup>
67	Corner Rudo Nel and Tudor Streets, Jet Park	Gauteng	Industrial	10 786	57 300	— <sup>4</sup>	October 2007	— <sup>4</sup>
68	Corner Staal and Stephenson Roads, Pretoria	Gauteng	Industrial	28 538	70 500	— <sup>4</sup>	August 2006	— <sup>4</sup>
69	Stondell Investments Proprietary Ltd	Gauteng	Industrial	2 551	7 700	— <sup>4</sup>	July 1998	— <sup>4</sup>
70	1 Baltex Road	KwaZulu-Natal	Industrial	9 964	125 700	— <sup>4</sup>	November 2007	— <sup>4</sup>
71	10 Yarborough Road Pietermaritzburg	KwaZulu-Natal	Industrial	3 400	45 100	— <sup>4</sup>	November 2007	— <sup>4</sup>
72	1 Irvine Bell Drive	KwaZulu-Natal	Industrial	2 736	15 200	— <sup>4</sup>	November 1997	— <sup>4</sup>
73	1/5 Stockville Road	KwaZulu-Natal	Industrial	8 078	33 200	— <sup>4</sup>	December 1995	— <sup>4</sup>
74	11 Coconut Grove	KwaZulu-Natal	Industrial	453	1 300	— <sup>4</sup>	December 1997	— <sup>4</sup>
75	11 Columbine Place	KwaZulu-Natal	Industrial	9 947	52 000	— <sup>4</sup>	July 1998	— <sup>4</sup>
76	121 Intersite Avenue	KwaZulu-Natal	Industrial	2 734	18 100	— <sup>4</sup>	November 2007	— <sup>4</sup>
77	121 Malacca Road	KwaZulu-Natal	Industrial	3 751	18 600	— <sup>4</sup>	July 1998	— <sup>4</sup>
78	14/24 Mahoganyfield Way Springfield Park	KwaZulu-Natal	Industrial	4 986	22 000	— <sup>4</sup>	July 1998	— <sup>4</sup>
79	147/149 Old Main Road	KwaZulu-Natal	Industrial	6 186	58 500	— <sup>4</sup>	July 1998	— <sup>4</sup>
80	153 Old Main Road	KwaZulu-Natal	Industrial	3 394	34 200	— <sup>4</sup>	July 1998	— <sup>4</sup>

No.	Property name	Address	Province	Sector	GLA (m <sup>2</sup> )	Valuation as at		Effective date of acquisition	Weighted average rental per square metre per month as at 31 December 2014 (R/m <sup>2</sup> )
						31 December 2014 (R'000)	31 December 2014 (R/m <sup>2</sup> )		
81	155/157 Old Main Road	155/157 Old Main Road, Pinetown	KwaZulu-Natal	Industrial	5 858	47 600	July 1998	- <sup>4</sup>	
82	17 Young Road	17 Young Road, Pinetown	KwaZulu-Natal	Industrial	3 970	13 200	July 1998	- <sup>4</sup>	
83	2 Beechfield Crescent	2 Beechfield Crescent, Springfield Park, Durban	KwaZulu-Natal	Industrial	3 815	18 400	November 2007	- <sup>4</sup>	
84	20 Kyalami Road	20 Kyalami Road, Pinetown	KwaZulu-Natal	Industrial	3 052	13 000	September 1995	- <sup>4</sup>	
85	24 Westmead Road	24 Westmead Road, Westmead	KwaZulu-Natal	Industrial	3 542	16 500	July 1998	- <sup>4</sup>	
86	264 Aberdare Drive	264 Aberdare Drive, Phoenix	KwaZulu-Natal	Industrial	3 648	12 600	September 1995	- <sup>4</sup>	
87	28 Goodwood Road	28 Goodwood Road, Mahogany Ridge	KwaZulu-Natal	Industrial	7 848	37 100	July 1998	- <sup>4</sup>	
88	2A, B and C Kuba Avenue	2A, B and C Kuba Avenue, Riverhorse Valley	KwaZulu-Natal	Industrial	4 817	31 900	October 2007	- <sup>4</sup>	
89	30/34 Hillclimb Road	30/34 Hillclimb Road, Mahogany Ridge	KwaZulu-Natal	Industrial	10 181	37 500	July 2003	- <sup>4</sup>	
90	33/37 Aloefield Crescent	33/37 Aloefield Crescent, Springfield Park	KwaZulu-Natal	Industrial	5 672	29 700	July 1998	- <sup>4</sup>	
91	33 Surprise Road	33 Surprise Road, Pinetown	KwaZulu-Natal	Industrial	5 931	21 300	March 2002	- <sup>4</sup>	
92	35 Circuit Road	35 Circuit Road, Westmead	KwaZulu-Natal	Industrial	3 918	12 700	July 1998	- <sup>4</sup>	
93	5 Westgate Place	5 Westgate Place, Westmead	KwaZulu-Natal	Industrial	4 504	43 300	July 1998	- <sup>4</sup>	
94	6 Cedarfield Close	6 Cedarfield Close, Springfield Park	KwaZulu-Natal	Industrial	10 063	54 400	September 1995	- <sup>4</sup>	
95	6/8 Mahogany Road	6/8 Mahogany Road, Mahogany Ridge	KwaZulu-Natal	Industrial	7 324	44 100	April 2002	- <sup>4</sup>	
96	89 Flanders Drive	89 Flanders Drive, Mount Edgecombe	KwaZulu-Natal	Industrial	8 473	45 800	June 1999	- <sup>4</sup>	
97	9 Twilight Road	9 Twilight Road, Umhlanga	KwaZulu-Natal	Industrial	823	14 000	October 2007	- <sup>4</sup>	
98	9/15 Lanner Road	9/15 Lanner Road, New Germany	KwaZulu-Natal	Industrial	6 960	23 700	September 1995	- <sup>4</sup>	
99	Blue Heron Investments Proprietary Ltd	Comer Shadwell and Jenkyn Roads, Maydon Wharf, Durban	KwaZulu-Natal	Industrial	14 587	60 100	July 1998	- <sup>4</sup>	
100	Comer Gillitts and Young Roads	Comer Gillitts and Young Roads, Pinetown	KwaZulu-Natal	Industrial	4 616	21 600	July 1998	- <sup>4</sup>	
101	Dune Lark Investments Proprietary Ltd	34 Shadwell Road, Maydon Wharf, Durban	KwaZulu-Natal	Industrial	13 091	33 200	July 1998	- <sup>4</sup>	

No. Property name	Address	Province	Sector	GLA (m <sup>2</sup> )	Valuation as at		Effective date of acquisition	Weighted average rental per square metre per month as at 31 December 2014 (R/m <sup>2</sup> )
					31 December 2014 (R'000)	31 December 2014 (R/m <sup>2</sup> )		
102 Erf 84/85/86 Shakas Head Proprietary Ltd	15 Coconut Grove, Shakashead	KwaZulu-Natal	Industrial	10 705	28 600	2 667	June 1999	- <sup>4</sup>
103 Grey Heron Investments Proprietary Ltd	137 Johnston Road, Maydon Wharf, Durban	KwaZulu-Natal	Industrial	7 394	28 900	3 910	July 1998	- <sup>4</sup>
104 Rock Kestrel Investments Proprietary Ltd	Shadwell Road, Maydon Wharf, Durban	KwaZulu-Natal	Industrial	398	8 200	20 578	July 1998	- <sup>4</sup>
105 Suffert Street	Suffert Street, Pinetown	KwaZulu-Natal	Industrial	13 943	55 100	3 951	July 1998	- <sup>4</sup>
106 Whirlprops 25 P Proprietary Ltd	59 Intersite Avenue, Umgeni Business Park, Durban	KwaZulu-Natal	Industrial	16 703	93 000	5 571	June 2002	- <sup>4</sup>
107 Wood Ibis Investments Proprietary Ltd	Methven Road, Maydon Wharf, Durban	KwaZulu-Natal	Industrial	18 060	55 800	3 088	July 1998	- <sup>4</sup>
108 1 Marconi Street	1 Marconi Street, Montague Gardens	Western Cape	Industrial	3 970	30 100	7 582	July 1998	- <sup>4</sup>
109 10 Industrial Avenue	10 Industrial Avenue, Paarl	Western Cape	Industrial	3 259	41 900	12 857	November 2007	- <sup>4</sup>
110 9 Milner Road	9 Milner Road, Paarden Eiland	Western Cape	Industrial	16 169	89 200	5 520	July 1998	- <sup>4</sup>
111 Corner Bridge Street and Molecule Road	Corner Bridge Street and Molecule Road, Bellville	Western Cape	Industrial	8 558	46 900	5 477	July 1998	- <sup>4</sup>
112 Corner Giel Basson Drive and Nathan Mallach Road	Corner Giel Basson Drive and Nathan Mallach Road, Goodwood	Western Cape	Industrial	5 902	67 900	11 503	December 2002	- <sup>4</sup>
113 Corner Isotope and Bridge Streets	Corner Isotope and Bridge Streets, Bellville	Western Cape	Industrial	4 573	20 700	4 529	October 2002	- <sup>4</sup>
114 Tygerberg Business Park	Trans Karoo Street, Parow Industria, Parow	Western Cape	Industrial	17 408	129 300	7 428	April 2006	- <sup>4</sup>
115 102 Essenwood Road	102 Essenwood Road, Durban	KwaZulu-Natal	Offices	4 671	64 700	13 849	May 2013	- <sup>5</sup>
116 21 Fricker Road	21 Fricker Road, Illovo, Sandton	Gauteng	Offices	2 746	47 500	17 300	October 2005	- <sup>5</sup>
117 252 Montrose Ave	252 Montrose Ave, Northriding	Gauteng	Offices	2 459	20 000	8 133	November 2007	- <sup>5</sup>
118 36 Wierda Road West <sup>3</sup>	36 Wierda Road West, Wierda Valley	Gauteng	Offices	2 941	39 000	13 261	July 1998	112.41
119 Corner Handel and Crownwood Roads	Corner Handel and Crownwood Roads, Ormonde	Gauteng	Offices	6 131	36 100	5 888	July 1998	- <sup>5</sup>

No. Property name	Address	Province	Sector	GLA (m <sup>2</sup> )	Valuation as at		Effective date of acquisition	Weighted average rental per square metre per month as at 31 December 2014 (R/m <sup>2</sup> )
					31 December 2014 (R'000)	31 December 2014 (R/m <sup>2</sup> )		
120	Corner Old Pretoria and Alexandra Roads, Midrand	Gauteng	Offices	2 828	52 400	18,18	September 2006	— <sup>5</sup>
121	Lebombo Road, Garsfontein, Pretoria	Gauteng	Offices	3 340	29 400	8,83	July 2006	— <sup>5</sup>
122	World Trade Centre	Gauteng	Offices	15 877	376 400	23,72	November 2013	184,02
123	1 Holwood Park	KwaZulu-Natal	Offices	7 504	96 000	12,79	May 2008	— <sup>5</sup>
124	12 Sookhai Place	KwaZulu-Natal	Offices	2 636	21 000	7,97	December 2006	— <sup>5</sup>
125	199 North Ridge Road	KwaZulu-Natal	Offices	4 639	36 100	7,78	July 1998	— <sup>5</sup>
126	3 The Terrace	KwaZulu-Natal	Offices	2 332	24 400	10,46	July 2006	— <sup>5</sup>
127	4 School Road	KwaZulu-Natal	Offices	7 292	25 900	3,55	July 1998	66,95
128	22 Voortrekker Street	Western Cape	Offices	3 067	60 600	19,76	November 2007	— <sup>5</sup>
129	31 Allen Drive	Western Cape	Offices	3 255	27 000	8,29	July 2006	— <sup>5</sup>
130	110 Zastron Road	Free State	Offices	1 978	6 900	3,49	July 2006	— <sup>5</sup>
131	28 Durham Road	Eastern Cape	Offices	4 198	75 000	17,89	November 2007	— <sup>5</sup>
132	34 Mangold Street	Eastern Cape	Offices	968	6 100	6,30	July 2006	— <sup>5</sup>
133	Unipark Offices	Free State	Offices	6 712	66 600	9,92	February 2008	— <sup>5</sup>
134	41 Yaldwyn Road	Gauteng	Industrial	6 249	51 000	8,16	January 2014	— <sup>4</sup>
135	19 Brunton Circle (Webco Tools), Founders View	Gauteng	Industrial	2 720	15 400	5,66	March 2014	— <sup>4</sup>
136	16 Friesland Crescent (UPM Raflatac), Longmeadow Park	Gauteng	Industrial	1 622	10 600	6,53	July 2014	— <sup>4</sup>
137	50 Mangosuthu Highway, Umlazi	KwaZulu-Natal	Retail	4 316	46 000	10,66	April 2014	8,61
138	Celtis Ridge Shopping Centre, Centurion	Gauteng	Retail	7 395	106 100	14,35	January 2014	132,34
139	The Eveready Building	Eastern Cape	Industrial	56 412	127 400	2,26	January 2014	— <sup>4</sup>
140	TruckWorld (Erf 1144 Bardene Ext. 48), Bardene	Gauteng	Industrial	10 204	16 100	1,58	December 2014	— <sup>4</sup>

No. Property name	Address	Province	Sector	GLA (m <sup>2</sup> )	Valuation as at		Effective date of acquisition	Weighted average rental per square metre per month as at 31 December 2014 (R/m <sup>2</sup> )
					31 December 2014 (R'000)	31 December 2014 (R/m <sup>2</sup> )		
141	120 End Street and 55 Davies Street, Doornfontein	Gauteng	Afhco	33 312	270 000		July 2014	82.03
142	50 Siemens Street, Braamfontein, Johannesburg	Gauteng	Afhco	1 427	9 800		July 2014	83.28
143	Afhco Corner 64 Siemert Street, New Doornfontein	Gauteng	Afhco	5 012	20 700		July 2014	46.86
144	Anchor Towers 2 Plein Street (Corner Harrison Street), Johannesburg	Gauteng	Afhco	4 015	15 000		July 2014	65.68
145	Bridgeport 98 De Korte Street, Braamfontein, Johannesburg	Gauteng	Afhco	3 703	16 000		July 2014	72.99
146	Cavendish House 183 Jeppe Street, Johannesburg	Gauteng	Afhco	5 684	65 300		July 2014	113.90
147	Connaught Mansions 219 Bree Street, Johannesburg	Gauteng	Afhco	7 176	33 800		July 2014	26.11
148	Davies Street Stand 52 Davies Street, New Doornfontein	Gauteng	Afhco	–	600		July 2014	– <sup>6</sup>
149	End Park House 112 End Street and 5 Rocky Street, Doornfontein	Gauteng	Afhco	6 643	10 000		July 2014	15.90
150	Frank and Hirsch 352 Bree Street, Johannesburg	Gauteng	Afhco	10 207	102 000		July 2014	91.97
151	Hoeksbury 3 Hoek Street, Johannesburg	Gauteng	Afhco	686	7 600		July 2014	106.75
152	Jeppe Street Mall 141 Jeppe Street, Johannesburg	Gauteng	Afhco	–	12 500		July 2014	– <sup>6</sup>
153	Khan Corner 104 and 106 End Street, Doornfontein	Gauteng	Afhco	3 522	33 700		July 2014	83.53
154	Letsema House 30 Eloff Street, Marshalls Town	Gauteng	Afhco	1 746	9 000		July 2014	41.63
155	Mantoll Court 49 Davies Street, Doornfontein	Gauteng	Afhco	1 390	2 600		July 2014	11.59
156	Maxwell Hall 96 Smal Street, Johannesburg	Gauteng	Afhco	6 864	56 000		July 2014	88.14
157	Moray House 197 Jeppe Street, Johannesburg	Gauteng	Afhco	6 165	38 000		July 2014	55.28
158	Multi Glass 4 – 8 Mooi Street, Johannesburg	Gauteng	Afhco	1 655	3 282		July 2014	15.00
159	Newgate 180 Bree Street, Newtown	Gauteng	Afhco	15 823	124 000		July 2014	102.27
160	Normandi Court Flat 96 Kerk Street, Johannesburg	Gauteng	Afhco	38	75		July 2014	– <sup>6</sup>
161	Rodi Lots 54 Davies Street, Doornfontein	Gauteng	Afhco	–	650		July 2014	– <sup>6</sup>
162	Sidelsky 56, 58 and 60 Davies Street, Doornfontein	Gauteng	Afhco	2 352	3 400		July 2014	7.44
163	Small Street Mall 195 Jeppe Street, Johannesburg	Gauteng	Afhco	569	19 000		July 2014	405.37

No. Property name	Address	Province	Sector	GLA (m <sup>2</sup> )	Valuation as at		Effective date of acquisition	Weighted average rental per square metre per month as at 31 December 2014 (R/m <sup>2</sup> )
					31 December 2014 (R'000)	31 December 2014 (R/m <sup>2</sup> )		
164 Station View	62 Davies Street, Doornfontein	Gauteng	Afhco	2 484	4 700		July 2014	3,52
165 Stuttaford House	60 Pritchard Street, Johannesburg	Gauteng	Afhco	12 425	36 800		July 2014	9,06
166 Tollman Building	51 and 53 Davies Street, Doornfontein	Gauteng	Afhco	–	4 500		July 2014	– <sup>6</sup>
<b>Total</b>				<b>1 388 089</b>	<b>10 666 332</b>			<b>76.32</b>
Investment property at valuation								
Properties classified as development								
Properties classified as held for disposal								
					8 870 357			
					1 632 975			
					163 000			
					<b>10 666 332</b>			

<sup>1</sup> 50% owned by SA Corporate

<sup>2</sup> 75% owned by SA Corporate

<sup>3</sup> Held for disposal

<sup>4</sup> Single tenanted property. The average gross rental of single tenanted industrial properties is R51,90 per square metre.

<sup>5</sup> Single tenanted property. The average gross rental of single tenanted office properties is R112,84 per square metre.

<sup>6</sup> These relate to development properties and currently there are no tenants.

Refer to SA Corporate's annual financial statements for the year ended 31 December 2014, "Appendix C: Property Portfolio" on pages 54 to 58 (available online at [www.sacorporatefund.co.za](http://www.sacorporatefund.co.za)) for more information.

## ACQUISITIONS, VENDORS AND DISPOSALS

### I. ACQUISITIONS AND VENDORS

The material immovable properties, fixed property companies and investments acquired by SA Corporate in the three years preceding the Last Practicable Date are disclosed in the table below:

<b>Description</b>	Afhco portfolio and associated properties
<b>Date of acquisition</b>	1 July 2014
<b>Purchase consideration (net asset value)</b>	R249 360 000
<b>Valuation of property portfolio as at 31 December 2014</b>	R899 008 000
<b>Gain on bargain purchase</b>	R102 000
<b>Loans incurred to finance acquisition</b>	R188 410 224
<b>Nature of asset acquired</b>	Portfolio of Residential/Retail Properties
<b>Name of vendor</b>	Old Mutual Life Assurance Company Limited, Wayne Plit, Renney Plit
<b>Address of vendor</b>	<b>Wayne Plit, Renney Plit</b> Afhco Corner, 1st Floor, 64 Siemert Road, New Doornfontein <b>Old Mutual Life Assurance Company Limited</b> Mutualpark, Jan Smuts Drive, Pinelands, 7405, South Africa
<b>Names of beneficial shareholders, direct or indirect</b>	Old Mutual Life Assurance Company Limited (50%), Wayne Plit (35.5%), Renney Plit (14.5%)
<b>Names of Afhco directors (30 June 2014)</b>	Sean Alexander Mathew Friend, Renney David Plit, Wayne Jeffrey Plit and Jurie Johannes Swart

- The purchase consideration for the Afhco shares was approximately R249 million, which was determined based on a property portfolio value of R787 million and Afhco group debt of R538 million. Approximately R9 million of the purchase consideration (which relates to the two properties – Atkinson House and Platinum Place) was deferred by nine months. These two properties were newly developed and the risk of letting these was born by the vendors and not SA Corporate.
- The purchase consideration was funded by SA Corporate as follows: 30% through the issue of SA Corporate Units equating to R66 million; and 70% from SA Corporate debt facilities amounting to R188 million.
- The shares were transferred into the name of SA Retail, SA Corporate's wholly-owned subsidiary.
- The vendors have not guaranteed the book debts.
- Other than disclosed in this Pre-listing Statement, no promoter or Director had any beneficial interest, direct or indirect, in transactions concluded with the vendors, nor was any promoter or Director a member of a partnership, syndicate or other association of persons that had such an interest.
- No amount has been paid in the preceding three years, or is proposed to be paid to any promoter, partnership, syndicate or other association of which the Fund is or was a member.
- Wayne Plit and Renney Plit pledged their SA Corporate Units to SA Corporate as security for certain obligations and any potential warranty claims.
- The vendors have entered into a restraint of trade for three years from the effective date (1 July 2014) and both Wayne and Renney Plit have entered into a service contract with Afhco for three years from the effective date.

Refer to SA Corporate's annual financial statements for the year ended 31 December 2014, note 20 "Business combinations" on pages 30 to 32 (available online at [www.sacorporatefund.co.za](http://www.sacorporatefund.co.za)) for more information.

### 2. DISPOSALS

There have been no disposals with a sales price of greater than 5% of SA Corporate's market capitalisation in the three years preceding the Last Practicable Date.

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## HISTORICAL FINANCIAL INFORMATION OF NEWCO

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Set out below are extracts from the financial statements of Newco for the period from incorporation to Tuesday, 31 March 2015. These extracts are the responsibility of the Directors. The Independent Reporting Accountants' audit report thereon is contained in **Annexure 9**.

### **Nature of operations**

The Company is engaged in the business of investing in direct real estate, for purposes of income generation and capital growth and will be classified as a REIT upon Listing. The Company was incorporated on 19 January 2015. These financial statements cover the period from incorporation to 31 March 2015.

### **Results of operations**

The results of the operations are set out in the financial statements.

### **Dividends**

No dividends were declared during the current period.

### **Share capital**

The Company issued 1 no par value Share during the period.

### **General review and commentary**

The Company did not trade from 19 January 2015, being the date of incorporation, to 31 March 2015.

#### **1. BASIS OF PREPARATION**

The historical financial information of Newco has been prepared in accordance with IFRS and its interpretations adopted by the International Accounting Standards Board ("IASB") and more specifically in accordance with the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by Financial Reporting Standards Council.

The accounting policies of Newco are presented in **Annexure 10** to this Pre-listing Statement.

The financial statements have been presented in Rand.

#### **2. STATEMENT OF COMPLIANCE**

The annual financial statements have been prepared in accordance with IFRS and its interpretations adopted by the Independent Accounting Standards Board and the requirements of the Companies Act of South Africa and Listings Requirements.

#### **3. SHARE CAPITAL**

Ordinary shares are classified as equity. External costs directly attributable to the issue of new shares, are shown as a deduction in equity from the proceeds.

#### **4. DIRECTORS COMMENTARY**

The Directors are responsible for the compilation, contents and preparation of the historic financial information and for the financial information from which it has been prepared.



## 5. STATEMENT OF FINANCIAL POSITION

	<b>R</b>
<b>as at 31 March 2015</b>	
<b>ASSETS</b>	
<b>Current assets</b>	
Petty cash	4.97
<b>Total assets</b>	<b>4.97</b>
<b>EQUITY AND LIABILITIES</b>	
<b>Capital and reserves</b>	
Stated capital	4.97
<b>Total equity and liabilities</b>	<b>4.97</b>
Net asset value per share	4.97
Tangible net asset value per share	4.97

## 6. STATED CAPITAL

	<b>R</b>
<b>31 March 2015</b>	
<b>Authorised</b>	
4 000 000 000 no par value Shares	
<b>Issued:</b>	
1 no par value Share	4.97
	<b>4.97</b>

Currently there is no general authority to issue Shares in Newco. An ordinary resolution will be passed by Manco and incorporated by Newco by the date of the Annual General Meeting of the Fund, being 15 May 2015, for the authorised but unissued ordinary Shares of no par value to be placed under the control of the Directors, provided that the number of Shares issued (excluding the Shares relating to the Listing) hereunder in aggregate in any one Financial Year, will not exceed 202 416 241 ordinary Shares which number will represent 10% of the number of Shares in issue (excluding treasury Shares) post the Listing, being 2 024 162 410 ordinary Shares.

## 7. STATEMENT OF COMPREHENSIVE INCOME AND STATEMENT OF CASH FLOWS

No transactions occurred during the period from incorporation to 31 March 2015. As no transactions occurred, the statement of comprehensive income and statement of cash flows are not presented.

## 8. SUBSEQUENT EVENTS

Other than disclosed in this Pre-Listing Statement, the Directors are not aware of any other events subsequent to 31 March 2015, not arising in the normal course of business, which are likely to have a material effect on the financial information contained in these financial statements.

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## INDEPENDENT REPORTING ACCOUNTANT'S AUDIT REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF NEWCO FOR THE PERIOD ENDED 31 MARCH 2015

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22 April 2015

The Directors  
SA Corporate Real Estate Fund  
South Wing, First Floor  
Block A, The Forum  
North Bank Lane  
Century City  
7441

Dear Sirs

### INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION INCLUDED IN THE CIRCULAR

#### Introduction

We have audited the historical financial information of SA Corporate Real Estate Limited ("the Company") in respect of the period ended 31 March 2015 set out in **Annexure 8**.

The historical financial information in respect of the abovementioned period comprises the statement of financial position as at the period-end date and the notes, comprising a summary of significant accounting policies and other explanatory information.

#### Directors' responsibility for the historical financial information

The Company's directors are responsible for the preparation and fair presentation of the historical financial information in accordance with the requirements of the Listings Requirements, and for such internal control as the directors determine is necessary to enable the preparation of historical financial information that is free from material misstatement, whether due to fraud or error.

The Listings Requirements require the historical financial information in respect of the period to be prepared in accordance with the conceptual framework, the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and also, as a minimum, to be presented and contain the disclosures required by the Listings Requirements.

#### Auditor's responsibility

Our responsibility is to express an opinion on the historical financial information based on our audit.

We conducted our audit of the historical financial information in accordance with International Standards on Auditing (ISAs). This standard requires that we comply with ethical requirements.

We plan and perform the audit to obtain reasonable assurance about whether the historical financial information is free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the historical financial information, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the historical financial information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the historical financial information.

We believe that the evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

### **Opinion**

In our opinion, the historical financial information in respect of the period ended 31 March 2015 is prepared, in all material respects, in accordance with the requirements of the Listings Requirements and IFRS, as set out in the notes to the historical financial information.

### **Other information in the Pre-listing Statement**

As required by paragraph 8.53 of the Listings Requirements, we have read the Pre-listing Statement in which the historical financial information is contained, for the purpose of identifying whether there are material inconsistencies between the Pre-listing Statement and the historical financial information which has been subject to audit. The Pre-listing Statement is the responsibility of the Directors. Based on reading the Pre-listing Statement we have not identified material inconsistencies between this report and the historical financial information which has been subject to audit. However, we have not audited the Pre-listing Statement and accordingly do not express an opinion on it.

### **Consent**

We consent to the inclusion of this report, which will form part of the Pre-Listing Statement to the Unitholders of SA Corporate Real Estate Fund, to be issued on or about 30 April 2015, in the form and context in which it appears.

### **Deloitte & Touche**

*Registered Auditor*

Per: C Ringwood  
Partner

1st Floor, The Square  
Cape Quarter  
27 Somerset Road  
Green Point  
Cape Town  
8005

**National Executive:** \*LL Bam Chief Executive, \*AE Swiegers Chief Operating Officer, \*GM Pinnock Audit, DL Kennedy Risk Advisory, \*NB Kader Tax, TP Pillay Consulting, \*K Black Clients & Industries, \*JK Mazzocco Talent & Transformation, \*MJ Jarvis Finance, \*M Jordan Strategy, S Gwala Managed Services, \*TJ Brown Chairman of the Board, \*MJ Comber Deputy Chairman of the Board

A full list of partners and directors is available on request

\*Partner and Registered Auditor

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## ACCOUNTING POLICIES

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The accounting policies set out below include those relevant to those which will be adopted in response to future transactions undertaken in line with the Company's investment policy.

### 1. ACCOUNTING POLICIES

#### 1.1 Basis of preparation

The Company and Group financial statements are prepared in accordance with IFRS. The financial statements of Newco going forward will be prepared on the going concern and historical cost bases, except where otherwise stated.

#### 1.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of Newco and its subsidiaries. Control is achieved when the Newco:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Newco reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Fund obtains control over the subsidiary and ceases when Newco loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Fund gains control until the date when Newco ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Fund and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Fund and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

#### 1.3 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are those that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

#### 1.4 **Investment in subsidiaries**

Investments in subsidiary companies are revalued to fair value at each reporting date. Surpluses or deficits on revaluation or disposal are reflected in profit or loss and transferred to capital in the statement of changes in Unitholders' funds.

#### 1.5 **Investment properties**

Investment properties are properties held to earn rentals and appreciate in capital value. Investment properties are initially recognised at cost, including transaction costs on acquisition, and are stated at their fair value at each reporting date. These fair values of property exclude accrued operating lease income. Gains or losses arising from changes in the fair values are reflected in profit or loss in the year in which they arise and are transferred to non-distributable reserves in the statement of changes in equity.

Properties purchased by the Group and settled by the issuing of shares are recorded at the fair value of the properties acquired, unless that fair value cannot be reliably measured, in which case they are measured at the fair value of the shares granted in terms of IFRS 2: Share-Based Payments. This excludes purchases of properties which are regarded as business combinations as described in note 3.2.

New buildings that are acquired and developed for future use as investment property as well as existing investment property that is redeveloped for continued future use as investment property are carried at fair value.

Properties held under long-term operating leases are classified and accounted for as investment properties.

Partially held investment property is treated as a jointly controlled asset as the co-owners jointly control the property. The following is therefore recognised in the annual financial statements:

- the undivided share of the jointly controlled assets, classified according to the nature of the assets;
- any liabilities incurred;
- any income from the sale or use of the undivided share of the output of the partially held investment property, together with the share of any expenses incurred by the partially held investment property; and
- any expenses incurred in respect of the interest held in the partially held investment property.

#### 1.6 **Intangible asset**

Intangible assets acquired in a business combination:

- Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date, which is regarded as their cost.
- Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

## 1.7 **Property, plant and equipment**

Property, plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses. Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses. The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

The useful lives of items of property, plant and equipment have been assessed as follows:

<b>Item</b>	<b>Average useful life</b>
Plant and machinery	6 years
Furniture and fixtures	6 years
Motor vehicles	5 years
Office equipment	3 years
IT equipment	3 years
Computer software	3 years

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

## 1.8 **Borrowing costs**

Where a subsidiary company undertakes a major development or refurbishment of its property, interest is capitalised to the cost of the property concerned during the construction period. Where a property, owned by the Fund, undertakes a major development or refurbishment, interest is capitalised to the extent that it is directly incurred in the course of development.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

## 1.9 **Assets held for sale**

Properties and other non-current assets which have been earmarked for sale and have met the recognition criteria in terms of IFRS 5: Non-Current Assets Held for Sale and Discontinued Operations are classified as non-current assets held for sale. Properties held for sale are measured at fair value in terms of IAS 40: Investment Property. Other assets held for sale are measured at their fair value less costs to sell.

## 1.10 **Taxation**

Newco has been recognised as a REIT and in this regard is entitled to claim a deduction in respect of all qualifying distributions made by it in the form of dividends. The deduction does not apply to any dividends in the form of share buybacks. In order to become a qualifying distribution, at least 75% of the gross income received by or accrued to a REIT until the date of declaration of the dividend must consist of rental income, where the REIT has been incorporated, formed or established during the year of assessment (as in the case of Newco). In any other case, at least 75% of the gross income received by or accrued to a REIT in the preceding year of assessment must consist of rental income. By being able to claim a deduction in respect of these qualifying distributions, the tax liability of a REIT is expected to be minimal.

Pursuant to being classified as a REIT for tax purposes, capital gains or losses that arise in respect of the disposal by a REIT or a controlled company of the following assets are to be ignored for CGT purposes:

- immovable property;

- a share or a linked unit in a company that is a REIT at the time of the disposal; or
- a share or a linked unit in a company that is a property company at the time of the disposal.

The tax dispensation that applies to REITs also applies to so-called controlled companies. A controlled company is a company that is a subsidiary of a REIT as defined in terms of IFRS. The effect is that a controlled company can make deductible distributions to the REIT for so long as the 75% rental test is satisfied. For these companies the income tax expense comprises the sum of current taxation payable and deferred taxation. Taxable profit differs from accounting profit as it excludes income or expenses that are taxable or deductible in other years and it excludes items never deductible or taxable.

Deferred taxation is provided for using the liability method based on temporary differences. Temporary differences are differences between the carrying amounts of assets and liabilities for financial reporting purposes and their taxation bases. Deferred taxation is charged to profit or loss, except to the extent that it relates to a transaction that is recognised directly in equity, or a business combination that is an acquisition. A deferred taxation asset is recognised to the extent that it is probable that future taxable profits will be available against which the associated unused tax losses and deductible temporary differences can be utilised. Deferred taxation assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred taxation assets and liabilities are not recognised if the temporary differences arise from goodwill, or from the initial recognition (other than business combinations) of other assets and liabilities in a transaction which affects neither the taxable profit nor the accounting profit.

### 1.11 Impairment

The carrying amount of the Group's assets is reviewed at each reporting date to determine whether there is any indication of impairment. An impairment loss is recognised in profit or loss whenever the carrying amount of an asset exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. Whenever an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the extent that the increased carrying amount does not exceed the original carrying amount. A reversal of impairment loss is recognised immediately in profit or loss.

### 1.12 Financial instruments

A financial asset or financial liability is recognised for as long as the Group or Newco is party to the contractual provisions of the instrument.

#### 1.12.1 **Non-derivative financial instruments**

Non-derivative financial instruments recognised on the statement of financial position include cash and cash equivalents, trade and other receivables, investments, shareholders' funds, interest-bearing borrowings and trade and other payables.

##### **a. Financial assets**

###### **(i) Initial recognition**

Financial assets are initially measured at fair value plus, for instruments not at fair value through profit or loss ("FVTPL"), any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

Financial assets are classified into the following specified categories:

- 'at FVTPL',
- 'held to maturity' investments,
- 'available for sale' and
- 'loans and receivables'.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

###### **(ii) Financial assets at FVTPL**

A financial asset is classified as at FVTPL if it is held for trading or is designated as such upon initial recognition.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are measured at fair value, and changes therein are recognised in profit or loss.

Investments in fixed property companies have been designated as at FVTPL.

### **(iii) Held-to-maturity investments**

Held-to-maturity investments are recorded at amortised cost using the effective interest method less any impairment losses.

The Group and Newco does not currently have any held-to-maturity investments.

### **(iv) Available for sale financial assets**

Gains and losses arising from changes in fair value of available for sale financial assets, other than impairment losses, are recognised directly in equity. Where the investment is disposed of, the cumulative gain or loss previously recognised in equity is transferred to profit or loss.

### **(v) Loans and receivables**

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

### **(vi) Derecognition of financial assets**

The Group and Newco derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group and Newco neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group and Newco recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group and Newco retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group and Newco continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

## **b. Financial liabilities**

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

### **(i) Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL where the financial liability is either held for trading or it is designated as at FVTPL.



## **(ii) Other financial liabilities**

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

## **(iii) Derecognition of financial liabilities**

The Group and Newco derecognises financial liabilities when, and only when, the Group's and Newco's obligations are discharged, cancelled or they expire.

### **1.12.2 Derivative financial instruments**

The Group and Newco use derivative financial instruments to manage its exposure to interest rate risk exposures. At inception, these instruments are either designated as cash flow hedges, or not, on an item by item basis.

Derivative financial instruments designated as a hedge:

Changes in the fair value of designated cash flow hedging instruments are recognised in other comprehensive income and accumulated in equity to the extent that the hedge is effective. The ineffective portion of any gain or loss is recognised immediately in profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires, or is sold, terminated or exercised then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in equity remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognised in equity is transferred to the carrying amount of the asset when it is recognised. In other cases the amount recognised in equity is transferred to profit or loss in the same period that the hedged items affects profit or loss.

Derivative financial instruments not designated as a hedge:

- Derivative financial instruments not designated as cash flow hedging instruments are accounted for as financial instruments at FVTPL.
- The fair value of the interest rate swaps is the estimated amount that the Group and Newco would receive or pay to terminate the swap at the reporting date, taking into account current interest rates and the current credit worthiness of the swap counterparties.

### **1.13 Provisions**

Provisions are recognised when the Group and Newco have a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will occur, and where a reliable estimate can be made on the settlement amount of the obligation.

### **1.14 Revenue recognition**

Revenue comprises gross rental income, including all recoveries from tenants. Variable operating cost recoveries are recognised on the accrual basis. Rental income and fixed operating costs recoveries are recognised on the straight line basis in accordance with IAS 17: Leases. Turnover rental income is recognised on the accrual basis and measured at fair value.

Interest income is recognised at the effective rates of interest on a time related basis.

Dividends are recognised when the right to receive them is established.

### **1.15 Leases**

Investment properties leased out under operating leases are reflected as investment properties on the statement of financial position. Where there are fixed increments in rental, the income is recognised on a straight-line basis in accordance with IAS 17: Leases.

### 1.16 **Deferred expenses**

Deferred expenses comprise tenant installation costs and letting commissions which are amortised on a straight-line basis over the lease period to which they relate. The tenant installations and letting commissions are separately disclosed. As at date of disposal, the unamortised deferred expense is included in the capital profit or loss of the property.

### 1.17 **Distributions**

In terms of the REIT provisions Newco is obliged to distribute to its Unitholders 75% of net revenue profit earned and received. The Company has elected to use its annual Distributable Income growth as its measurement to evaluate if a Trading Statement is required in accordance with the Listings Requirements.

### 1.18 **Segment reporting**

Information reported to the Group's chief operating decision makers, being the executive Directors, for the purposes of resource allocation and assessment of its performance, is based on the economic sectors in which the investment properties operate.

On a primary basis the Group operates in the following reportable segments:

- Retail;
- Industrial;
- Commercial; and
- Residential.

### 1.19 **Shareholders' funds**

Shareholders' funds represent the residual interest in the Group's and Newco's assets after deducting all of its liabilities and have been accounted for as equity. Shares issued by the Group and Newco are recognised at the proceeds received, net of direct issue cost. Shares repurchased by the Group and Newco are recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of Newco's own shares.

## 2. **CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

Estimates and judgements are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors.

The Group and Newco makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

### 2.1 **Estimate of the fair value of investment properties**

The best evidence of fair value is current prices in an active market for similar leases and other contracts. In the absence of such information, the Group and Newco determines the amount within a range of reasonable fair value estimates. In making its judgment the Group and Newco considers information from a variety of sources including:

- Current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences;
- Recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and
- Discounted cash flow projections based on reliable estimates of future cash flows, derived from the terms of any existing leases and other contracts and (where possible) from external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

### **Principal assumptions of management's estimation of fair value**

If information on current or recent prices is not available, the fair values of investment properties are determined using discounted cash flow valuation techniques. The Group and Newco use assumptions that are mainly based on market conditions existing at each reporting date.

The principal assumptions underlying management's estimation of fair value are those related to:

- The receipt of contracted rentals, expected future market rentals, lease renewals, maintenance requirements and appropriate discount and capitalisation rates. These valuations are regularly compared to actual market yield data, actual transactions by the Group and Newco and those reported by the market.
- The expected future market rentals are determined with reference to current market rentals for similar properties in the same location and condition.

### **2.2 Doubtful debt provision**

All legal arrears that have been summonsed, as well as tenants with arrears older than 90 days, have been provided against. Exceptions are applied based on an assessment of the individual debtor.

### **2.3 Brand**

The Brand's fair value was determined using the Relief from Royalty method. The brand was valued using a discount rate equal to the weighted average cost of capital and assumed an indefinite useful life. The indefinite useful life was used due to the relative strength, market recognition and the time in existence of the brand.

The brand will be assessed for impairment at the end of each reporting period.

### **2.4 Interest rate swap derivatives**

The interest rate swap derivatives fair value is determined at the end of each reporting period through a discounted cash flow of the net interest payable or receivable over the instrument's remaining life. The net interest is determined as the difference between the fixed agreed upon price and the variable rate. The credit risk of the instrument is used to determine the discount rate.

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## NEWCO RESOLUTIONS

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### Resolutions that would have been passed by Manco and incorporated by Newco as at the date of the Annual General Meeting of the Fund, being 15 May 2015

#### Special resolutions

1. A special resolution authorising the Company to grant financial assistance under and in compliance with section 44 of the Companies Act. This authority shall include and also apply to the granting of financial assistance to the Forfeitable Unit Incentive Scheme or such other name as the scheme may be re-named to, and participants thereunder.
2. A special resolution authorising the Company to provide at any time and from time to time during the period of 2 (two) years commencing on the date of this special resolution, any direct or indirect financial assistance as contemplated in such section of the Companies Act to or for the benefit of any one or more related or inter-related companies or corporations of the Company.
3. A special resolution to authorise the Company to provide financial assistance to certain restricted categories of persons, on such terms as may be authorised by the Board in accordance of section 45 of the Companies Act and subject to the requirements of the Companies Act and the MOI.
4. A special resolution to authorise the Company to adopt the Share Incentive Scheme in terms of section 41 of the Companies Act and to issue Shares and options in terms thereof.
5. Such special resolutions authorising the entry by the Company into the various loan agreements, guarantees and mortgage bonds, including any accession letters and other documents relating to the assumption by the Company of the liabilities of the Fund set out in **Annexure 13**, as required by the lenders specified in **Annexure 13**, which resolutions are, to the extent required, approved and/or ratified pursuant to section 75(7)(b) of the Companies Act.

#### Ordinary resolutions

6. An ordinary resolution granting any Director of the Company authority to sign all documents and to do all things (to the extent required), file all such documents with the CIPC and procure the doing of all such things and the signing and/or filing of such documents, which may be necessary to give effect to special resolution 5 above.
7. An ordinary resolution stating that written notice of resolutions passed by the Board has been given to Shareholders and will be given to any trade unions representing any employees of the Company.
8. Ordinary resolutions authorising the entry by the Company into the various loan agreements, guarantees and mortgage bonds, including any accession letters and other documents relating to the assumption by the Company of the liabilities of the Fund set out in **Annexure 13**, as required by the lenders specified in **Annexure 13**, which resolutions are, to the extent required, approved and/or ratified pursuant to section 75(7)(b) of the Companies Act.
9. An ordinary resolution for the authorised but unissued ordinary Shares of no par value to be placed under the control of the Directors, provided that the number of Shares issued (excluding the Shares relating to the Listing) hereunder in aggregate in any one Financial Year, will not exceed 202 416 241 ordinary Shares which number will represent 10% of the number of Shares in issue (excluding treasury Shares) post the Listing, being 2 024 162 410 ordinary Shares, and is subject to a maximum discount of 5% of the VWAP on the JSE of those Shares over the 10 Business Days prior to the allotment, issue or disposal as the case may be, subject to the provisions of section 38 of the Companies Act and the Listings Requirements.

### Resolutions to be voted at the Fund's and Manager's Annual General Meetings on 15 May 2015, which if passed by Unitholders and Shareholders as applicable, will be incorporated by Newco post the Annual General Meeting and prior to the Listing

#### Special resolutions

10. A special resolution approving the fees payable by the Company to the non-executive Directors for their services as Directors (in terms of section 66 of the Companies Act) for the year ending 31 December 2015.
11. A special resolution required for the Board of Directors to repurchase the Fund's (and its subsidiaries) Units in terms of general authority limited to 20% of the Units in issue (or 10% where such repurchase is effected by a subsidiary)

at the relevant time that such repurchase of the Units is implemented, subject to the MOI, the Companies Act and the Listings Requirements.

### **Ordinary resolutions**

12. An ordinary resolution to approve on an advisory, non-binding basis the Manager's remuneration policy.
13. An ordinary resolution for the Board of Directors to issue Units in terms of a general authority to issue Units for cash, which authority shall not exceed 101 208 120 Units, being 5% of the Fund's issued share capital as at the Last Practicable Date, subject to the MOI, the Companies Act and the Listings Requirements. The maximum discount permitted will be 5% of the VWAP on the JSE of the Units over the 30 Business Days prior to the date of issue.
14. The ordinary resolution for the appointment of the audit committee members to the Company.

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## SALIENT FEATURES OF NEWCO SHARE INCENTIVE SCHEME

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The salient features of the FUP, which was approved by the JSE on Unitholders at the Annual General Meeting on 15 May 2014 are detailed below. The FUP will remain in place post the Transaction and the Listing, with a slight amendment: "Units" will convert to "Shares" and "Unitholders" will convert to "Shareholders".

### Participants

Eligible employees will include executive Directors and senior management ("**Participants**"). The Remuneration Committee ("**RemCom**") may, in its discretion, call upon the employer companies to make recommendations as to which of their respective employees they wish to incentivise, retain the services of or attract the services of, by the making of an award of forfeitable Units ("**Forfeitable Units**").

### Rights of Participants

Under the FUP, Participants will become owners of the Forfeitable Units from the settlement date, shortly after the award date and will immediately benefit from distributions (subject to certain restrictions set out below), and have shareholder voting rights in respect of the Forfeitable Units over the vesting period. The Forfeitable Units cannot be disposed of by the Participant prior to the vesting date and will be subject to forfeiture restrictions until the vesting date.

A portion of each distribution relating to unvested Forfeitable Units ("**Pledged Distributions**") will be required to be pledged to the Company or Fund and held by an escrow agent for the benefit of the Participant, and will be forfeitable to the extent that the underlying Forfeitable Unit does not vest. The portion which is required to be pledged to the Company or Fund will be equivalent to 40% (forty percent) of the post-tax value of each declared distribution amount relating to unvested Forfeitable Units.

### Basis of awards and award levels

In line with the requirements of King III and best practice that regular, annual awards are made on a consistent basis to ensure long-term shareholder value creation, annual awards of performance Units will be made under the FUP. Retention Units and matched Units will be made on an *ad hoc* basis as determined necessary by the RemCom.

The number of performance Units awarded to a Participant will primarily be based on the Participant's annual salary, grade, performance, retention and attraction requirements and market benchmarks. The number of retention Units will be determined on a case-by-case basis, to address initial retention risks identified before the implementation of the FUP, or subsequent retention risks on an *ad hoc* basis.

The number of matched Units will be based on a pre-determined matching ratio which is dependent on the Participant's individual minimum unitholding requirement. Participants will be required to invest a minimum of 50% of their total guaranteed pay ("**TGP**") in Units. The investment can be from the Participants' own funds, from pre-tax deferral of participants' short-term incentive bonuses, or from pledging to hold Units from the FUP.

Provided that Participants meet the minimum holding requirement ("**Minimum Unit Holding Condition**"), the Company will reward holdings from 50% to 1.5 x TGP by 1 FUP for every 3 Units held, and holdings from 1.5 x TGP to 3 x TGP by 1 FUP for every 2 Units held.

Any Units held under the Minimum Unit Holding Condition, acquired through:

- the pre-tax deferral of Participants' short-term incentive bonuses; or
- participants pledging in advance of vesting to hold vested FUP Units under the Minimum Unit Holding Condition,

will be subject to a voluntary further holding period during which the participant may not dispose of the Units.

Any Units held under the Minimum Unit Holding Condition which were acquired other than through a deferral of the participants' short-term incentive bonuses or through the pledging of vested FUP may be disposed of by a Participant at any stage before the expiry of the employment period.

In terms of any Units held under the Minimum Unit Holding Condition which are disposed of, howsoever acquired, the Participant will forfeit his right to matched Units in relation to the Units so withdrawn. However, Units forming part of the Minimum Unit Holding Condition will not be subject to forfeiture in terms of the FUP rules.

The mix between Forfeitable Units will be weighted considerably more towards performance Units, as the performance Units will be awarded annually, whereas the retention Units and matched Units will be awarded on an *ad hoc* basis to address specific needs determined by the RemCom.

The award levels will be decided by the RemCom each time that awards are granted, by taking into account the particular circumstances at that time. Annual allocations will be benchmarked and set to a market-related level of remuneration whilst considering the overall affordability thereof to the Company and Fund.

### Employment condition, performance conditions and vesting

The employment condition for performance Units and retention Units stretches over three years. Matched Units are subject to the Minimum Unit Holding Condition, which requires the holding of a target unitholding (which target holding will be based on the seniority of the Participant, and determined by the RemCom) for the duration of the employment periods. The employment periods which will be applicable to the matched Units will stretch over three to five years.

Performance Units will be subject to pre-determined performance condition(s) measured over a three-year period (“**Performance Period**”) and the employment condition for vesting. It is envisaged that for the first award of performance Units the performance condition will constitute:

Key performance measure	Measure	Weight	Performance levels		
			Threshold 30% vesting	Target 60% vesting	Stretch 100% vesting
Financial (80% weighting)	Distribution growth relative to the SAPY Index (Percentile)	50%	40%	60%	75%
	Unit Price growth relative to the SAPY Index (Percentile)	30%	40%	60%	75%
Non-financial (Weight – 20%)	Average Personal Score over three-year vesting period	20%			
<b>Total</b>		<b>100%</b>			

The proposed vesting scale is as follows:

- Threshold achievement of performance, 30% vesting;
- Target achievement of performance, 60% vesting; and
- Stretch – 100% vesting.

Linear vesting will be applied for performance between the above levels. In line with corporate governance principles, performance conditions will not be retested if they are not met at the end of the Performance Period, and to the extent that they are not satisfied, awards will lapse at this time.

The RemCom will set appropriate performance conditions, Performance Periods, employment conditions, employment periods and Minimum Unit Holding Conditions as relevant for each award, taking into account the business environment at the time of making the awards, and, where considered necessary, in consultation with Unitholders. These will be agreed with the Participant in terms of the award letter.

### Manner of settlement

The rules of the FUP will be flexible in order to allow for settlement in any of the following ways:

- By way of a market purchase of Units;
- Use of treasury Units; and
- Issue of Units.

The exact method of settlement will be determined by the RemCom, although the preference will be a market purchase of Units which will cause no dilution to Unitholders. It is envisaged that for the first award of Forfeitable Units, Units will be purchased in the market.

In order to effect any forfeiture of awards, the Forfeitable Units will be held by an escrow agent on behalf of the Participant until vesting. Any Pledged Distributions will also be held by an escrow agent until vesting of the underlying Forfeitable Unit.

## Limits and adjustments

The maximum number of Units which may at any one time be allocated under the FUP shall not exceed 59 402 790 (fifty nine million four hundred and two thousand seven hundred and ninety) units, which represents approximately 3% of the number of issued Units as at the date of approval of the FUP by Unitholders.

Units issued by the Fund or Units held in treasury which are used to settle the FUP, will be included in the Fund limit. Units allocated under the FUP, which are not subsequently settled to a Participant as a result of the forfeiture thereof, will be excluded in calculating the Fund limit. Similarly, any Units purchased in the market in settlement of the FUP will be excluded. The RemCom must, where required, adjust the Fund limit (without the prior approval of Unitholders in a general meeting), to take account of a sub-division or consolidation of the Units of the Fund.

The maximum number of Units which may be allocated to an individual in respect of all awards may not exceed 9 900 465 (nine million nine hundred thousand four hundred and sixty five) Units, which represents approximately 0.50% of the number of issued Units as at date of approval of the FUP by Unitholders. The RemCom may, where required, adjust the individual limit to take account of a capitalisation issue, a special distribution, a rights issue or reduction in capital of the Fund.

The auditors, or other independent advisor acceptable to the JSE, shall confirm to the JSE in writing that any adjustment made in terms of this paragraph has been properly calculated on a reasonable and equitable basis, in accordance with the rules of the FUP and must be reported on in the Fund's financial statements in the year during which the adjustment is made. The issue of Units as consideration for an acquisition, and the issue of Units or a vendor consideration placing will not be regarded as a circumstance that requires any adjustment to the Fund limit and the individual limit.

## Consideration

The Participant will give no consideration for the award or settlement of Forfeitable Units.

## Termination of employment

Participants terminating employment due to resignation or dismissal on grounds of misconduct, poor performance, dishonest behaviour or fraudulent conduct or on the basis of abscondment will be classified as "bad leavers" and will forfeit all unvested FUP awards and the associated Pledged Distributions.

Participants terminating employment due to death, ill-health, disability, injury, retrenchment, retirement except to the extent that it constitutes bad leaver termination (as set out above), or the sale of a subsidiary company will be classified as "good leavers" and a portion of the FUP award will vest on date of termination of employment. This portion will reflect the number of months served since the award date to the date of termination of employment over the total number of months in the employment period and the extent to which the performance condition(s) (for performance Units) and the Minimum Unit Holding Condition (for matched Units) have been met. The remainder of the award will lapse. In all instances of termination of employment, the treatment of the Pledged Distributions associated with the award will follow that of the underlying award, and the Pledged Distributions will be forfeited to the extent that the underlying award is forfeited.

## Change of control

The FUP provides for two treatments in the event of a change of control.

In terms of awards made before the end of the 2014 Financial Year, in the event of a change of control of the Fund occurring before the vesting date of any award, the greater of the following two amounts will vest:

- (i) the portion of the award reflecting the number of months served since the award date to the change of control date over the total number of months in the employment period and the extent to which the performance condition(s) (if applicable) have been met; or
- (ii) 50% (fifty percent) of the award.

In terms of awards made after the end of the 2014 Financial Year, in the event of a change of control of the Fund occurring before the vesting date of any award, a portion of the award will vest. The portion of the award which will vest will reflect the number of months served since the award date to the change of control date over the total number of months in the employment period and the extent to which the performance condition(s) (if applicable) have been met.

The portion of the award which does not vest as a result of the change of control will continue to be subject to the terms of the award letter and FUP, unless the RemCom determines otherwise.

Awards will not vest as a consequence of an internal reconstruction or similar event which is not a change of control as defined in the rules of the FUP. In this case the RemCom shall make such adjustment to the number of awards or convert awards into awards in respect of Units in one or more other companies, provided the Participants are no worse off. In such circumstances, the RemCom may also vary the performance condition(s) relating to Forfeitable Units where appropriate.



In all instances of a change of control, the treatment of the Pledged Distributions associated with the award will follow that of the underlying award, and the Pledged Distributions will be forfeited to the extent that the underlying award is forfeited.

### **Variation in unit capital**

In the event of a variation in unit capital such as a capitalisation issue, subdivision of Units, consolidation of Units etc., Participants shall continue to participate in the FUP. The RemCom may make such adjustment to the award or take such other action to place Participants in no worse position than they were prior to the happening of the relevant event and to provide that the fair value of the award immediately after the event is materially the same as the fair value of the award immediately before the event.

The issue of Units as consideration for an acquisition, and the issue of Units or a vendor consideration placing will not be regarded as a circumstance that requires any adjustment to awards.

In the event of a rights issue, a Participant shall be entitled to participate in any rights issue in respect of his Forfeitable Units.

## MATERIAL BORROWINGS

The material borrowings of the Fund as at 31 December 2014, was as follows:

Lender	Borrower	Facility amount (R'000)	Amount drawn (R'000)	Description	Interest rate (excluding swaps)	Interest rate (including swaps)	Terms and conditions of repayment or renewal	Maturity date	Security	If repayable within three months how repayment to be financed	Reason for material borrowings
Absa	SA Corporate Real Estate Fund	500 000	500 000	Term Loan	7.525%	8.166%	Settlement on maturity/renewal before maturity	December 2016	Note A	N/A	Acquisition of assets
Absa	SA Corporate Real Estate Fund	223 000	–	Revolving Credit Facility	7.425%	8.066%	Settlement on maturity/renewal before maturity	December 2015	Note A	N/A	Funding for capex and developments
OMSFIN	SA Corporate Real Estate Fund	200 000	200 000	Term Loan	8.375%	9.016%	Settlement on maturity/renewal before maturity	August 2018	Note B	N/A	Acquisition of assets
RMB	SA Corporate Real Estate Fund	200 000	100 650	Revolving Credit Facility	8.307%	8.948%	Settlement on maturity/renewal before maturity	July 2016	Note C	N/A	Funding for capex and developments
OMSFIN	SA Corporate Real Estate Fund	270 000	270 000	Term Loan	7.742%	8.383%	Settlement on maturity/renewal before maturity	September 2018	Note B	N/A	Acquisition of assets
OMSFIN	SA Corporate Real Estate Fund	30 000	30 000	Term Loan	7.742%	8.383%	Settlement on maturity/renewal before maturity	September 2018	Note B	N/A	Acquisition of assets
Loan Syndication	SA Retail Properties Proprietary Limited	1 152 000	1 152 000	Term Loan (Syndication)	7.583%	8.224%	Settlement on maturity/renewal before maturity	December 2017	Note D	N/A	Acquisition of assets
Loan Syndication	SA Retail Properties Proprietary Limited	848 000	848 000	Term Loan (Syndication)	7.883%	8.524%	Settlement on maturity/renewal before maturity	December 2019	Note D	N/A	Acquisition of assets
<b>TOTAL LOANS</b>		<b>3 423 000</b>	<b>3 100 650</b>		<b>7.746%</b>	<b>8.387%</b>					

Lender	Borrower	Facility amount (R'000)	Amount drawn (R'000)	Description	Interest rate (excluding swaps)	Interest rate (including swaps)	Terms and conditions of repayment or renewal	Maturity date	Security	If repayable within three months how repayment to be financed	Reason for material borrowings
<b>Fixes:</b>											
Absa	SA Corporate Real Estate Fund	2 559 000	2 559 000	Swaps	6.902%		Varying maturity dates	Dec 2015 – Dec 2019	N/A	N/A	Negotiated in line with the Fund's long term policy of 80% debt hedged
<b>Weighted average rate inclusive of swaps</b>						<b>8.387%</b>					

Security	R'000
Note A	2 491 800
Note B	1 447 400
Note C	584 700
Note D	4 109 600
	Loan syndication
	<b>8 633 500</b>

The secured properties in each note A to D relate to a corresponding lender with various loans. The value of the secured properties to each lender is specified in each note.

- As part of the Amalgamation, Newco will assume all of the above liabilities of SA Corporate and SA Corporate will be wound up.
- The loan syndication will remain owing by SA Retail Properties Limited.
- None of the loans are subject to any conversion or redemption rights.
- Loans maturing in 12 months will be re-financed.
- No loan capital is outstanding.

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## CORPORATE GOVERNANCE STATEMENT

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The following is an extract of SA Corporate's 31 December 2014 corporate governance statement, which will apply to Newco as at the Effective Date, insofar as applicable.

### Compliance with King III

The Board of SA Corporate is committed to complying with the principles of good corporate governance as contained in the King III Code and Report on Governance for South Africa 2009 as far as practical. Although the Fund is listed on the JSE and must therefore report on their levels of compliance with King III, it is not a company and is regulated in terms of the Companies Act.

Further progress was made during 2014 with regard to areas of non- or partial compliance that were identified and reported on in the 2013 SA Corporate Fund Integrated Annual Report. Management has assessed SA Corporate's compliance with every principle of King III (see King III compliance checklist online at [www.sacorporatefund.co.za](http://www.sacorporatefund.co.za)), and the Board is satisfied with the overall level of compliance achieved for 2014. In particular, the Fund complies with all the corporate governance requirements applicable to listed entities as set out in section 3.84 of the Listings Requirements.

### Ethical leadership and corporate citizenship

The Board is the custodian of ethical leadership and corporate governance and its responsibility in this regard is set out in its charter.

The Board has adopted and subscribes to a code of ethics. This code states that the Board undertakes that it, as well as its agents and employees, will conduct business honestly, scrupulously and with integrity, applying moral standards that are supported by agreed core values and behaviours in all business operations.

SA Corporate subscribes to the Deloitte tip-offs anonymous fraud and ethics hotline which enables Directors, employees and suppliers and other parties to report irregular and unethical behaviour without fear of retribution or victimisation.

## THE BOARD

### Board charter

The Board is guided by a charter that has been aligned with the principles of good governance as set out in King III. It sets out rules for its composition, frequency of meetings, the roles and responsibilities of the Board (including those of the individual Directors), the establishment of committees, policies and procedures to be adopted, Director fees and annual evaluations.

The charter regulates how business is to be conducted by the Board in accordance with the principles of good corporate governance, allowing for the specific responsibilities to be discharged by board members collectively, while at all times acting in the best interest of the Group.

The Board reviews its charter once a year and this was done in May 2014 once the Internalisation of the Management of the Fund. The Board has established an annual work plan to ensure that all its duties and responsibilities are covered by the agendas of the meetings planned for the year.

The Board charter is available online at [www.sacorporatefund.co.za](http://www.sacorporatefund.co.za).

### Independence of the Directors

The independence of the Board of Directors from SA Corporate management is ensured by means of the following:

- The roles of the Chairman and Managing Director are separate so that no individual has unfettered powers of decision-making.
- The Board and all committees are chaired by independent non-executive.
- The Chairman of the Board is appointed on an annual basis.
- The majority of the Board members are non-executive Directors and the majority of non-executive Directors are independent.

- The remuneration of non-executive Directors is not linked to the performance of the Fund.
- Non-executive Directors do not receive share options from the Fund.
- Individual Directors may take independent professional advice at the expense of the Manco.
- The independence of all Directors classified as independent is reviewed each year by the Nomination Committee, in terms of the requirements of King III and the Board is advised of the outcome.
- The independence of Ebrahim Seedat and Ken Forbes, who have been serving on the Board for more than nine years, was subjected to a rigorous review and the Nomination Committee concluded that their independence had not been compromised by their length of service.

### **Conflicts of interest**

As legally required, members of the Board must make full and timely disclosures of their other business interests, and particularly those that conflict or might conflict with those of the Group. Potential conflicts of interest are appropriately managed. The Directors confirm these disclosures annually to the Company Secretary and the Board and, in addition, individual declarations are made on a meeting-by-meeting basis. Directors adhere to the conflict of interest policy as adopted by the Board and are required to annually confirm that they have read and understood the contents of the policy.

### **Appointments**

The Nomination Committee is responsible for identifying suitable candidates and recommending nominations to the Board. Appointments to the Board are considered by the Board as a whole. Procedures for appointment to the Board are transparent and formal and include background and reference checks. The appointment of new Directors are approved by the Unitholders at the first annual general meeting ("AGM") following their appointment. All non-executive Directors have appointment letters.

At least one-third of the non-executive Directors are subject to retirement by rotation and re-election at the AGM of the Unitholders. Non-executive Directors are required to retire at the age of 65 unless otherwise agreed and confirmed by the Unitholders at each AGM. Directors are required to retire at the next AGM after they turn 70 years old.

The compositions of the Board and the various Board-appointed committees are reviewed when changes are made or on an annual basis. Consideration is given to, amongst other criteria, skills, qualifications, diversity and experience. A number of changes were made to the committee compositions in July 2014.

### **Induction and ongoing development of Directors**

All new appointees to the Board are required to undergo the induction programme approved by the Board and managed by the Company Secretary. Directors are provided with all the necessary information and documentation to familiarise themselves with SA Corporate and issues typically facing the Board. Ongoing training and development includes Sponsor updates on JSE Listings Requirements, site visits, attendance at investor presentations, workshops, formal training and reading material circulated by the Company Secretary.

### **Annual evaluations**

The Board evaluates its effectiveness and that of its committees, chairpersons, individual Directors and Company Secretary on an annual basis. The Nomination Committee, with assistance from the Company Secretary, facilitated the evaluations, which were conducted at the end of 2014. The results of the evaluations were shared with the Board. The overall results were very positive and the Board and its committees are functioning well. No weaknesses or deficiencies in performance were identified.

At the Audit Committee meeting in February each year; the financial director is asked to recuse herself. The Audit Committee, with input from the financial director, discusses her performance including her expertise and experience and concludes thereon. This is disclosed in the Integrated Annual Report.

### **Dealing in securities**

A formal information and share dealing policy document sets out the requirements for Directors' dealings in securities. This new policy was adopted and approved by the Board in December 2014 and replaced the communication policy. A Director may not deal in any SA Corporate Units without obtaining written clearance to trade from the Chairman (or the Chairman of the Audit Committee if he is not available) in consultation with the Company Secretary. A Director must not deal and must prohibit his associates and investment managers from dealing in Units during a closed period (as defined by the JSE Listings Requirements). Directors acknowledge that they have read and understood the contents of this policy annually.

## **Company Secretary**

Ben Swanepoel, who previously performed the role on behalf of OMP, was appointed as Company Secretary in his personal capacity on 1 May 2014. The Company Secretary provides the Board and the individual directors with guidance as to their duties, responsibilities and powers and also ensures that all administrative requirements relating to the AGM, Board and committees are met. He also provides guidance to the Board in terms of risk, ethics, good governance and changes in legislation.

Directors have unlimited access to the advice and services of the Company Secretary. The Board evaluated the performance of the Company Secretary and is satisfied that he is competent and has the appropriate qualifications and experience to perform the role. The Company Secretary is not a Director. As part of the Company Secretary's annual evaluation the Board agreed that he maintains an arm's length relationship with the Directors by virtue of his conduct.

The Company Secretary also acts as secretary to the Board committees, monitors Directors dealing in securities, and ensures adherence to prohibited and closed periods for share trading.

## **Board meetings**

Four Board meetings are scheduled each year and additional meetings are convened when required. Meetings are scheduled well in advance to ensure directors are provided with the relevant information and documentation to prepare for meetings to enable the Board and committees to make well informed decisions and recommendations.

Minutes of committee meetings and written resolutions are included in the Board papers for information. If minutes are not yet available, the respective Chairmen of the committees verbally report to the Board on the proceedings of the meetings.

## **Committees**

The various committees established by the Board, and which assist the Board in discharging its duties and responsibilities, are set out below. All committees are appropriately constituted with regards to the skills and experience required. The Board may appoint additional sub-committees from time to time to deal with specific matters that fall outside the scope of the standing committees.

All committees were satisfied that they had complied with their terms of reference for 2014. The changes to the committee terms of references, proposed at the end of 2013, were implemented in May 2014 once the Internalisation of the management of the Fund became effective.

## **Audit Committee**

Chairman: John Biesman-Simons

The Audit Committee comprises three independent non-executive Directors. The composition of the Audit Committee is approved by the shareholders at each AGM. The executive Directors and representatives of the external and internal auditors attend by invitation.

The Audit Committee has established an annual work plan to ensure that all relevant matters are covered by the agendas of the meetings planned for the year.

The Audit Committee has an independent role with accountability to both the Board and stakeholders. Its responsibilities cover the following functions, processes, controls and assurances:

- External audit;
- Internal audit and controls;
- Financial reporting;
- Oversight of integrated reporting;
- Oversight of risk management;
- Combined assurance;
- Competence of the finance function; and
- Other statutory and delegated duties.

The Audit Committee meets at least three times per annum and there are also confidential meetings with the external auditors and internal auditors at least once a year without management being present.

The statutory report from the Audit Committee in respect of the Fund, including more detail on how it carried out its responsibilities, is included in the Integrated Annual Report. The statutory report of the Audit Committee in respect of the Manco is included in the Annual Financial Statements of the Manco.

### **Risk and Compliance Committee**

Chairman: Ebrahim Seedat

The executive Directors and two independent non-executive Directors, one of whom is the Chairman, are members of the Risk and Compliance Committee. The Chairman of the Audit Committee is an *ex-officio* member.

The role of the Risk and Compliance Committee is to ensure that SA Corporate has implemented an effective risk management framework and processes, and oversee the integration of risk management into the strategic and business planning processes and day-to-day operations of the Group. It also monitors compliance with all relevant statutory and regulatory requirements.

The Risk and Compliance Committee meets at least twice a year and holds an annual risk workshop.

### **Nomination Committee**

Chairman: Jeff Molobela

The previously combined Nomination Committee and Remuneration Committee was split in March 2014. The Nomination Committee comprises of two independent non-executive Directors and one non-executive Director, which is the shareholder representative director. The Chairman of the Board is Chairman of the Nomination Committee. The Managing Director attends by invitation.

The main role of the Nominee Committee is to assist in ensuring that the composition of the Board and committees in terms of structure, size, skills, experience and diversity are regularly reviewed, maintained at levels deemed appropriate and meet sound corporate governance practices. The Nomination Committee identifies suitable candidates to fulfil vacancies and considers succession planning for directors and key management.

The Nomination Committee meet at least twice a year. Additional meetings are scheduled if required.

### **Remuneration Committee**

Chairman: John Biesman-Simons

The Remuneration Committee comprises of three independent non-executive Directors. The Chairman of the Board is a member of the Remuneration Committee. The Managing Director attends by invitation.

The main role of the Remuneration Committee is to monitor the implementation of the remuneration policy to ensure that it promotes the strategic objectives, encourages individual performance and supports the Group's long-term strategy and Unitholder interests. It considers the business and personal scorecards of the executives in determining remuneration and incentives and oversees and advise on the remuneration of non-executive director fees.

The Remuneration Committee meet at least three times per annum. Additional meetings are scheduled if required.

The Remuneration Report included in the Integrated Annual Report sets out the key activities of the Remuneration Committee in 2014.

### **Investment Committee**

Chairman: Ken Forbes

The Investment Committee comprises three independent non-executive Directors, one non-executive Director and the Managing Director. The Chairman of the Investment Committee is an independent non-executive Director. The Financial Director and asset managers attend by invitation.

The focus of the Investment Committee is investment strategy formulation and implementation, property developments, sales and acquisitions. In addition, the Investment Committee reviews property valuations, portfolio performance, budgets and the property manager's performance against its KPIs.

The Executive Directors have authority to approve property acquisitions, disposals, developments, extensions and refurbishments up to R50 million per property transaction. The Investment Committee has authority of to R250 million. Transactions and capex cost above R250 million require Board approval.

There are six scheduled meetings per year and additional meetings are held when required.

## **Social, Ethics and Environmental Committee**

Chairman: Emily Hendricks

The executive Directors and two independent non-executive Director serve on the Social, Ethics and Environmental Committee. The Chairman is an independent non-executive Director. In addition to its statutory duties the Social, Ethics and Environmental Committee's responsibilities were expanded to include transformation, ethics and environment issues.

The Social, Ethics and Environmental Committee acknowledged, during 2014, it was not able to perform some of the statutory duties due to the Fund's structure and outsourced arrangements. In some other cases it had not had an opportunity to play a role or the function was performed by another committee. The Social, Ethics and Environmental Committee agreed to re-look at its terms of reference in 2015. Despite this, it concluded that it had substantially complied with its terms of reference for 2014. Further progress will be made in 2015 especially after converting to a Corporate REIT.

The full terms of reference for each committee can be found online at [www.sacorporatefund.co.za](http://www.sacorporatefund.co.za).



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## INCORPORATION BY REFERENCE

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The following information has been incorporated in this Pre-listing Statement by reference. The information is the most recent available to Newco, can be accessed on SA Corporate's website ([www.sacorporatefund.co.za](http://www.sacorporatefund.co.za)), and is available for inspection by SA Corporate Unitholders, at no charge, at the registered office of Newco during business hours from 30 April 2015 to 3 July 2015.

Incorporated information	Reference
Property Portfolio (para 1.2 Nature of business)	Refer to SA Corporate's annual financial statements for the year ended 31 December 2014, "Appendix B: Property Portfolio Review" on pages 52 and 53, and <a href="http://www.sacorporatefund.co.za/property-portfolio-3/portfolio-overview/">http://www.sacorporatefund.co.za/property-portfolio-3/portfolio-overview/</a> for more detail on the Property Portfolio
Employee share scheme (para 2.1 Directors' interests in Units)	Refer to SA Corporate's annual financial statements for the year ended 31 December 2014, note 16 "Employee share scheme" on pages 75 and 76, and <a href="http://www.sacorporatefund.co.za/investor-relations/results-centre/annual-reports/">www.sacorporatefund.co.za/investor-relations/results-centre/annual-reports/</a> for more information regarding SA Corporate's share-based payment arrangements, including the fair value at grant date and expiry date.  The FUP rules are available online at <a href="http://www.sacorporatefund.co.za/wp-content/uploads/2011/03/Forfeitable_Unit_Plan_rules.pdf">http://www.sacorporatefund.co.za/wp-content/uploads/2011/03/Forfeitable_Unit_Plan_rules.pdf</a>
Details of the Property Portfolio ( <b>Annexure 6</b> )	Refer to SA Corporate's annual financial statements for the year ended 31 December 2014, "Appendix C: Property Portfolio" on pages 54 to 58, and <a href="http://www.sacorporatefund.co.za/investor-relations/results-centre/annual-reports/">www.sacorporatefund.co.za/investor-relations/results-centre/annual-reports/</a> for more information
Afhco transaction ( <b>Annexure 7</b> – Acquisitions, vendors and disposals)	Refer to SA Corporate's annual financial statements for the year ended 31 December 2014, note 20 "Business combinations" on pages 30 to 32, and <a href="http://www.sacorporatefund.co.za/investor-relations/results-centre/annual-reports/">www.sacorporatefund.co.za/investor-relations/results-centre/annual-reports/</a> for more information
King III compliance checklist ( <b>Annexure 14</b> – Corporate governance statement)	Refer to SA Corporate's King III compliance checklist online at <a href="http://www.sacorporatefund.co.za/wp-content/uploads/2014/12/King-III-compliance-checklist.pdf">http://www.sacorporatefund.co.za/wp-content/uploads/2014/12/King-III-compliance-checklist.pdf</a>
Board charter ( <b>Annexure 14</b> – Corporate governance statement)	Refer to SA Corporate's Board charter online at <a href="http://www.sacorporatefund.co.za/wp-content/uploads/2014/12/Board_Charter_2014.pdf">http://www.sacorporatefund.co.za/wp-content/uploads/2014/12/Board_Charter_2014.pdf</a>
Full terms of reference for each committee ( <b>Annexure 14</b> – Corporate governance statement)	Refer to SA Corporate's committee terms of reference online at <a href="http://www.sacorporatefund.co.za/about-us/corporate-governance/">http://www.sacorporatefund.co.za/about-us/corporate-governance/</a> , under "Charters, policies and checklists"

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