



REBOSIS PROPERTY FUND LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2010/003468/06)
JSE share code: REB ISIN: ZAE000156147
(Approved as a REIT by the JSE)
("Rebosis")

ASCENSION PROPERTIES LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2006/026141/06)
JSE share code for A-linked units: AIA ISIN:
ZAE000161881
JSE share code for B-linked units: AIB ISIN:
ZAE000161899
(Approved as a REIT by the JSE)
("Ascension")

JOINT ANNOUNCEMENT OF A FIRM INTENTION BY REBOSIS TO MAKE AN OFFER TO ACQUIRE 100% OF THE ISSUED LINKED UNIT CAPITAL OF ASCENSION THAT IT DOES NOT ALREADY OWN BY WAY OF SCHEMES OF ARRANGEMENT

1. Introduction and rationale

Pursuant to the terms of the cooperation agreement entered into between Rebosis and Ascension dated 3 February 2014 (and announced on that date) and the subsequent implementation agreement entered into between Rebosis and Ascension dated 23 February 2015 (the "**implementation agreement**"), Rebosis has notified the Ascension board of Rebosis' firm intention to make an offer to acquire the entire B linked unit capital of Ascension that Rebosis does not already own (the "**B offer**") and to make a comparable offer to acquire the entire A linked unit capital of Ascension that Rebosis does not already own (the "**A offer**") by way of -

- 1.1. a scheme of arrangement ("**B scheme**") in terms of section 114 of the Companies Act, 71 of 2008 (the "**Companies Act**"), to be proposed by the board of directors of Ascension ("**Ascension board**") between Ascension and the holders of Ascension B linked units ("**Ascension B linked unitholders**"); and
- 1.2. a scheme of arrangement ("**A scheme**") in terms of section 114 of the Companies Act, to be proposed by the Ascension board between Ascension and the holders of Ascension A linked units ("**Ascension A linked unitholders**").

Rebosis foresees market conditions in which REITs with a smaller market capitalisation and less liquidity in the trade of their shares are driven to consolidation and corporate activity in order to best serve the interests of their investors and tenants.

Both Rebosis and Ascension share an objective of preserving black management and ownership credentials in order to continue to be positioned and enhance their offering of office accommodation to government and other empowerment sensitive tenants on a basis that best advances the interests of their investors.

Rebosis and Ascension are of the view that the proposed acquisition by Rebosis of the Ascension linked units that Rebosis does not already own, through the implementation of the B scheme and the A scheme, best advances the interests of their investors.

2. Offer consideration

The consideration to be offered by Rebosis in terms of the B offer and the A offer to be made by Rebosis to the remaining Ascension B linked unitholders and Ascension A linked unitholders, respectively (collectively "**the offers**") will be as follows -

- 2.1. *Consideration for Ascension B linked units*

In terms of the B scheme, if implemented, the Ascension B linked units held by Ascension B linked unitholders will be exchanged for ordinary shares in Rebasis (the “**Rebasis ordinary consideration shares**”) on a swap ratio of 23.54900 Rebasis ordinary consideration shares for every 100 Ascension B linked units held.

2.2. *Consideration for Ascension A linked units*

2.2.1. In terms of the A scheme, if implemented, the Ascension A linked units held by Ascension linked unitholders will be exchanged for newly created A ordinary shares in Rebasis (“**Rebasis A ordinary consideration shares**”) on a swap ratio of 19.34236 Rebasis A ordinary consideration shares for every 100 Ascension A linked units held.

2.2.2. In accordance with the terms of the Rebasis A ordinary consideration shares, upon the declaration of a distribution by Rebasis to its shareholders, no such distribution shall be paid to Rebasis ordinary shareholders unless the Rebasis A ordinary consideration shares have been paid their distribution which shall be in the same amounts as Ascension linked units’ entitlement to fixed income distributions. In addition, the rights of Rebasis A ordinary consideration shares in relation to voting and liquidation proceeds will effectively mirror those attaching to Ascension A linked units save that –

2.2.2.1. for every 5.17 Ascension A linked units, an Ascension A linked unitholder will instead hold 1 Rebasis A ordinary consideration share with an entitlement to preferred income distributions, as referred to above;

2.2.2.2. the voting rights attaching to the Rebasis A ordinary consideration shares will be not more than 25% of the total voting rights applicable to Rebasis linked unitholders collectively (that is holders of Rebasis A ordinary consideration shares and Rebasis ordinary shares);

2.2.2.3. no further Rebasis A ordinary consideration shares will be created or issued.

3. **Clean-out Distributions and distribution periods for the Rebasis A ordinary consideration shares**

3.1. In anticipation of implementation of the schemes, Rebasis will declare a special distribution to its shareholders or linked unit holders of its distributable income and Ascension will declare a special distribution to the holders of Ascension A and B linked units of its distributable income, on the basis that the record date for participation in such distributions shall be the last Friday of the calendar month immediately preceding the record date for participation in the schemes.

3.2. Going forward, the distribution periods for the Rebasis A ordinary consideration shares will be end February, in respect of the interim income distribution, and end August, in respect of the final income distribution, in line with the distribution periods for Rebasis ordinary shares.

4. **Ascension board undertakings**

Under the terms of the implementation agreement, among other things -

4.1. Ascension has agreed to propose the A scheme and the B scheme to the Ascension A and B linked unitholders, respectively.

4.2. Rebasis has received undertakings from Ascension that between the date of the offers and implementation of the relevant scheme:

4.2.1. Ascension will continue to conduct its business in the ordinary and regular course;

4.2.2. Ascension will not take any action which is designed to be prejudicial to the successful outcome of the offers;

4.2.3. save as publicly announced on SENS up to the date of the implementation of the offers or save as may be agreed to by Rebasis in writing, Ascension will not make any acquisitions

or effect any disposals of any of its properties and/or the rental enterprises conducted thereon;

- 4.2.4. other than as provided in paragraph 3 above, Ascension will not effect any distributions other than in the ordinary, normal and regular course in accordance with its historic distribution policy and practices.
- 4.3. Ascension has agreed that it shall not –
 - 4.3.1. enter into or participate in any discussions or negotiations regarding a transaction which would constitute a de facto change of control of Ascension or be reasonably considered to be likely to preclude the schemes or the implementation of the schemes (“alternative proposal”);
 - 4.3.2. participate in any discussions or negotiations regarding an alternative proposal (unless it constitutes a superior proposal, being a firm intention to make an offer from a bona fide third party which the Ascension board determines in good faith and through the exercise of its fiduciary duties would, if consummated, result in a transaction more favourable to the Ascension linked unitholders, (“superior proposal”);
 - 4.3.3. agree to, approve or recommend an alternative proposal (unless it constitutes a superior proposal);
 - 4.3.4. enter into any agreement related to an alternative proposal (unless it constitutes a superior proposal).

5. Conditions

Each of the B scheme and the A scheme (collectively the “**schemes**”) will be subject to the following suspensive conditions:

- 5.1. the implementation of the conversion of Rebosis’ current linked unit capital structure to an all-share capital structure and the creation of a new class of Rebosis A ordinary shares;
- 5.2. a sufficient increase in the authorised share capital of Rebosis in order for Rebosis to meet all of its obligations arising in relation to the A scheme and the B scheme;
- 5.3. approval by the requisite majority of the Rebosis linked unitholders of the relevant resolutions required to authorise the implementation of the offers as a “**category 1 transaction**” in terms of Rule 9.20 of the Listings Requirements and the allotment, issue and procurement of the listing on the JSE of the Rebosis ordinary consideration shares and the creation, allotment issue and procurement of the listing on the JSE of the Rebosis A ordinary consideration shares in accordance with the memorandum of incorporation of Rebosis;
- 5.4. in respect of the B scheme, approval by the requisite majority/ies of Ascension B linked unitholders, as contemplated in section 115 of the Companies Act and, if required, the approval of the implementation of the relevant special resolution(s) by the High Court;
- 5.5. in respect of the A scheme, approval by the requisite majority/ies of Ascension A linked unitholders, as contemplated in section 115 of the Companies Act and, if required, the approval of the implementation of the relevant special resolution(s) by the High Court;
- 5.6. that appraisal rights (in terms of section 164 of the Companies Act) are not validly exercised by:
 - 5.6.1. in respect of the B scheme, any Ascension B shareholders;
 - 5.6.2. in respect of the A scheme, any Ascension A shareholders;as the case may be, provided that in the event that:
 - 5.6.3. in respect of the B scheme, any Ascension B shareholders; or
 - 5.6.4. in respect of the A scheme, any Ascension A shareholders,

as the case may be, exercise appraisal rights in terms of section 164 of the Companies Act, Rebosis will still be entitled to proceed with the relevant scheme if it waives this condition;

- 5.7. all applicable regulatory and statutory approvals are obtained including, approval by the Competition Authorities;
- 5.8. if required in terms of any debt funding agreement entered into by Ascension, the consent of the lender in terms of such agreement to the acquisition of Ascension by Rebosis;
- 5.9. prior to the offers and the schemes becoming unconditional, there shall not have arisen or occurred (or might reasonably be expected to arise or incur) a material adverse event which could reasonably be expected to be adverse with regard to the operations, continued existence, business, condition, assets and liabilities of any of Ascension and/or Ascension Asset Managers.

Additionally, the A scheme is conditional upon the implementation of the B scheme. The B scheme is however not conditional upon the implementation of the A scheme. If the schemes are implemented, the Ascension B linked units and the Ascension A linked units will be delisted from the JSE. If only the B scheme is implemented, the Ascension A linked units will remain listed on the JSE and the Ascension B linked units, wholly owned by Rebosis, may remain listed on the JSE.

All conditions, other than those that are regulatory in nature and not capable of being waived, may be waived by Rebosis.

6. *Pro forma earnings and net asset value effects pertaining to the schemes*

6.1. Financial effects for Rebosis linked unitholders

In terms of the JSE Listings Requirements, a category 1 transaction requires a *pro forma* statement of financial position of Rebosis showing the effects of the offers. Accordingly, the table below sets out the *pro forma* financial effects of the offers on a Rebosis linked unitholder based on the annual results of Rebosis for the year to 31 August 2014 assuming that the offers had been implemented on 31 August 2014 for purposes of the statement of financial position.

	Before the schemes¹	After the schemes²	% change
NAV per share/linked unit (cpu)	1200	1278	6.5%
NTAV per share/linked unit (cpu)	1137	1088	(4.3)%

Notes and assumptions:

1. The financial information in the “Before the schemes” column has been prepared based on the annual results for Rebosis for the year to 31 August 2014, as extracted from Rebosis’ audited results for the 12 months ended 31 August 2014.
2. The financial information in the “After the schemes” column assumes –
 - a. Rebosis acquires 100% of the Ascension A linked units and 100% of the Ascension B linked units it does not already own; and
 - b. as a stepped acquisition, the consolidation of Ascension under IFRS 3 with the resultant recognition of goodwill for the difference in the aggregate consideration paid by Rebosis and the Ascension net asset value as at 30 June 2014.

6.2. Financial effects for Ascension B linked unitholders

In terms of Regulation 101(7)(b)(iv) of the Companies Act’s Regulations, a firm intention announcement must contain, *inter alia*, the *pro forma* earnings and asset value per offeree regulated company security if the offer consideration consists wholly or partly of offeror securities.

The *pro forma* financial effects of the offers for Ascension B linked unitholders, as set out below, are provided for illustrative purposes only to provide information about how the offers may have affected the financial performance and position of Ascension, and because of their nature, may not fairly represent the financial performance and position of Ascension after the offers.

The table below sets out the *pro forma* financial effects of the offers on an Ascension B linked unitholder based on the annual results of Ascension for the year to 30 June 2014 assuming that the offers had been implemented on 1 September 2013 for purposes of the statement of comprehensive income and 31 August 2014 for purposes of the statement of financial position.

Ascension B linked unitholder <i>pro forma</i> earnings and net asset value:	Before the schemes¹	After the schemes²	% change
NAV per B linked unit (cpu)	242	301	24.5%
NTAV per B linked unit (cpu)	242	256	6.0%
Earnings per share (cpu)	31.31	28.35	(9.4)%
Earnings per linked unit (cpu)	53.90	60.73	12.7%
Distribution per linked unit	22.59	24.63	9.0%

Notes and assumptions:

1. The financial information in the “Before the schemes” column has been prepared based on the annual results for Ascension for the year to 30 June 2014, as extracted from Ascension’s audited results for the 12 months ended 30 June 2014.
2. The financial information in the “After the schemes” column has been prepared by dividing Rebois’ financial effects pursuant to the offers (for the year ended 31 August 2014) by the swap ratio of 4.25 (a swap ratio of 23.54900 Rebois ordinary consideration shares for every 100 Ascension B linked units held) to provide the *pro forma* financial effects for Ascension B linked unitholders.
3. The financial information in the “After the schemes” column assumes –
 - a. Rebois acquires 100% of the Ascension A linked units and 100% of the Ascension B linked units it does not already own; and
 - b. as a stepped acquisition, the consolidation of Ascension under IFRS 3 with the resultant recognition of goodwill for the difference in the aggregate consideration paid by Rebois and the Ascension net asset value as at 30 June 2014.

6.3. Financial effects for Ascension A linked unitholders

As the Ascension A linked unitholders will, in terms of the scheme, exchange their Ascension A linked units for Rebois A ordinary consideration shares that will effectively mirror the economics of the Ascension A linked units (as referred to in paragraph 2.2.2) there will be no financial effect on Ascension A linked unitholders who elect to receive the Rebois A consideration shares. In addition, the cash-cover ratio applicable to the Rebois A ordinary consideration shares will be significantly higher than the cash-cover ratio applicable to Ascension A linked units.

7. Forecast financial information of Ascension

Set out below are the forecast revenue, net property income, net operating profit and distributable earnings of Ascension (“**the forecasts**”) for the one month ending 30 June 2015 and the year ending 30 June 2016 (“**the forecast periods**”). The forecasts have been prepared on the assumption that the offers will be implemented on 1 June 2015 and on the basis that the forecasts include forecast results for the duration of the forecast periods.

The forecasts, including the assumptions on which they are based and the financial information from which they are prepared, are the responsibility of the directors of Rebosis. The forecasts have not been reviewed or reported on by independent reporting accountants.

The forecasts presented in the table below have been prepared in accordance with Rebosis' accounting policies and in compliance with IFRS.

	Forecast for the one month ending 30 June 2015 R'000	Forecast for the year ending 30 June 2016 R'000
Contractual rental income	43 920	565 809
Straight-line rental income accrual	2 609	21 979
Revenue	46 529	587 788
Net property income*	32 545	402 428
Net operating profit#	30 681	379 666
Total comprehensive profit for the period^	2 609	21 979
Distributable earnings	18 639	239 733

* Includes the effects of straight-lining rental income

Includes the effects of asset management fees

^ Includes the effects of finance costs and debenture interest

The forecasts incorporate the following material assumptions in respect of revenue and expenses that can be influenced by the directors of Rebosis:

- Rebosis management's forecasts for the month ending 30 June 2015 and the year ending 30 June 2016 are based on information derived from the property manager and historical information;
- Rebosis will not acquire or dispose of any properties during the forecast periods;
- contracted revenue is based on existing lease agreements, whilst uncontracted revenue amounts to 29.9% for the month ending 30 June 2015 and 45.4% for the year ending 30 June 2016;
- all existing lease agreements are valid;
- turnover rental (rental income based on the actual turnover of the tenant) has not been forecast;
- current vacant space has been forecast on a property-by-property basis and has been assumed to remain vacant for the duration of the forecast period;
- leases expiring during the forecast periods have been forecast on a lease-by-lease basis, and have been assumed to renew unless the lessee has indicated its intention to terminate the lease;
- property operating expenditure has been determined based on their review of historical expenditure and discussion with the property manager; and
- no fair value adjustments to investment properties, other than the adjustment as a result of amortised lease escalations, have been provided for.

The forecasts incorporate the following material assumptions in respect of revenue and expenses that cannot be influenced by the directors of Rebosis:

- there will be no unforeseen economic factors that will affect the lessees' abilities to meet their commitments in terms of existing lease agreements;
- consumption-based recoveries are consistent with the independent property valuers' property income statements; and
- an effective date of implementation of the offers of 1 June 2015.

Electricity is the only item of expenditure which is forecast to increase by greater than 15% from historical costs.

Material items of expenditure incurred are in respect of rates expense and electricity expense.

The property known as Grand Central is the only material property, being a property constituting 15% or more of the value or revenue of the property portfolio.

8. Property specific information

The property specific information required in terms of the JSE Listings Requirements in relation to each of the properties comprising Ascension's property portfolio, is set out below.

	Property Name	Physical Address	Property description and use	Registered legal description and region	Freehold/ Leasehold	Building rentable area (GLA)	Weighted Average Rental Per m ² (R)	Valuation as at 31 December 2014 (R '000)
1.	Bathopele Building	Cnr Loveday and Market Streets, Johannesburg	Office	Erf 4412 Johannesburg, Gauteng	Freehold	11 500	86.3	138 000
2.	Spectrum	Cnr Voortrekker and Blanckenberg Streets, Bellville	Office	Erf 11123 Bellville Cape Town	Freehold	7 550	96.8	92 000
3.	Schreiner Chambers	94 Pritchard Street, Johannesburg	Office	Erf 5243 Johannesburg, Gauteng	Freehold	18 815	85.8	163 000
4.	Mishumo House	De Korte and De Beer Streets, Braamfontein	Office	Erf 2975, 2976, 2978, & Portion 1 of 2977, RE of Erf 2977, Johannesburg, Gauteng	Freehold	6 154	86.3	72 000
5.	Sigma	7 Blanckenberg Road, Bellville, Cape Town	Office	Erf 11135 Erf 11136, Bellville, Cape Town	Freehold	3 751	86.3	48 000
6.	45 Castle Street	45 Castle Street, Cape Town	Office	Erf 7243, Cape Town	Freehold	9 537	116.15	148 500
7.	Bergstan House	Cnr Castle and Loop Streets, Cape Town	Office	Erf 169833, Cape Town	Freehold	2 838	83.15	29 300
8.	Matrix House	Cnr Strand and Bree Streets, Cape Town	Office	Erf 1239, Cape Town,	Freehold	9 001	DP#	76 000
9.	Nedbank Centre	Cnr Strand and Loop Streets, Cape Town	Office	Erf 9451, Cape Town	Freehold	6 332	DP#	40 000
10.	NBC	76 Juta Street, Braamfontein	Office	Erf 4644, Johannesburg	Freehold	10 000	86.3	133 500
11.	PROROM	Cnr Brown and Paul Kruger Streets, Nelspruit Mpumalanga	Office	Erf 1433, Nelspruit Township	Freehold	7 038	DP#	69 000
12.	90& 92 Market Street	90 Market Street, Johannesburg Central	Office	Erven 193 and 194, Johannesburg	Freehold	2 000	-	7 000
13.	VWL	Corner Vermeulen & Paul Kruger Streets, Nelspruit	Office/Retail	Portion 1 of Erf 2961, Pretoria Township	Freehold	17 989	86.3	167 000
14.	14 Long Street	14 Long Street, Cape Town	Office	Erf 4483	Freehold	10 245	94.97	126 000
15.	373 Pretorius Street	373 Pretorius Street, Pretoria, Gauteng	Office	Erf 3255 Pretoria	Freehold	13 340	86.3	203 000
16.	Meyersdal	65 Phillip Engelbrecht Street,	Office	Erf 2259, Meyersdal Ext 12	Freehold	4 840	86.1	44 000

	Property Name	Physical Address	Property description and use	Registered legal description and region	Freehold/ Leasehold	Building rentable area (GLA)	Weighted Average Rental Per m ² (R)	Valuation as at 31 December 2014 (R '000)
		Meyersdal						
17.	Infinity Office Park, Meyersdal	4 Robin Close Meyersdal Nature Estate, Meyersdal	Office	Erf 84, Meyersdal Nature Estate Ext 6 and Erf 2054, Meyersdale Nature Estate Ext 17	Freehold	12 012	118.21	217 000
18.	238 Roan Crescent, Midrand	Corporate Landing, 238 Roan Crescent, Ranjiespark	Industrial	Erf 342, Randjiespark Ext 100	Freehold	9 040	86.3	111 500
19.	Grand Central	Cnr Darling and Plein Streets, Cape Town	Office and retail	Erven 4648, 4649 and 4650, Cape Town	Freehold	33 424	106.43	549 000
20.	Medscheme	37 Conrad Drive, Florida Noord, Roodepoort	Office	Erf 330, Florida Noord Ext 7	Freehold	6 792	86.3	91 000
21.	Kingfisher Crescent, Meyersdal	King Fisher Crescent, Meyersdal	Office	Erf 2175, Meyersdale Ext 19 (now SS Fish Eagle Office Park Phase 2, Units 1-12)	Freehold	1 445	99.6	22 600
22.	174 Visagie Street	174 Visagie Street, Pretoria	Office	Erf 2901, Pretoria, Gauteng	Freehold	13 376	86.3	164 000
23.	Island Centre	24 Cumberland Road, Paarden Eiland, Cape Town	Industrial	Erf 17960, Cape Town	Freehold	23 358	31.65	72 000
24.	Riverpark 1 and 2 and Riverview 1 and 2	Madiba Street, Nelspruit	Motor retail park and Office	Portion 5 and 6 of Erf 40, Riverside Park Extension 6, Mphumalanga	Freehold	8 843	127.18	147 000
25.	Atterbury House	Shell House and Ovenstone House, 2 Waterkant Street, Cape Town	Office	Unit 1 SS Shell House and Ovenstone House 747/2006	Freehold	26 240	113.06	324 000
26.	Surrey House	Cnr Rissik and Fox Streets, Johannesburg	Office	Erf 1263, Marshalltown	Freehold	11 738		181 000
27.	Game Building	Cnr Joubert and Pritchard Streets, Johannesburg	Office	Erven 676 and 4677, Johannesburg	Freehold	21 562	80.02	189 000
28.	Swiss House	86 Main Street Marshalltown	Office	Erf 1121 Marshalltown	Freehold	7 807	80.68	97 000

DP# Development property

Independent valuations were carried out on each of the properties as at 31 December 2014 by Peter Parfitt of Quadrant Properties (Pty) Ltd, a registered professional valuer in terms of the Property Valuers Profession Act, No. 47 of 2000.

The value of the net assets of Ascension is R2 261 400 000, being the valuations referred to above (of in aggregate R3 721 400 000) less Ascension's interest bearing liabilities of R1 460 000 000 as at 31 December 2014.

9. Ascension unitholder support

No Ascension A linked unitholder or Ascension B linked unitholder has given any undertaking to vote in favour of the respective schemes.

10. Independent expert

The Ascension board has appointed Mazars Corporate Finance Proprietary Limited to act as independent expert to review the terms of the schemes and to provide a fair and reasonable opinion as required under section 114(3) of the Companies Act and Regulation 90 of the Companies Act's Regulations.

11. Confirmation to the TRP

In accordance with the Companies Act's Regulations, Rebosis has confirmed with the Takeover Regulation Panel ("TRP") that, upon completion of the Rebosis capital conversion and the creation of the Rebosis A ordinary consideration shares, contemplated in paragraph 15 below, it will have a sufficient number of authorised and unissued A shares and ordinary shares in order to satisfy each of the offers.

12. Unitholding of Rebosis in Ascension

Rebosis currently holds:

- 12.1. 28 001 628 Ascension A linked units, comprising approximately 9.1% of Ascension A linked units in issue; and
- 12.2. 191 939 001 Ascension B linked units, comprising approximately 51.0% of Ascension B linked units in issue.

13. No concert party arrangements

Rebosis is not acting in concert with any other person in relation to either of the offers.

14. Documentation and timing in regard to the schemes

Full details of the schemes will be set out in joint circulars which will be distributed by Rebosis and Ascension to each of the Ascension A linked unitholders and Ascension B linked unitholders within 20 business days after the date of this firm intention announcement and each of which will include the opinion of the independent expert referred to in paragraph 7 above, notices of general meetings of Ascension A linked unitholders and Ascension B linked unitholders, respectively, to approve the schemes and the salient dates and times applicable to the schemes.

15. Approvals required by Rebosis and documentation

The acquisition by Rebosis of 100% of the issued linked units of Ascension that Rebosis does not already own will constitute a category one acquisition for Rebosis in terms of the JSE's Listings Requirements, requiring the approval of Rebosis' linked unitholders by way of a resolution passed at a general meeting. A circular in this regard containing a notice of general meeting is expected to be posted to Rebosis unitholders by end April 2015 ("category 1 circular").

The category 1 circular will also include proposals regarding proposed amendments to the asset management agreement entered into between Rebosis and its asset manager, Billion Asset Managers (Pty) Limited ("Billion Asset Managers"), dated 28 March 2011 (the "asset management agreement"). The proposed amendments to the asset management agreement include –

- the monthly asset management fee payable under the asset management agreement by Rebosis to Billion Asset Managers be amended from 1/12 of 0,3% of the aggregate of the market capitalisation and the borrowings of Rebosis ("Rebosis EV") to –
 - 1/12 of 0,4% in respect of the first R10 billion of Rebosis EV;
 - 1/12 of 0,3% of Rebosis EV in excess of R10 billion;
- either party is entitled to terminate the agreement by giving three years' written notice provided that such notice may only be given to the party on or after 28 March 2020 (instead of 28 March 2015, as currently provided);
- in the event of a termination event, as defined in the asset management agreement, Rebosis shall pay to Billion Asset Managers the net present value of the specified management fee (which management fee shall be calculated with reference to 0,3% of Rebosis EV and not the actual management fee paid,

as currently provided) for the twelve months preceding the termination event for the agreed termination period, being a period of three years from the date of termination; provided that if the right to terminate is exercised within nine years (and not four years, as currently provided) after the signature date of the asset management agreement, the agreed termination period shall be three years plus the remaining period of the first nine years (and not four years, as currently provided) of the asset management agreement.

The –

- increase in the asset management fee is being proposed to ensure the financial sustainability of the operations of Billion Asset Managers;
- five year extension to the fixed period of the asset management agreement (the “five year extension”) is being proposed so that the asset management agreement may then be terminated on three years notice which may only be given after the expiry of a five year fixed period. If this five year extension is not approved, the asset management agreement may be terminated on three years notice which may be given on or after 28 March 2015 in which event the asset management agreement would terminate three years thereafter (on 28 March 2018 if notice is given on 28 March 2015). A five year extension to the minimum commitment period of Billion Asset Managers ensures continuity of asset management services for an appropriate period for leases with Government-aligned tenants;
- period in which the net present value of the specified management fee is payable upon a termination event, as defined in the asset management agreement, is being proposed to be extended to marry that period with the five year extension, referred to above.

In addition, in order to proceed with the A scheme, it will also be necessary for Rebosis to adopt the resolutions necessary to create the Rebosis A ordinary consideration shares. The creation of the Rebosis A ordinary consideration shares will form the subject matter of a separate circular from that of the category 1 circular, which circular will include the conversion of Rebosis’ capital structure from a linked unit structure to a share-only structure. It is intended to effect this conversion by way of a scheme of arrangement in terms of section 114 of the Companies Act between Rebosis and its linked unitholders.

A circular in this regard containing a notice of general meeting is expected to be posted to Rebosis unitholders by end March 2015.

16. Responsibility statements

The Ascension board, all of whom are independent, accepts responsibility for the information contained in this announcement insofar as it relates to Ascension. To the best of its knowledge and belief, the information contained in this announcement is true and this announcement does not omit anything likely to affect the import of the information.

The Rebosis board accepts responsibility for the information contained in this announcement insofar as it relates to Rebosis. To the best of its knowledge and belief, the information contained in this announcement is true and the announcement does not omit anything likely to affect the import of the information.

24 February 2015

Corporate advisor and sponsor to Rebosis and Ascension

JAVACAPITAL

Legal Adviser to the transaction

 **DLA CLIFFE DEKKER
HOFMEYR**