

## THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 6 of this circular have, where appropriate, been used on these cover pages.

This circular is issued in compliance with the Listings Requirements, for the purpose of providing information on Rebosis and the transaction.

### Action required

If you have disposed of all your shares, then this circular, together with the attached form of proxy, should be handed to the purchaser of such shares or to the broker, CSDP, banker or other agent through whom the disposal was effected.

Shareholders are referred to page 3 of the circular, which sets out the detailed action required of them in respect of the transaction set out in the circular.

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

**Rebosis does not accept responsibility and will not be held liable for any failure on the part of the CSDP or broker of any holder of dematerialised shares to notify such shareholder of the action required of them in respect of the transaction set out in this circular.**

# REBOSIS

## PROPERTY FUND

Rebosis Property Fund Limited

(Registration number 2010/003468/06)

JSE share code: REB ISIN code: ZAE000201687

(Approved as a REIT by the JSE)

("Rebosis" or "the company")

## CIRCULAR TO REBOSIS SHAREHOLDERS

relating to:

- the proposed transaction involving the acquisition by Rebosis of the entire issued share capital of Baywest, Forest Hill, Billion Asset Managers and Billion Property Services, which transaction constitutes a category 1 related party transaction for Rebosis in terms of the Listing Requirements and results in the internalisation of Rebosis' service businesses;

and enclosing

- a notice of general meeting of Rebosis shareholders; and
- a form of proxy to vote at the general meeting of Rebosis shareholders for use by certificated shareholders and dematerialised shareholders who have elected "own-name" registration only.

Corporate advisor  
and sponsor



Independent expert



Independent  
reporting accountants



Independent reporting accountants



Legal advisor



Corporate advisor and  
investment bank and underwriter



Independent  
property valuer



Competition law  
advisor



Date of issue: 2 September 2016

*This circular is available in English only. Copies of this circular may be obtained from the registered office of the company at the address set out in the Corporate Information section of this circular during normal office hours from Friday, 2 September 2016 to Monday, 3 October 2016, both days inclusive. This circular will also be available on Rebosis' website ([www.rebosis.co.za](http://www.rebosis.co.za)) from Friday, 2 September 2016.*

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## CORPORATE INFORMATION

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### Registered office of Rebosis

Rebosis Property Fund Limited  
(Registration number 2010/003468/06)  
3<sup>rd</sup> Floor, Palazzo Towers West  
Montecasino Boulevard  
Fourways, 2191  
(PO Box 2972, Northriding, 2162)

### Date and place of incorporation of Rebosis

Incorporated on 22 February 2010 in the Republic of South Africa

### Corporate advisor

Java Capital Proprietary Limited  
(Registration number 2012/089864/07)  
6A Sandown Valley Crescent  
Sandton, 2196  
(PO Box 2087, Parklands, 2121)

### Independent reporting accountants

Grant Thornton Advisory Services Proprietary Limited  
(Registration number 2002/022635/07)  
Wanderers Office Park  
52 Corlett Drive  
Illovo, 2196  
(Private Bag X10046, Sandton, 2146)

### Independent property valuer

Mills Fitchet Magnus Penny & Wolffs Proprietary Limited  
(Registration number 1996/004736/07)  
Suite SG110, Ground Floor,  
Great Westerford, 240 Main Road  
Rondebosch, 7725  
(PO Box 4442, Cape Town, 8000)

### Corporate advisor and investment bank

Nedbank Limited  
(Registration number 1951/000009/06)  
Nedbank Head Office  
135 Rivonia Road  
Sandton, 2196  
(PO Box 1144, Johannesburg, 2000)

### Competition law advisors

Baker & McKenzie  
(Registration number 2012/047447/21)  
1 Commerce Square  
39 Rivonia Road  
Johannesburg, 2196  
(PO Box 781033, Sandton, 2146)

### Underwriter

Billion Group (Proprietary) Limited  
(Registration number 1999/025472/07)  
3<sup>rd</sup> Floor, Palazzo Towers West  
Montecasino Boulevard  
Fourways, 2191  
(PO Box 2972, Northriding, 2162)

### Transfer secretaries

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

### Sponsor

Java Capital Trustees and Sponsors Proprietary Limited  
(Registration number 2006/005780/07)  
6A Sandown Valley Crescent  
Sandton, 2196  
(PO Box 2087, Parklands, 2121)

### Independent reporting accountants

SizweNtsalubaGobodo Inc  
(Registration number 2005/034639/21)  
20 Morris Street East  
Woodmead  
2191  
(PO Box 2939, Saxonwold, 2132)

### Independent expert

Mazars Corporate Finance Proprietary Limited  
(Registration number 2003/029561/07)  
54 Glenhove Road  
Melrose Estate, 2196  
(PO Box 669, Johannesburg, 2000)

### Legal advisor

Cliffe Dekker Hofmeyr Inc.  
(Registration number 2008/018923/21)  
11 Buitengracht Street  
Cape Town, 8001  
(PO Box 695, Cape Town, 8000)

### Underwriter

Abacus Holdings (Proprietary) Limited  
(Registration number 2008/014442/07)  
1st Floor, Suite 101 Mill Square  
12 Plein Street  
Stellenbosch, 7600  
(PO Box 1559, Stellenbosch, 7599)

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## ACTION REQUIRED BY REBOSIS SHAREHOLDERS

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The definitions and interpretations commencing on page 6 of this circular apply to this section.

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

If you have disposed of all your shares, then this circular, together with the attached form of proxy, should be forwarded to the purchaser of such shares or to the broker, CSDP, banker or other agent through whom the disposal was effected.

**Rebosis does not accept responsibility and will not be held liable for any failure on the part of the CSDP of a dematerialised shareholder to notify such shareholder of the general meeting or any business to be conducted thereat.**

### 1. THE GENERAL MEETING

The implementation of the transaction is subject, *inter alia*, to Rebosis shareholders passing the requisite resolutions at the general meeting.

A notice convening the general meeting of Rebosis shareholders to be held at 10:00 on Monday, 3 October 2016 at the registered offices of Rebosis, 3<sup>rd</sup> Floor, Palazzo Towers West, Montecasino Boulevard, Fourways, 2191, to consider and, if deemed fit, approve the resolutions contained in the notice of general meeting which is attached to and forms part of this circular.

#### 1.1. Dematerialised shareholders who do not have “own-name” registration

##### 1.1.1. *Voting at the general meeting*

If your dematerialised shares are not recorded in your own name in the electronic sub-register of Rebosis, you should notify your duly appointed CSDP or broker, as the case may be, in the manner and subject to the cut-off time stipulated in the custody agreement governing your relationship with your CSDP or broker, of your instructions as regards voting your shares at the general meeting.

If you have not been contacted, it would be advisable for you to contact your CSDP or broker immediately and furnish your CSDP or broker with your instructions.

If your CSDP or broker does not obtain instructions from you, your CSDP or broker will be obliged to act in accordance with the instructions contained in the agreement concluded between you and your CSDP or broker.

You must **not** complete the attached form of proxy.

##### 1.1.2. *Attendance at the general meeting*

In accordance with the mandate between you and your CSDP or broker, you must advise your CSDP or broker if you wish to:

- attend, speak and vote at the general meeting; or
- send a proxy to represent you at the general meeting.

Your CSDP or broker will then issue the necessary letter of representation to you to attend the general meeting. You will not be permitted to attend, speak or vote at the general meeting, nor send a proxy to represent you at the general meeting without the necessary letter of representation being issued to you and your CSDP or broker may then vote on your behalf at the general meeting in accordance with the mandate between you and your CSDP or broker.

#### 1.2. Certificated shareholders and dematerialised shareholders with “own-name” registration

##### 1.2.1. *Voting, attendance and representation at the general meeting*

You may attend, speak and vote at the general meeting in person.

Alternatively, you may appoint a proxy to represent you at the general meeting by completing the attached form of proxy in accordance with the instructions contained therein and return it to the registered office of the transfer secretaries whose details are set out in the Corporate Information section of this circular, to be received by no later than 10:00 on Thursday, 29 September 2016. The relevant form of proxy may also be handed to the company at any time before the general meeting is due to commence.

### 1.3. **Electronic participation at the general meeting**

The company has made provision for Rebosis shareholders or their proxies to participate electronically in the general meeting by way of telephone conferencing. Should you wish to participate in the general meeting by telephone conference call as aforesaid, you, or your proxy, will be required to advise the company as such by no later than 10:00 on Thursday, 29 September 2016, by submitting by e-mail to the company secretary at [mande@billiongroup.co.za](mailto:mande@billiongroup.co.za), relevant contact details, including an e-mail address, cellular number and landline as well as full details of the Rebosis shareholder's title to securities issued by the company and proof of identity, in the form of copies of identity documents and share certificates (in the case of certificated shares) or written confirmation from the Rebosis shareholder's CSDP confirming the Rebosis shareholder's title to the dematerialised shares (in the case of dematerialised shares). Upon receipt of the required information, the Rebosis shareholder concerned will be provided with a secure code and instructions to access the electronic communication during the general meeting. Rebosis shareholders must note that access to the electronic communication will be at the expense of the Rebosis shareholders who wish to utilise the facility.

Rebosis shareholders and their appointed proxies attending by conference call will not be able to cast their votes at the general meeting of shareholders through this medium. Accordingly, shareholders making use of the electronic participation facility are requested to submit their forms of proxy to the company or provide instruction for voting to their CSDP or broker, as directed above.

### 1.4. **Voting procedure and quorum for the general meeting**

The quorum for the general meeting is persons holding at least 25% of all voting rights that are entitled to be exercised on each resolution proposed to be passed at the general meeting by shareholders (but not less than three shareholders) present in person or represented by proxy at the general meeting.

Every shareholder present in person or represented by proxy and entitled to vote shall, in his capacity as shareholder, on a show of hands, have only one vote irrespective of the number of shares he holds or represents. On a poll, every shareholder present in person or represented by proxy and entitled to vote, shall be entitled to one vote per issued share held by such shareholder.

Given that the acquisition constitutes a transaction with a related party in terms of section 10.4(f) of the Listings Requirements, as further detailed in paragraph 6 of the circular, Sisa Ngebulana, Jaco Odendaal and their associates will be taken into account in determining a quorum at the general meeting but the votes cast by Sisa Ngebulana, Jaco Odendaal and their associates will be excluded in determining the results of the voting of relevant resolutions considered at the general meeting.

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## SALIENT DATES AND TIMES

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2016

Record date to receive the circular	Friday, 26 August
Circular posted to Rebosis shareholders on	Friday, 2 September
Announcement relating to the issue of the circular released on SENS on	Friday, 2 September
Announcement relating to the issue of the circular published in the press on	Monday, 5 September
Last day to trade in order to be eligible to participate in and vote at the general meeting	Tuesday, 20 September
Record date in order to vote at the general meeting	Friday, 23 September
Last day to lodge forms of proxy for the general meeting with the transfer secretaries, by no later than 10:00. (Forms of proxy not lodged with the transfer secretaries in time may be handed to the chairman of the general meeting immediately before the commencement thereof)	Thursday, 29 September
The general meeting of Rebosis shareholders at 10:00 on	Monday, 3 October
Results of the general meeting released on SENS on	Monday, 3 October
Results of the general meeting published in the press on	Tuesday, 4 October

**Notes:**

1. All dates and times in this circular are local dates and times in South Africa. The above dates and times are subject to change. Any changes will be released on SENS and published in the press.
2. Rebosis shareholders are referred to page 7 of this circular for information on the action required to be taken by them.
3. Share certificates may not be dematerialised or rematerialised between Wednesday, 21 September 2016 and Friday, 23 September 2016, both days inclusive.

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## DEFINITIONS AND INTERPRETATIONS

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In this circular and the annexures hereto, unless the context indicates otherwise, references to the singular include the plural and *vice versa*, words denoting one gender include the others, expressions denoting natural persons include juristic persons and associations of persons and *vice versa*, and the words in the first column have the meanings stated opposite them in the second column, as follows:

“Abacus”	Abacus Holdings (Proprietary) Limited (Registration number 2008/014442/07), a private company incorporated and registered in terms of the laws of South Africa;
“Abacus Trust”	the trustees for the time being of the Abacus Trust (Master’s reference number IT2539/07), the capital beneficiaries and discretionary income beneficiaries of which are the In Solidum Trust (the ultimate beneficiaries of which are Jan De Wet, Magdelene De Wet and their descendants and Jaco Odendaal, Erme Odendaal and their descendants) and The Howard Trust (the ultimate beneficiaries of which are Cornelius Howard, Ingrid Howard and their descendants);
“additional transaction amount”	an amount of R65.0 million, payable in recognition of the fact that a significant portion of the aggregate transaction amount has been deferred;
“aggregate transaction amount”	the aggregate amount of approximately R4.934 billion payable by Rebosis in terms of the transaction agreements and the Nedbank agreement;
“Amatolo Family Trust”	the trustees for the time being of the Amatolo Family Trust (Master’s reference number IT4244/03) which trust owns Billion, the capital beneficiaries of which are Sisa Ngebulana’s children and the discretionary income beneficiaries of which are Sisa Ngebulana and his children;
“Ascension”	Ascension Properties Limited (Registration number 2006/026141/06), a public company registered and incorporated in terms of the laws of South Africa and listed on the JSE;
“Ascension Asset Managers”	Ascension Property Management Company (Proprietary) Limited (Registration number 2010/010848/07), a private company registered and incorporated in terms of the laws of South Africa, a wholly-owned subsidiary of Rebosis, which has been appointed by Ascension to provide asset management services to Ascension in terms of the Ascension asset management agreement;
“Ascension asset management agreement”	the agreement dated 15 May 2012 entered into between Ascension and Ascension Asset Managers in terms of which Ascension Asset Managers provides asset management services to Ascension, the salient details of which are set out in <b>Annexure 13</b> ;
“asset management agreements”	collectively, the Ascension asset management agreement, the Billion asset management agreement and Mthatha Mall asset management agreement;
“Ascension outsourcing agreement”	the agreement dated 3 February 2014 entered into between Ascension, Ascension Asset Managers and Billion Asset Managers in terms of which the asset management of Ascension in terms of the Ascension asset management agreement has been outsourced to Billion Asset Managers;
“Ascension property portfolio”	the property portfolio currently owned by Ascension;
“assets under management”	the value of the direct property portfolio and investments in Ascension and New Frontier;
“Baker & McKenzie”	Baker & McKenzie (Registration number 2012/047447/21), a private company incorporated and registered in terms of the laws of South Africa;
“Baywest”	Baywest City (Proprietary) Limited (Registration number 2008/020750/07), a private company incorporated and registered in terms of the laws of South Africa, which owns the Baywest Mall, and the shares of which are held by Billion Property Group and Abacus in equal proportions;



<b>“Baywest Mall”</b>	the Baywest Mall shopping centre, further details of which are set out in paragraph 13.1.2;
<b>“Baywest manco”</b>	Bay West Management Company (Proprietary) Limited (Registration number 2008/021046/07), a private company incorporated and registered in terms of the laws of South Africa;
<b>“Billion”</b>	Billion Group (Proprietary) Limited (Registration number 1999/025472/07), a private company registered and incorporated in terms of the laws of South Africa, which is wholly-owned by the Amatolo Family Trust;
<b>“Billion group”</b>	collectively, Billion and its subsidiaries;
<b>“Billion asset management agreement”</b>	the agreement dated 28 March 2011, entered into between Rebosis and Billion Asset Managers in terms of which Billion Asset Managers provides asset management services to Rebosis, the salient details of which are set out in <b>Annexure 13</b> ;
<b>“Billion Asset Managers” or “the asset manager” or “BAM”</b>	Billion Asset Managers (Proprietary) Limited (Registration number 2011/005780/07), a private company registered and incorporated in terms of the laws of South Africa, currently a wholly-owned subsidiary of the Amatolo Family Trust. Pursuant to the Billion Asset Management transaction as set out in paragraph 3 of <b>Annexure 14</b> , Billion Asset Managers will be a wholly-owned subsidiary of Billion prior to the transaction;
<b>“Billion Property Group”</b>	Billion Property Group (Proprietary) Limited (Registration number 2005/004107/07), a private company incorporated and registered in terms of the laws of South Africa, which owns 50% of Baywest and is a wholly-owned subsidiary of Billion;
<b>“Billion Property Services” or “BPS”</b>	Billion Property Services (Proprietary) Limited (Registration number 2005/004106/07), a private company registered and incorporated in terms of the laws of South Africa and a wholly-owned subsidiary of Billion;
<b>“board” or “directors”</b>	the board of directors of Rebosis as set out in page 15 of this circular;
<b>“broker”</b>	any person registered as a broking member (equities) in terms of the rules of the JSE made in accordance with the provisions of the Financial Markets Act;
<b>“business day”</b>	any day other than a Saturday, Sunday or official public holiday in South Africa and in the event that a day referred to in terms of this circular should fall on a day which is not a business day, the relevant date will be extended to the next succeeding business day;
<b>“CDH” or “legal advisor”</b>	Cliffe Dekker Hofmeyr Incorporated (Registration number 2008/018923/21), a personal liability company incorporated and registered in accordance with the laws of South Africa, further details of which are set out in the Corporate Information section;
<b>“certificated shareholders”</b>	Rebosis shareholders who hold certificated shares;
<b>“certificated shares”</b>	Rebosis shares which have not yet been dematerialised, title to which is represented by a share certificate or other document of title acceptable to the board;
<b>“circular” or “this document”</b>	this document dated Friday, 2 September 2016 distributed to shareholders containing the circular to shareholders and annexures thereto, the notice of general meeting of shareholders and a form of proxy;
<b>“Companies Act”</b>	the South African Companies Act No.71 of 2008, as amended;
<b>“Competition Authorities”</b>	the Competition Commission of South Africa and the Competition Tribunal of South Africa and/or the Competition Appeal Court of South Africa being the regulatory and/or judicial authorities established in terms of the Competition Act, 1998;
<b>“conditions precedent”</b>	the conditions precedent to which the transaction is subject, as set out in paragraph 4 of this circular;

“CSDP”	a Central Securities Depository Participant appointed by a shareholder for purposes of, and in regard to, dematerialisation and to hold and administer dematerialised shares or an interest in dematerialised shares on behalf of a shareholder;
“custody agreement”	the agreement which regulates the relationship between the CSDP or broker and each beneficial holder of dematerialised shares;
“deferred transaction amounts”	the balance of the aggregate transaction amount in an amount of R700.0 million deferred and settled as set out in paragraph 2.8;
“dematerialise” or “dematerialisation”	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;
“dematerialised shares”	Rebosis shares which have been dematerialised and incorporated into the Strate system and which are no longer evidenced by physical documents of title;
“dematerialised shareholders”	Rebosis shareholders who hold dematerialised shares;
“documents of title”	share certificates, certified transfer deeds, balance receipts and any other documents of title to Rebosis shares acceptable to the board;
“EFT”	electronic funds transfer;
“Financial Markets Act”	the Financial Markets Act, No 19 of 2012, as amended;
“first payment date”	the day after the fulfilment or waiver, as applicable, of all the conditions precedent, or such other date as may be agreed between the applicable parties;
“Forest Hill” or “BPD”	Billion Property Developments (Proprietary) Limited (Registration number 2007/004487/07), a private company incorporated and registered in terms of the laws of South Africa, which owns Forest Hill City and is a wholly-owned subsidiary of Billion;
“Forest Hill City”	the Forest Hill City shopping centre, further details of which are set out in paragraph 13.1.1;
“fourth payment date”	30 trading days after Rebosis shares have commenced trading <i>ex</i> the distribution for the 6 month distribution period ended 31 August 2019, or such other date as may be agreed between the applicable parties;
“general meeting”	the general meeting of Rebosis shareholders to be held at 10:00 on Monday, 3 October 2016 at the registered office of the company at 3 <sup>rd</sup> Floor, Palazzo Towers West, Montecasino Boulevard, Fourways, 2191;
“GLA”	gross lettable area, being the total area of a property that can be rented to a tenant, measured in m <sup>2</sup> ;
“IFRS”	International Financial Reporting Standards;
“independent expert” or “Mazars”	Mazars Corporate Finance Proprietary Limited (Registration number 2003/029561/07), a private company incorporated and registered in accordance with the laws of South Africa, full details of which are set out in the Corporate Information section;
“independent property valuer” or “Mills Fitchet”	Mills Fitchet Magnus Penny & Wolffs (Proprietary) Limited (Registration number 2002/031472/21), a private company incorporated and registered in accordance with the laws of South Africa, full details of which are set out in the Corporate Information section;
“independent reporting accountants” or “Grant Thornton”	Grant Thornton Advisory Services Proprietary Limited (Registration number 2002/022635/07), a partnership formed in terms of the laws of South Africa, full details of which are set out in the Corporate Information section;
“initial cash transaction amount”	the amount of R533.8 million, being a portion of the aggregate transaction amount, which is payable to the relevant parties in cash on the first payment date;

<b>“initial claw-back offer”</b>	the renounceable claw-back offer by Rebosis to Rebosis shareholders to subscribe for their <i>pro rata</i> portion of the initial claw back shares, issued to fund the payment of the initial cash transaction amount payable to the relevant parties (being Billion and Nedbank), at an issue price equal to the 30 day vwap of Rebosis shares preceding the commencement of the initial claw-back offer, or such other price as may be agreed between the applicable parties;
<b>“initial claw-back shares”</b>	the Rebosis shares to be issued pursuant to the initial claw-back offer, and which are currently assumed to be approximately 50 837 511 Rebosis shares;
<b>“initial transaction amount”</b>	the portion of the aggregate transaction amount in an amount of R4.234 billion, payable on the first payment date;
<b>“Java Capital” or “corporate advisor”</b>	Java Capital (Proprietary) Limited (Registration number 2012/089864/07), a private company incorporated and registered in terms of the laws of South Africa, full details of which are set out in the Corporate Information section;
<b>“JSE”</b>	Johannesburg Stock Exchange, being the exchange operated by the JSE Limited (Registration number 2005/022939/06), licensed as an exchange under the Financial Markets Act (Act 19 of 2012), and a public company registered and incorporated in terms of the laws of South Africa;
<b>“last practicable date”</b>	Tuesday, 23 August 2016 being the last date prior to the finalisation of the circular;
<b>“Listings Requirements”</b>	the Listings Requirements published by the JSE from time to time;
<b>“m<sup>2</sup>”</b>	square metres;
<b>“manco internalisation”</b>	the effective acquisition by Rebosis of Billion Asset Managers and Billion Property Services, as part of the transaction;
<b>“MOI”</b>	the memorandum of incorporation of the company, as amended;
<b>“Mthatha Mall”</b>	Mthatha Mall (Proprietary) Limited (Registration number 2006/011321/07), a private company incorporated and registered in terms of the laws of South Africa which owns the shopping centre known as BT Ngebs City;
<b>“Mthatha Mall asset management agreement”</b>	the agreement to be entered into on or about 2 September 2016 between Mthatha Mall and Billion Asset Managers in terms of which Billion Asset Managers provides asset management services to Mthatha Mall in respect of BT Ngebs City, the salient details of which are set out in <b>Annexure 13</b> ;
<b>“Mthatha Mall property management agreement”</b>	the agreement to be entered into on or about 2 September 2016 between Mthatha Mall and Billion Property Services in terms of which Billion Property Services provides property management services to Mthatha Mall in respect of BT Ngebs City;
<b>“NAV”</b>	net asset value calculated as total assets less total liabilities;
<b>“Nedbank” or “corporate advisor”</b>	Nedbank Corporate and Investment Bank, a division of Nedbank Limited, and the corporate advisor and investment bank to Rebosis;
<b>“Nedbank agreement”</b>	the agreement dated 12 August 2016 entered into between Nedbank, Rebosis, Baywest and Forest Hill, in terms whereof certain profit share amounts owing by Baywest and Forest Hill to Nedbank are quantified, and in terms whereof the payment thereof by Rebosis is regulated;
<b>“Nedbank amounts”</b>	the amounts totalling approximately R179.8 million, which are payable by Rebosis to Nedbank in terms of the Nedbank agreement;
<b>“Nedbank Limited”</b>	Nedbank Limited (Registration number 1951/000009/06), a public company incorporated and registered in South Africa, full details of which are set out in the Corporate Information section;

<b>“New Frontier”</b>	New Frontier Properties Ltd (Registration number 123368 C1/GBL), a company incorporated under the laws of Mauritius and holding a category one Global Business License issued by the Financial Services Commission of Mauritius and listed on the Alt <sup>x</sup> of the JSE;
<b>“opening date”</b>	in relation to the applicable claw-back offer, the date (as contemplated in the Listings Requirements) when the applicable claw-back offer opens;
<b>“own-name registration”</b>	dematerialised shareholders who have registered their shares in their own-name with a CSDP or broker in terms of the Financial Markets Act;
<b>“press”</b>	the Business Day newspaper;
<b>“R” or “Rand”</b>	the South African Rand, the lawful currency of South Africa;
<b>“Rebosis” or “the company”</b>	Rebosis Property Fund Limited (Registration number 2010/003468/06), a public company registered and incorporated in terms of the laws of South Africa and listed on the JSE;
<b>“Rebosis group” or “the group”</b>	collectively, Rebosis, its subsidiaries and its associates;
<b>“Rebosis property management agreement”</b>	the agreement dated 28 March 2011, entered into between Rebosis and Billion Property Services in terms of which Billion Property Services provides property management services to Rebosis;
<b>“Rebosis property portfolio”</b>	the property portfolio currently owned by Rebosis;
<b>“Rebosis share” or “share”</b>	a Rebosis share comprising one ordinary share;
<b>“Rebosis shareholder” or “shareholder”</b>	the holder of a Rebosis share;
<b>“reference date”</b>	1 September 2016;
<b>“Regulations”</b>	the Companies Regulations, 2011, published in terms of the Companies Act;
<b>“REIT”</b>	Real Estate Investment Trust which is a company listed on the JSE and has received REIT status in terms of the Listings Requirements;
<b>“relevant parties”</b>	Billion, Abacus and/or Nedbank, as applicable;
<b>“second payment date”</b>	30 trading days after Rebosis shares have commenced trading <i>ex</i> the distribution for the 6 month distribution period ended 31 August 2017, or such other date as may be agreed between the applicable parties;
<b>“SENS”</b>	the Stock Exchange News Service, the news service of the JSE;
<b>“service businesses”</b>	the businesses of Billion Asset Managers and Billion Property Services;
<b>“shopping centres”</b>	Baywest Mall and Forest Hill City;
<b>“South Africa”</b>	the Republic of South Africa;
<b>“sponsor”</b>	Java Capital Trustees and Sponsors Proprietary Limited (Registration number 2006/005780/07), a private company registered and incorporated in terms with the laws of South Africa, full details of which are set out in the Corporate Information section;
<b>“Strate”</b>	Strate (Proprietary) Limited (Registration number 1998/022242/07), a private company registered and incorporated in terms of the laws of South Africa, which is licensed to operate, in terms of the Financial Markets Act (Act 19 of 2012), as amended, and which is responsible for the electronic settlement system of the JSE;

“subsequent claw-back offers”	the renounceable claw-back offers by Reboxis to Reboxis shareholders to subscribe for their <i>pro rata</i> portion of the applicable Reboxis shares, issued to fund the payment of the deferred transaction amounts and the additional transaction amount, at a price equal to the higher of R11.30 or the 30 day vwap of Reboxis shares immediately before the relevant subsequent claw-back offer is launched, which will be as soon as practicable following the expiry of a period of 30 trading days after Reboxis shares have commenced trading <i>ex</i> the distribution for the preceding distribution period, or such other price as may be agreed between the applicable parties;
“target companies”	Baywest, Forest Hill, Billion Asset Managers and Billion Property Services;
“target company shareholders”	Billion, Billion Property Group and Abacus;
“third payment date”	30 trading days after Reboxis shares have commenced trading <i>ex</i> the distribution for the 6 month distribution period ended 31 August 2018 or such other date as may be agreed between the applicable parties;
“TNAV”	tangible net asset value calculated as total assets less total liabilities less intangible assets;
“transaction”	the effective acquisition by Reboxis of the entire issued share capital of Baywest, Forest Hill, Billion Asset Managers and Billion Property Services, in terms of the transaction agreements;
“transaction agreements”	the various agreements relating to the transaction, described in <b>Annexure 14</b> ;
“transfer secretaries” or “Computershare”	Computershare Investor Services Proprietary Limited (Registration number 2004/003647/07), a private company registered and incorporated in terms of the laws of South Africa, full details of which are set out in the Corporate Information section;
“underwriting agreement”	the agreement dated 12 August 2016, entered into between Reboxis, Billion, Abacus and Nedbank, in terms of which, <i>inter alia</i> , Billion and Nedbank (and Abacus, to the extent applicable) have agreed to subscribe for those claw-back shares not taken up by Reboxis shareholders in accordance with their entitlements in terms of the initial claw-back offer and the subsequent claw-back offers;
“underwriters”	Billion, Abacus and Nedbank;
“VAT”	value added tax as defined in the Value Added Tax Act, 1991, as amended; and
“vwap”	volume weighted average price.



## Rebosis Property Fund Limited

(Incorporated in the Republic of South Africa on 22 February 2010)

(Registration number 2010/003468/06)

(Approved as a REIT by the JSE)

JSE share code: REB ISIN code: ZAE000201687

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Anna Mokgokong (*Independent non-executive chairman*)

Sisa Ngebulana (*Chief executive officer*)

Kameel Keshav (*Chief financial officer*)

Andile Mazwai (*Independent non-executive director*)

Jaco Odendaal (*Independent non-executive director*)

Thabo Seopa (*Independent non-executive director*)

Nomfundo Qangule (*Independent non-executive director*)

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## CIRCULAR TO REBOSIS SHAREHOLDERS

### SECTION ONE: OVERVIEW OF THE TRANSACTION

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#### 1. INTRODUCTION

- 1.1. As announced on SENS on Monday, 23 May 2016 and the revised announcement on Wednesday, 13 July 2016, Rebosis has entered into agreements in terms of which Rebosis will become the sole shareholder of Baywest, Forest Hill, Billion Asset Managers and Billion Property Services with commercial effect from 1 September 2016.
- 1.2. As the aggregate transaction amount payable by Rebosis is in excess of 30% of the market capitalisation of Rebosis, the transaction is classified as a category 1 transaction in terms of 9.5(b) of the Listings Requirements and accordingly is subject to shareholders' approval.
- 1.3. Further, in terms of paragraph 10.1(b)(vii) of the Listings Requirements, Sisa Ngebulana and Jaco Odendaal are related parties to the transaction. Sisa Ngebulana is both a director of Rebosis and a trustee and beneficiary of the Amatolo Family Trust, which owns 100% of the share capital of Billion (which owns Forest Hill and Billion Property Services and will own Billion Asset Managers) and through Billion, the Billion Property Group (which owns 50% of Baywest). Jaco Odendaal is both a director of Rebosis and a trustee and beneficiary of the Abacus Trust, which owns 100% of the share capital of Abacus, which in turn owns 50% of the share capital of Baywest. Accordingly, the transaction is subject to approval by Rebosis shareholders, excluding the votes cast by Sisa Ngebulana, Jaco Odendaal and their associates.
- 1.4. The aggregate transaction amount is R4.934 billion. Up to c. R3.7 billion of this amount will be funded by debt and the balance will be paid in cash to be funded through a series of a claw-back offers which will be underwritten by Billion, Abacus and Nedbank.
- 1.5. The aggregate transaction amount includes the Nedbank amounts.
- 1.6. The purpose of this circular is to:
  - 1.6.1. provide Rebosis shareholders with information relating to the transaction and the manner in which it will be implemented so as to enable shareholders to make an informed decision as to whether or not they should vote in favour of the transaction; and
  - 1.6.2. give notice convening the general meeting at which the resolutions necessary to implement the transaction will be considered and, if deemed fit, approved, with or without modification, by Rebosis shareholders. The notice convening the general meeting of Rebosis shareholders is attached to and forms part of this circular.

## 2. MECHANICS OF THE TRANSACTION

- 2.1. In terms of the transaction agreements, Rebosis will acquire:
  - 2.1.1. a 100% shareholding in Baywest which owns the shopping centre known as Baywest Mall;
  - 2.1.2. a 100% shareholding in Forest Hill which owns the shopping centre known as Forest Hill City;
  - 2.1.3. a 100% shareholding in Billion Asset Managers, which holds an agreement to provide asset management services to Rebosis; and
  - 2.1.4. a 100% shareholding in Billion Property Services, which provides property management and letting services to Rebosis and Billion and/or its subsidiaries.
- 2.2. The various transactions comprising the transaction are indivisible and inter-conditional.
- 2.3. Billion will guarantee the forecast aggregate net operating income of the shopping centres in respect of the period from 1 September 2016 to 31 August 2018.
- 2.4. The total amount attributable to the shopping centers and the service businesses in respect of the transaction is an amount of R4.934 billion and comprises the following:
  - 2.4.1. R2.272 billion in respect of Baywest;
  - 2.4.2. R2.093 billion in respect of Forest Hill;
  - 2.4.3. R360.0 million in respect of Billion Asset Managers; and
  - 2.4.4. R209.0 million in respect of Billion Property Services,  
and includes the Nedbank amounts.
- 2.5. The consideration payable in respect of Billion Asset Managers and Billion Property Services will be reduced on a relative basis in the event that Rebosis disposes of any properties as referred to in paragraph 3.2 below (net of any acquisitions) managed by Billion Asset Managers and Billion Property Services in a period of 6 months from the completion of the transaction.
- 2.6. On the first payment date, a portion of the aggregate transaction amount in an amount of R4.234 billion will be paid as follows:
  - 2.6.1. R3.700 billion will be settled by the settlement or assumption of debt; and
  - 2.6.2. the initial cash transaction amount, being the balance of R533.8 million, will be paid in cash.
- 2.7. The debt raised will be reduced to the extent that any of the commercial properties are disposed of as referred to in paragraph 3 below.
- 2.8. Of the aggregate transaction amount, an amount of R700.0 million will in effect be deferred, converted to loan obligations and settled as follows:
  - 2.8.1. 30 trading days after Rebosis shares have started trading *ex* the Rebosis income distribution for the 6 month period ended 31 August 2017, an amount of R350.0 million will be paid to Billion, Abacus and Nedbank, in cash; and
  - 2.8.2. 30 trading days after Rebosis shares have started trading *ex* the Rebosis income distribution for the 6 month period ended 31 August 2018, an amount of R350.0 million will be paid to Billion, Abacus and Nedbank, in cash.
- 2.9. 30 days after Rebosis shares have started trading *ex* the Rebosis income distribution for the 6 month period ended 31 August 2019, an amount of R65.0 million will be paid to Billion and Nedbank, in cash, in recognition of the fact that a significant portion of the aggregate transaction amount due to them has been deferred, which amount is subject to appropriate adjustment in the event of an acceleration in the payment of the deferred transaction amounts as set out in paragraph 2.19 below.
- 2.10. Rebosis will, on or after the first payment date, launch the initial claw-back offer in order to fund the payment of the initial cash transaction amount to Billion and Nedbank at an issue price equal to the 30 day vwap of Rebosis shares as at the last trading day before the first payment date, or such other price as may be agreed by the applicable parties. Based on an assumed issue price of R10.50 as set out in **Annexure 4**, it is assumed that 50 837 511 Rebosis shares will be issued in terms of the initial claw-back offer.
- 2.11. The initial claw-back offer will be fully underwritten by Billion and Nedbank (in proportion to the amounts payable to them on the first payment date) and the shares to be offered in terms of the initial claw-back offer will in terms of such underwriting be required to be paid for by Billion and Nedbank on the opening date. There will be no underwriting fees payable. Billion and Nedbank's obligation to pay for all of the initial claw-back offer shares on the first payment date in terms of their underwriting commitment will be set-off against Rebosis and Nedbank's obligation to pay to Billion and Nedbank the initial cash transaction amount on the opening date.

- 2.12. All Rebosis shareholders or their renounees will thereafter during the claw-back offer period be able to acquire their applicable proportions of the initial claw-back offer shares at the issue price referred to in paragraph 2.10 above, for cash.
- 2.13. The company also intends to fund the payment of the deferred transaction amounts and the additional transaction amount by way of renounceable claw-back offers to its shareholders, at a price equal to the higher of R11.30 or the 30 day vwap of Rebosis shares immediately before the relevant subsequent claw-back offer is launched, or such other price as may be agreed by the applicable parties. Rebosis may elect not to proceed with any particular subsequent claw-back offer, and may fund the payment of the relevant deferred transaction amount or the additional transaction amount in such other manner as it deems fit. Based on an assumed issue price of R11.30 as set out in **Annexure 4**, it is assumed that an aggregate of 67 699 114 Rebosis shares will be issued in terms of the subsequent claw-back offers.
- 2.14. Any subsequent claw-back offer that may be launched will be underwritten by Billion and Nedbank (and also by Abacus, in respect of the claw-back offers relating to the deferred transaction amounts) on the same basis as the initial claw-back offer. There will be no underwriting fees payable. Billion, Abacus and Nedbank's obligation to pay for the subsequent claw-back offer shares on the relevant payment dates in terms of their underwriting commitment will be set-off against Rebosis' obligation to pay to them the deferred transaction amounts and the additional transaction amount on the relevant payment dates.
- 2.15. All Rebosis shareholders or their renounees will thereafter during the respective claw-back offer periods be able to acquire their applicable proportions of the subsequent claw-back offer shares at the issue price referred to in paragraph 2.13 above for cash.
- 2.16. To the extent that Rebosis shareholders take up shares in terms of any of the claw-back offers, such take-up will result in a reduction of shares issued to Billion, Abacus and Nedbank, in pre-agreed proportions.
- 2.17. To the extent that Rebosis shareholders take up shares in terms of any of the claw-back offers other than the final claw-back offer, resulting in Rebosis receiving any cash proceeds, Rebosis may elect to require that Billion reinvests all or a portion of the cash proceeds of the claw-back offers by way of a subscription for further shares in Rebosis, subject to the required shareholder approvals and a cap of 80% of any cash proceeds of the applicable offer. The subscription price will be at the same price at which the relevant claw-back offer was undertaken.
- 2.18. Billion undertakes not to dispose of any of the Rebosis shares it may acquire in terms of its underwriting commitments, or any reinvestment of claw-back offer proceeds, for a period of 18 months after it has acquired the relevant Rebosis shares without the prior written consent of the board of Rebosis, except pursuant to agreements entered or to be entered into between it and Nedbank. Post the implementation of the transaction and assuming that the claw-back offers are not taken up by shareholders, Billion is expected to own 13.75% of the issued share capital of Rebosis.
- 2.19. In the event that Rebosis receives an unsolicited offer from a serious source (excluding Billion) in respect of an affected transaction, as contemplated in the Companies Act, the deferred transaction amounts and the additional transaction amount, adjusted as appropriate, will become immediately payable and Rebosis will launch a claw-back offer, underwritten by Billion and Nedbank (and Abacus, to the extent applicable) on the same basis as the subsequent claw-back offers, to fund such payment obligations.
- 2.20. The transaction agreements include warranties that are considered appropriate for transactions of this nature.
- 2.21. Shareholders, including three large shareholders of Rebosis, have provided Rebosis with written confirmations of their support for the transaction as now proposed. Rebosis has also received overwhelming support from its shareholders for the transaction, which level of support is well in excess of the required majority to pass this transaction. The reinvestment by Billion of any cash proceeds received from the initial claw-back offer or any subsequent claw-back offer, by way of the subscription for additional Rebosis shares, will be separately proposed on a stand-alone basis at the general meeting and is subject to the approval of Rebosis shareholders by the higher threshold for a special resolution.

### **3. RATIONALE FOR THE TRANSACTION**

- 3.1. The transaction is in line with Rebosis' core strategic objective of being a retail-biased fund. The transaction will provide Rebosis with an opportunity to acquire scarce, high quality, income generating retail assets, thereby substantially increasing the company's retail exposure and improving the overall quality of the Rebosis portfolio. The transaction is expected to further enhance the defensive nature of the Rebosis portfolio, offering long-dated lease expiries with above inflation escalations.



- 3.2. Rebosis is currently negotiating the disposal of commercial properties that are smaller and non-core of up to R1.5 billion in value. This will serve to bring down the total debt and loan to value ratio of Rebosis and dispense the need to raise any equity prior to the transaction. Post the implementation of the transaction and the anticipated disposal of commercial properties, it is expected that the retail component as a percentage of total assets under management will represent 72%, positioning Rebosis as a high quality retail fund of six large dominant shopping centres. This enhanced scale is expected to increase liquidity for investors, increase Rebosis' weighting in the JSE's SAPY index and drive down operational costs through economies of scale.
- 3.3. The manco internalisation will better align the interests of management with that of Rebosis shareholders and is in line with global best practice. The manco internalisation will further allow for equity incentivisation of experienced members of staff who are of strategic importance to improving overall growth in distributable income. This incentivisation will be achieved at no further cost to existing shareholders.
- 3.4. It is not anticipated that the internalisation of Billion Asset Managers will prejudice Rebosis' status as the landlord to government tenanted offices as the company will secure the required confirmation from the Department of Public Works in this regard prior to the implementation of the transaction as referred to in paragraph 4.1.7 below.

#### **4. CONDITIONS PRECEDENT**

- 4.1. The transaction is subject to, *inter alia*, the fulfilment or waiver of the following outstanding conditions precedent that:
  - 4.1.1. by no later than 15 October 2016, Billion and the other applicable members of the Billion group have obtained all such approvals as may be required under the Companies Act in connection with the transaction;
  - 4.1.2. by no later than 15 October 2016, the transaction agreements becoming unconditional;
  - 4.1.3. by no later than 15 October 2016, the Nedbank agreement becoming unconditional;
  - 4.1.4. by no later than 15 October 2016, the underwriting agreement has become unconditional;
  - 4.1.5. by no later than 15 October 2016, Rebosis has obtained all such shareholder approvals as may be required under the Companies Act and the Listings Requirements in connection with the transaction;
  - 4.1.6. by no later than 15 October 2016, any third party consents or waivers that may be necessary to be able to give effect to the transaction, have been obtained;
  - 4.1.7. by no later than the earlier of (i) 15 October 2016 and (ii) the date upon which all the conditions precedent in paragraphs 4.1.2, 4.1.5, 4.1.6, 4.1.8 and 4.1.9 have been fulfilled, the board of directors of Rebosis has satisfied itself that the manco internalisation is not likely to result in Rebosis not being in compliance with any applicable requirements of the Department of Public Works in connection with any leases in respect of the Rebosis group property portfolio, where such non-compliance can reasonably be expected to have a material adverse economic impact on Rebosis;
  - 4.1.8. by no later than the earlier of (i) 15 October 2016 and (ii) the date upon which all the conditions precedent in paragraphs 4.1.2, 4.1.5, 4.1.6, 4.1.7 and 4.1.9 have been fulfilled, Rebosis has delivered to the target company shareholders a written notice stating that Rebosis is satisfied with the results of the due diligence investigation and wishes to proceed with the transaction; and
  - 4.1.9. by no later than 15 October 2016, all necessary approvals from the competition authorities have been obtained, unconditionally or upon such conditions as may be acceptable to the parties.

#### **5. UNDERTAKINGS BY BILLION IN RESPECT OF MANAGEMENT**

- 5.1. Billion will ensure that the service businesses are appropriately staffed and resourced so as to be able to continue providing the services they currently provide at least to the same level they are currently provided.
- 5.2. Billion will ensure that retention and non-compete arrangements are made with key staff members of the service businesses, including Sisa Ngebulana, to the reasonable satisfaction of Rebosis.

#### **6. RELATED PARTY TRANSACTION AMOUNTS AND FAIRNESS OPINION**

- 6.1. As Sisa Ngebulana is a trustee and beneficiary of the Amatolo Family Trust, which owns 100% of the share capital of Billion (which owns Forest Hill and Billion Property Services and will own Billion Asset Managers) and through Billion, the Billion Property Group (which owns 50% of Baywest), Billion and Billion Property Group are regarded as associates of Sisa Ngebulana in terms of the Listings Requirements. Consequently, the transaction constitutes a transaction with related parties in terms of section 10.4(f) of the Listings Requirements.
- 6.2. As Jaco Odendaal is a trustee and beneficiary of the Abacus Trust, which owns 100% of the share capital of Abacus, which owns 50% of the share capital of Baywest, Abacus is regarded as an associate of Jaco Odendaal in terms of the Listings Requirements. Consequently, the transaction for this reason also constitutes a transaction with a related party in terms of section 10.4(f) of the Listings Requirements.

- 6.3. Accordingly, the transaction is subject to approval of Rebosis shareholders. Although Sisa Ngebulana and Jaco Odendaal and their associates will be taken into account in determining a quorum at the general meeting, the JSE requires that the resolution must be approved by a simple majority of Rebosis shareholders, excluding the votes cast by Sisa Ngebulana, Jaco Odendaal and their associates.
- 6.4. The board has appointed Mazars to provide an independent opinion on the fairness of the transaction. Mazars have concluded that the terms of the transaction are fair to Rebosis shareholders. The independent fairness opinion is set out in **Annexure 1** of the circular.

## 7. THE CLAW-BACK OFFERS

- 7.1. As set out in paragraph 2 above, payments of the initial cash transaction amount, the deferred transaction amounts and the additional transaction amount will be funded through a series of fully underwritten claw-back offers to Rebosis shareholders.
- 7.2. The full terms and conditions of the claw-back offers relating to, *inter alia*, the number of claw-back offer shares, the claw-back offer ratio, the pricing as well as the procedures for acceptance, sale or renunciation will be set out in separate claw-back offer circulars which will be issued to Rebosis shareholders at or about the time that the relevant amounts become due and payable.
- 7.3. The claw-back offers will proceed on the terms and in accordance with the timetable set out in the relevant claw-back offer circulars. Further details relating to the initial claw-back offer and subsequent claw-back offers will be announced on SENS in due course.
- 7.4. The underwriting agreement is available for inspection, as set out in paragraph 36.

## 8. FORECAST STATEMENTS OF COMPREHENSIVE INCOME

- 8.1. Forecasts which are set out in **Annexure 2** of this circular (the “forecasts”) have been prepared for the year ending 31 August 2017 and the year ending 31 August 2018 (the “forecast periods”), prepared in terms of section 13.7 of the JSE Listings Requirements.
- 8.2. The forecasts have been prepared on the assumption that the commercial effective date of the transaction will be 1 September 2016, and on the basis that the forecasts include forecast results for the duration of the forecast periods.
- 8.3. 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 been prepared in compliance with IFRS and in accordance with Rebosis’ current accounting policies which are not expected to change over the duration of the forecast periods.
- 8.4. The forecasts must be read in conjunction with the independent reporting accountants’ assurance limited report thereon as contained in **Annexure 3** of this circular.

## 9. CONSOLIDATED *PRO FORMA* FINANCIAL INFORMATION

- 9.1. The consolidated *pro forma* statement of comprehensive income and the consolidated *pro forma* statement of financial position (“the *pro forma* financial statements”) of Rebosis, reflecting the effects of the transaction, are set out in **Annexure 4**.
- 9.2. The *pro forma* financial statements have been prepared for illustrative purposes only to provide information about how the transaction may have affected the financial position of Rebosis assuming that the transaction had been implemented on 29 February 2016 for statement of financial position purposes and implemented on 1 September 2015 for statement of comprehensive income purposes. Due to their nature, they may not fairly represent Rebosis’ financial position, changes in equity, results of operations or cash flows after the transaction.
- 9.3. The *pro forma* financial statements of Rebosis, including the assumptions on which they are based and the financial information from which they have been prepared, are the responsibility of the board of Rebosis.
- 9.4. The *pro forma* financial statements have been prepared in compliance with IFRS, The Guide on *Pro forma* Financial Information and in accordance with Rebosis’ accounting policies which are consistent with those accounting policies adopted in preparing Rebosis’ annual financial statements.
- 9.5. The independent reporting accountants’ assurance report on the *pro forma* financial statements is set out in **Annexure 5** of this circular.
- 9.6. The independent reporting accountants’ review report on the value and existence of the assets and liabilities acquired by Rebosis is set out in **Annexure 6** of this circular.

## **10. HISTORICAL FINANCIAL INFORMATION**

- 10.1. The historical financial information of Billion Asset Managers in respect of the six months ended 29 February 2016 and the years ended 31 August 2015, 31 August 2014 and 31 August 2013 have been incorporated by reference in terms of paragraph 11.61 of the Listings Requirements and are available on the company's website at the following link: <http://rebosis.co.za/billion-asset-managers-proprietary-limited-summary-of-historical-financial-statements/>. The independent reporting accountants' report in respect of the six months ended 29 February 2016 and the years ended 31 August 2015 and 31 August 2014 is set out in **Annexure 7**. The independent reporting accountants' report in respect of the year ended 31 August 2013 is set out in **Annexure 9**.
- 10.2. The historical financial information of Billion Property Services in respect of the six months ended 29 February 2016 and the years ended 31 August 2015, 31 August 2014 and 31 August 2013 have been incorporated by reference in terms of paragraph 11.61 of the Listings Requirements and are available on the company's website at the following link: <http://rebosis.co.za/billion-property-services-proprietary-limited-summary-of-historical-financial-information/>. The independent reporting accountants' report in respect of the six months ended 29 February 2016 and the years ended 31 August 2015 and 31 August 2014 is set out in **Annexure 8**. The independent reporting accountants' report in respect of the year ended 31 August 2013 is set out in **Annexure 10**.
- 10.3. The historical financial information of Billion Asset Managers and Billion Property Services in respect of the six months ended 29 February 2016 and the years ended 31 August 2015, 31 August 2014 and 31 August 2013 are the responsibility of the directors of Rebosis and have been prepared in accordance with IFRS and the SAICA Financial Reporting Guides and the company's accounting policies.
- 10.4. There have been no material changes in the historical financial information referred to in paragraphs 10.1 and 10.2 above since publication and the last practicable date of the circular.

## **11. OPINION AND RECOMMENDATION**

- 11.1. The board, following due consideration of *inter alia* the fairness report of the independent expert, is of the opinion that the transaction is beneficial and fair insofar as the shareholders of Rebosis are concerned and, accordingly, recommends that Rebosis shareholders vote in favour of the resolutions to be proposed at the general meeting.
- 11.2. Other than Sisa Ngebulana and Jaco Odendaal and their associates who are precluded from voting, those directors who hold a beneficial interest in Rebosis shares, intend voting in favour of all resolutions to be proposed at the general meeting.

## **12. GENERAL MEETING**

- 12.1. A general meeting of Rebosis shareholders will be held at 10:00 on Monday, 3 October 2016 at the registered office of the company at 3<sup>rd</sup> Floor, Palazzo Towers West, Montecasino Boulevard, Fourways, 2191 for shareholders to consider and, if deemed fit, pass with or without modification the resolutions set out in the notice of general meeting of shareholders attached to this circular.
- 12.2. Details of the actions required by Rebosis shareholders are set out on page 7 of this circular.

## SECTION TWO: PROPERTY INFORMATION

### 13. THE SHOPPING CENTRES

The shopping centres are valued at R4.526 billion as at 31 August 2016 with a GLA of 162 800m<sup>2</sup>. Property specific details of the shopping centres are set out in **Annexure 11**. Set out below is a brief description of each shopping centre and an analysis of the shopping centres on a portfolio basis.

#### 13.1. Brief description of the shopping centres

##### 13.1.1. *Forest Hill City*

13.1.1.1. Forest Hill City, located in Centurion, opened on 29 May 2014 and is an A-grade regional shopping centre. It offers c. 72 811m<sup>2</sup> of retail shopping tenanted by large international brands and major national retailers, with parking to accommodate c.4 200 vehicles. The shopping centre is distinguished by its 250-store retail variety and unique leisure experience. Its flagship stores include Woolworths, Checkers Hyper, Pick 'n Pay, Foschini, Truworths, Mr Price and Edgars, amongst others. With a strong fashion line-up, it features designer boutiques and popular clothing stores. Complementing its strong retail mix, it also offers a convenient fast-food court and fine-dining restaurants. Its unparalleled entertainment includes an Olympic-size indoor ice rink, heated wave pool, ten-pin bowling alley, bumper cars and a state-of-the-art games arcade.

13.1.1.2. Forest Hill City is well connected to public infrastructure and supports quality lifestyles. It has outstanding visibility along the N14 highway and superb access on the corner of the R55 and the N14 highway. The shopping centre enjoys excellent proximity to the major business hubs of Pretoria and Johannesburg and quick access to the popular transportation nodes of Lanseria International Airport (c.15 minutes) and Centurion Gautrain Station (c.10 minutes). It is also a short drive away from both Loftus Versfeld Stadium and SuperSport Park Stadium.

##### 13.1.2. *Baywest Mall*

13.1.2.1. Baywest Mall, which opened on 21 May 2015, is an A-grade regional shopping centre that offers c.89 989m<sup>2</sup> of modern, safe shopping in Port Elizabeth. Its retail mix includes a wide variety of international brands, major national retailers, a food court, diverse entertainment and various service offerings. Its anchor stores include Woolworths, Checkers, Pick n Pay, Game and Mr Price, amongst others. It has parking for c.3 302 vehicles.

13.1.2.2. The shopping centre is equipped with cutting-edge technology including an entertainment fun factory offering the only Olympic-sized ice rink in the Eastern Cape, IMAX and Cine Prestige theatres, ten-pin bowling alley, a high-tech games arcade and superfast Wi-Fi.

13.1.2.3. Baywest Mall is located along the N2 highway. The on and off ramps from the N2 highway lead directly into the shopping centre, making its accessibility effortless. It is a short drive away from the Nelson Mandela Bay Stadium and the Port Elizabeth Harbour.

#### 13.2. Analysis of the shopping centres on a portfolio basis

An analysis of the property portfolio in respect of geographic, sectoral, vacancy, tenant and lease expiry profiles as at 31 August 2016 is provided in the tables below. Basic rentals have been extracted from the forecast statements of comprehensive income as set out in **Annexure 2**.

##### 13.2.1. *Geographic profile*

	Based on GLA	Based on gross rentals
Gauteng	45%	46%
Eastern Cape	55%	54%
<b>Total</b>	<b>100%</b>	<b>100%</b>

### 13.2.2. Sectoral profile

The properties are classified in the retail sector.

### 13.2.3. Tenant profile

	Based on GLA	Based on gross rentals
A	80%	66%
B	17%	28%
C	3%	6%
<b>Total</b>	<b>100%</b>	<b>100%</b>

For the tenant profile table, the following key is applicable:

- A. Large international and national tenants, large listed tenants and government or smaller tenants in respect of which rental guarantees are issued. These include, *inter alia*, Woolworths, Game, Pick n Pay, Truworths, Foschini Group, Edcon Group, Mr Price Group and Shoprite.
- B. Smaller international and national tenants, smaller listed tenants, major franchisees and medium to large professional firms. These include, *inter alia*, Flight Center, Essops, Babyboomers, Happy Me, Levisons, Cardies, PNA, Melissas.
- C. Other local tenants and sole proprietors. This comprises approximately 25 tenants.

### 13.2.4. Vacancy profile

Based on existing leases, the portfolio has an aggregate vacancy of 9 697m<sup>2</sup> which represent 6.0% of the total GLA.

### 13.2.5. Lease expiry profile

To 31 August	Based on GLA	Based on GR
Vacancy	6.0%	-
Monthly	0.0%	0.0%
2015	0.0%	0.1%
2016	2.1%	4.4%
2017	1.6%	2.9%
2018	9.4%	12.5%
2019	27.8%	39.7%
> 2020	53.1%	40.4%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

GR - gross rental income from existing leases for the twelve month period to 31 August 2017. Gross rental income consists of the total rental payable by tenants including operating cost recoveries, marketing recoveries and rates recoveries.

### 13.2.6. Rental escalations

The weighted average basic rental escalation by GLA for the period ending 31 August 2017 is 6.6%.

### 13.2.7. Rental per square metre

The weighted average gross rental per square metre for the twelve month period to 31 August 2017 is R181.38.

### 13.2.8. Average annualised yield

The average annualised property yield, calculated as the net property income for the shopping centres for the twelve month period to 31 August 2017 divided by the consideration payable, is 7.8%.

### 13.2.9. Additional property and illustrative financial information (as announced on SENS on 13 July 2016)

The additional property and financial information set out below provides further illustrative financial metrics on the shopping centres that are to be acquired as part of the transaction for the twelve month period to 31 August 2017. The information is not *pro forma* financial information and is provided for illustrative purposes only. This illustrative financial information is the responsibility of the directors of Reboasis and has not been reviewed or reported on by Reboasis' auditors.

	Forest Hill City	Baywest Mall	Total
<b>Weighted average gross rental income per m<sup>2</sup></b>			
Base rental income	R176.7	R157.8	R166.2
Marketing recovery	R2.9	R2.2	R2.5
Operating cost recovery	R0.2	R9.2	R5.2
Other tenant recoveries	R1.0	R0.8	R0.9
Utility recoveries (excl. electricity and water)	R5.9	R7.0	R6.5
<b>Gross rental income per m<sup>2</sup></b>	<b>R186.8</b>	<b>R177.0</b>	<b>R181.4</b>
Advertising income	R1.1	R1.4	R1.2
Parking income	R10.7	R8.4	R9.4
Other municipal recoveries	R39.0	R69.6	R55.9
Sundry income	R0.7	R1.4	R1.1
Property expenses	(R58.8)	(R88.8)	(R75.4)
<b>Net property income per m<sup>2</sup></b>	<b>R179.4</b>	<b>R169.0</b>	<b>R173.7</b>

The additional financial information set out below provides further illustrative financial metrics on the BAM and BPS entities that are to be acquired as part of the transaction for the twelve month period to 31 August 2017. The information is not *pro forma* financial information and is provided for illustrative purposes only. This illustrative financial information is the responsibility of the directors of Rebosis and has not been reviewed or reported on by Rebosis' auditors.

R'000	BAM	BPS	Total
Net income for the 12 months to 31 August 2017* <sup>^</sup> (R'm)	R38.7	R27.7	R66.4
Consideration (R'm)	R360.0	R209.0	R569.0
Yield (before consolidation adjustments)*	10.7%	13.3%	11.7%

\* Net income and yield shown before elimination on consolidation of asset management fees of R14.3 million charged by BAM on Forest Hill City and Baywest Mall

<sup>^</sup> Net income from BAM and BPS include revenue to be earned from BT Ngebs shopping centre. BAM is in the process of finalising a contractual agreement with Billion and other owners of this centre to provide both asset management and property management services for this shopping centre. There will be defined contractual terms with adequate notice incorporated into the contract.

#### 14. VALUATION REPORTS

- 14.1. The shopping centres were valued by Mike Gibbons of Mills Fitchet, who is an independent registered professional valuer in terms of the Property Valuers Profession Act, No 47 of 2000.
- 14.2. Detailed valuation reports have been prepared in respect of each of the properties and will available for inspection, further details of which is set out in paragraph 36. The summary of the detailed valuation reports has been incorporated by reference in terms of paragraph 11.61 of the Listings Requirements and are available on the company's website at the following link: <http://rebosis.co.za/rebosis-summary-valuation-report-final/>.

#### 15. TARGET COMPANY SHAREHOLDERS

- 15.1. Details of the target company shareholders (who are deemed to be the vendors for purposes of the JSE Listings Requirements) are set out in **Annexure 12**.
- 15.2. The target company shareholders have not guaranteed the book debts. The transaction agreements contains warranties which are considered appropriate for transactions of this nature.
- 15.3. The transaction agreements do not preclude the target company shareholders from carrying on business in competition with the company nor do the transaction agreements impose any other restrictions on the target company shareholders and therefore no payment in cash or otherwise has been made in this regard. However, the transaction agreements in respect of the service businesses require the relevant target company shareholders to procure appropriate retention and non-compete arrangements with key staff, including Sisa Ngebulana.
- 15.4. There are no liabilities for accrued taxation that are required to be settled in terms of the transaction agreements.
- 15.5. The total amount payable in respect of the transaction is an amount of R4.934 billion. As set out in **Annexure 4** management's current estimate of the fair values of assets and liabilities acquired is R4.44 billion, with the resultant recognition of goodwill of R488.0 million. Finalisation of the purchase price allocation will be performed within the time period allowed for in IFRS3: Business Combinations, being 12 months from the acquisition date.
- 15.6. Other than Sisa Ngebulana's and Jaco Odendaal's interests in the target company shareholders and the directors who hold Rebosis shares, no other director or promoter of Rebosis (or any partnership, syndicate or other association in which a promoter or director had an interest) has any beneficial interest, direct or indirect in the transaction.
- 15.7. No cash or securities have been paid or benefit given within the three preceding years of this circular or is proposed to be paid or given to any promoter (not being a director).
- 15.8. The shares of the target companies to be acquired in terms of the transaction have not been issued to Rebosis and have not to the knowledge of Rebosis, been ceded or pledged, save for pledges which will be released as part of the transaction.

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## SECTION THREE: ADDITIONAL MATERIAL INFORMATION

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### 16. HISTORY AND NATURE OF BUSINESS

- 16.1. Rebosis was established by Billion in 2010 and on 17 May 2011 became the first black-managed and substantially black-held property fund to be listed on the JSE. On 24 July 2013 Rebosis was approved as a REIT.
- 16.2. The company has a diversified property portfolio comprising retail, office and industrial properties in Gauteng, the Eastern Cape, KwaZulu-Natal and North West.
- 16.3. The retail portfolio comprises four high quality regional shopping malls underpinned by strong anchor and national tenants.
- 16.4. The office portfolio consists of 15 buildings which are well located in nodes attractive to government tenants. These are mainly single tenanted buildings let to the National Department of Public Works under long leases. The office portfolio represents a sovereign underpin to a substantial portion of the earnings and shields it from private sector risks such as tenant insolvency and default.
- 16.5. The company's only industrial property is a specialised single tenanted industrial warehouse located in Selby, Johannesburg, occupied under a triple net lease which is expiring in December 2019. The lease underpinned by the international parent company which is listed on Euronext Paris.
- 16.6. The company further owns 100% of the Ascension Asset Management and has controlling holdings in Ascension and New Frontier, the latter a company with retail assets in the United Kingdom.

### 17. STRATEGY

- 17.1. Rebosis' growth strategy forms the basis for the company's integrated thinking and reporting.
- 17.2. Rebosis' core strategic objective is to be a retail-biased fund focused on well-located retail, office and industrial properties yielding strong, secure income and high capital returns.
- 17.3. The long-term intention is to position Rebosis as one of the fastest growing investment funds in South Africa in terms of both value and return on investment, by:
  - 17.3.1. securing long term office leases with national government tenants;
  - 17.3.2. growing the portfolio through further acquisitions;
  - 17.3.3. investing in regional shopping centres at early stages of maturity; and
  - 17.3.4. leveraging the relationship with Billion to acquire properties from the significant development pipeline of Billion.
- 17.4. Rebosis' acquisition strategy is well thought-out with clearly defined investment criteria:
  - 17.4.1. Retail

Shopping centres not replicable in their respective catchment areas; >20 000m<sup>2</sup> or valued >R250 million.
  - 17.4.2. Offices

Preferably large single tenant buildings under long leases; >10 000m<sup>2</sup> or valued >R100 million.
  - 17.4.3. Industrial

Large, single tenanted industrial warehouses; >10 000m<sup>2</sup> or valued >R80 million.

## 18. PROSPECTS

- 18.1. While the board recognises the constraints and challenges impacting on the South African economy at present and going forward, excellent tenant performance and close management of operating costs will continue to support growth of the overall portfolio and its returns for shareholders.
- 18.2. Rebosis' acquisition of the assets and service businesses compliments the strategy of the company in growing into a retail biased fund. This transaction is a fantastic opportunity for Rebosis to continue growing into a formidable property company in the related sector and for management's related extensive experience to grow and enhance the profitability of the company for shareholders. The following items highlights the key benefits of this transaction:
- 18.2.1. enhanced scale which will bring improved liquidity to shareholders;
  - 18.2.2. retail focus fund with improved quality of portfolio;
  - 18.2.3. internalised management business offering an alignment of interests; and
  - 18.2.4. enabling the provision of share incentives for management and staff.

## 19. DIRECTORS OF REBOSIS

- 19.1. The board is currently made up of 7 directors of whom 5 are independent non-executive and 2 are executive.
- 19.2. The full names, ages, business addresses, qualifications, positions and experience of the directors of the company are outlined below:

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<b>Name and age</b>	<b>Anna Mokgokong (59)</b>
<b>Business address</b>	First Floor, Block 1, Atterbury Estate, 19 Frikkie de Beer Street, Menlyn 0181, Pretoria
<b>Qualification</b>	BSc, MBChB
<b>Position</b>	Independent non-executive chairperson
<b>Experience</b>	Born in Soweto and raised in Swaziland, Dr Mokgokong has achieved international acclaim for her entrepreneurial ability and in 1999 received the South African Businesswoman of the Year Award. She is a former president of both the South African Woman Entrepreneurs Network and the International Women's Forum of South Africa. She serves on the boards of numerous listed and private companies, both local and international. She is one of the founder members and group executive chairperson of Community Investment Holdings Proprietary Limited, a leading black empowerment company. Anna formerly chaired the Council of the University of South Africa and served on the Commission for the Remuneration of Public Office Bearers, where she was the deputy chairperson. She was also formerly appointed to serve as a member of the Interim Defence Force Commission. Anna is an independent non-executive director of Shoprite Holdings Limited and Adcock Ingram Holdings Limited and is further chairperson of Jasco Electronics Limited and Afrocentric Investment Corporation.

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<b>Name and age</b>	<b>Sisa Ngebulana (50)</b>
<b>Business address</b>	3rd Floor, Palazzo Towers West, Montecasino Boulevard, Fourways
<b>Qualification</b>	BJuris, LLB, LLM
<b>Position</b>	Chief executive officer
<b>Experience</b>	Sisa founded the Billion in 1998 and Rebosis in 2010. Sisa has won various awards: Entrepreneur of the Year Award (2006), Pioneer award (2014), African Business Excellence (2014). An admitted attorney of the High Court of South Africa, he practised with Jan S de Villiers Attorneys in commercial litigation before joining Eskom for seven years as legal counsel specialising in property and finance. He is a past president of the South African Council of Shopping Centres, and has been a director of the Attfund group, Truworths International and the Construction Industry Development Board. Sisa has single handedly developed a number of regional shopping malls in South Africa, including Hemingways Mall, Forest Hill City, Mdantsane City, B.T. NGebs City and with Abacus Holdings, Bay West Mall.

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<b>Name and age</b>	<b>Kameel Keshav (36)</b>
<b>Business address</b>	3rd Floor, Palazzo Towers West, Montecasino Boulevard, Fourways
<b>Qualification</b>	BCom, HDip.Acc, CA(SA)
<b>Position</b>	Chief financial officer
<b>Experience</b>	Kameel is a qualified chartered accountant. He has diverse experience that extends across the Financial Services, Consulting, FMCG and Mining industries all with global listed entities. A large component of this experience extends to direct functional responsibility across Africa, Middle East and Continental Europe. He brings a strong focus on institutional controls, financial and risk management, reporting and corporate governance to Rebosis as well as extensive commercial, strategic and business development experience. Kameel has also always had a strong commitment to transformation and diversity in the workplace having obtained course certification from an International US University in this field.
<b>Name and age</b>	<b>Andile Mazwai (44)</b>
<b>Business address</b>	42 Haswell Street, Oaklands, Johannesburg 2192
<b>Qualification</b>	BCom (Hons), Stockbroker
<b>Position</b>	Independent non-executive director
<b>Experience</b>	Andile is the chief executive officer of the National Stokvel Association of South Africa and non-executive director of the JSE. He was formally chief executive officer of Barnard Jacobs Mellet Holdings, before it was acquired by First National Bank in 2011.
<b>Name and age</b>	<b>Jaco Odendaal (56)</b>
<b>Business address</b>	15 Piet Retief Street, Stellenbosch
<b>Qualification</b>	Personal Management Diploma
<b>Position</b>	Independent non-executive director
<b>Experience</b>	Jaco successfully managed his own property development and leasing company for ten years before being offered a position as chief executive officer at Colliers International in 1997, where he was responsible for retail and property development in the Western Cape. In 2002 Jaco headed up a number of developments, notably the Cape Gate Precinct in joint venture with Hartwig Trust. In 2005 he co-founded Abacus Asset Management and is currently involved in various other developments, namely the award-winning Mooirivier Mall in Potchefstroom as well as the Matlosana Mall in Klerksdorp.
<b>Name and age</b>	<b>Thabo Seopa (52)</b>
<b>Business address</b>	Block F, 24 South Boulevard, Bruma, 2196
<b>Qualification</b>	B.Acc, HDip Tax, MDP
<b>Position</b>	Independent non-executive director
<b>Experience</b>	Thabo is the managing director of Trudon Proprietary Limited. Prior to this he spent over seven years as an investment banker with HSBC and UBS in corporate finance and mergers and acquisitions. He was also a member of the South African Institute of Stock Brokers, a member of the audit committee of Johannesburg Property Company and a director of Barnard Jacobs Mellet Holdings. Thabo currently serves as a trustee for the Red Cross Children's Hospital Foundation and is chairman of Pridwin School.
<b>Name and age</b>	<b>Nomfundo Qangule (48)</b>
<b>Business address</b>	92 Dale Road, President Park, Midrand
<b>Qualification</b>	BCom, BCom (Hons), CTA, CA(SA), CAIB (SA)
<b>Position</b>	Independent non-executive director
<b>Experience</b>	She is a qualified chartered accountant. Nomfundo has extensive experience in banking and private equity and was previously the chief financial officer of Harmony Gold Limited. She served on the UNISA Foundation and she is a non-executive director of Afrocentric Health Limited, Afrox Limited, Nozala Investments and Hans Merensky (Proprietary) Limited. She is a audit committee member of these companies. Previously she has been a non-executive director of numerous companies including Spescom Limited, Royale Energy Limited, Armgold (Proprietary) Limited amongst others.

All of the directors are South African nationals

## 20. DIRECTORS' EMOLUMENTS

20.1. The proposed transaction does not result in any changes to the remuneration payable to directors in the form of:

- 20.1.1. fees for services as a director;
- 20.1.2. 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;
- 20.1.3. basic salaries;
- 20.1.4. bonuses and performance-related payments;
- 20.1.5. sums paid by way of expense allowance;
- 20.1.6. any other material benefits received;
- 20.1.7. contributions paid under any pension scheme;
- 20.1.8. any commission, gain or profit-sharing arrangements;
- 20.1.9. any share options or any other right has been given to a director in respect of providing a right to subscribe for Rebosis shares; or
- 20.1.10. any shares issued and allotted in terms of a share purchase/option scheme for employees.
- 20.1.11. Billion intends establishing a share incentive plan which has a total value of R140 million for certain key employees of Rebosis. The purpose of the share incentive plan is to attract and retain employees who are regarded by Billion to be important to the future growth and sustainability of the Rebosis business. 25% of the shares will vest for each completed year of service.

Name	Date of issue	Rand value
Kameel Keshav	01-Oct-16	20 000 000
Other employees	01-Oct-16	120 000 000
<b>Total</b>		<b>140 000 000</b>

20.2 The executive directors are currently remunerated by Billion Asset Managers. The directors' fees of non-executive directors are payable by Rebosis. Sisa Ngebulana is a trustee and beneficiary of the Amatolo Family Trust, which owns 100% of the share capital of Billion and Billion Asset Managers. Billion Property Services is a wholly-owned subsidiary of Billion. Accordingly, Sisa Ngebulana has an indirect interest in any and all amounts paid to and transactions entered into by Rebosis which result in amounts becoming payable to Billion Asset Managers and Billion Property Services. Other than this, the directors did not receive any remuneration or benefit in any form from any subsidiary, joint venture or other third party management or advisory company. Post the implementation of the transaction, the executive directors will be remunerated by Rebosis.

20.3. The company has not entered into any contracts relating to the directors' and managerial remuneration, secretarial and technical fees and restraint payments.

## 21. DIRECTORS' INTERESTS

### 21.1. Directors' interests in Rebosis shares

21.1.1. Set out below are the interests of directors in the company as at the 31 August 2015, being the end of the preceding financial year. This includes the interest of persons who are no longer directors, but resigned during the last 18 months. Direct and indirect beneficial interests are disclosed. In addition, interests of associates of directors, where the director has no beneficial interest, are separately disclosed (this relates principally to the holdings of spouse and minor children):

Shares	Beneficial		Non-beneficial	Total	%
	Direct	Indirect	Associates		
Sisa Ngebulana	-	36 571 937	-	36 571 937	8.43
Kameel Keshav <sup>^</sup>	-	-	-	-	-
Andile Mazwai	-	678 115	-	678 115	0.16
Anna Mokgokong	-	-	-	-	-
Jaco Odendaal	-	-	-	-	-
Nomfundo Qangule	-	-	-	-	-
Ken Reynolds *	36 988	-	-	36 988	0.01
Thabo Seopa	-	-	-	-	-
Sindiswa Zilwa <sup>~</sup>	-	12 130	-	12 130	-
<b>Total</b>	<b>36 988</b>	<b>37 262 182</b>	<b>-</b>	<b>37 299 170</b>	<b>8.59</b>

<sup>^</sup> Appointed with effect from 1 December 2014.

<sup>~</sup> Resigned with effect from 18 March 2015.

\* Resigned with effect from 13 April 2016.

21.1.2. Other than as set out below, there have been no changes to interests of the directors of Reboasis in Reboasis shares between 31 August 2015 and the last practicable date.

21.1.2.1. Sisa Ngebulana, through his various associates being Cytodox (Pty) Ltd, Razonex (Pty) Ltd and the Amatolo Family Trust sold 14 042 669 Reboasis shares; and

21.1.2.2. Andile Mazwai, through his associate Snowy Owl Properties 299 (Pty) Ltd sold 250 000 Reboasis shares.

## 21.2. Interests of Billion Asset Managers and its directors in Reboasis shares

Other than Sisa Ngebulana, who is also a director of Billion Asset Managers, neither Billion Asset Managers nor any of its other directors has any beneficial interest, directly or indirectly, in the share capital of Reboasis as at the last practicable date.

## 21.3. Directors' interests in transactions

Save for paragraph 6.1 and paragraph 6.2 above, paragraph 20.1.11 above and the directors' interests in Reboasis shares, as set out in paragraph 21.1.1 above, none of the directors of Reboasis, including a director who resigned during the last 18 months, has or had any material beneficial interest, direct or indirect, in transactions that were effected by Reboasis during the current or immediately preceding financial year or during any earlier financial year and which remain in any respect outstanding or unperformed.

## 21.4. Interests of Billion Asset Managers and its directors in transactions

21.4.1. Sisa Ngebulana is a trustee and beneficiary of the Amatolo Family Trust, which owns 100% of the share capital of Billion and Billion Asset Managers. Billion Property Services is a wholly-owned subsidiary of Billion. Accordingly, Sisa Ngebulana has an indirect interest in any and all amounts paid to Reboasis and transactions entered into by Reboasis which result in amounts becoming payable to Billion Asset Managers and Billion Property Services.

21.4.2. Save for paragraph 21.4.1 above, neither Billion Asset Managers nor any of its other directors, including a director who resigned during the last 18 months, has or had any material beneficial interest, direct or indirect, in transactions that were effected by Reboasis during the current or immediately preceding financial year or during any earlier financial year and which remain in any respect outstanding or unperformed.

## 22. ASSET MANAGEMENT

The asset management of the Reboasis property portfolio is undertaken by Billion Asset Managers. The salient features of the Billion asset management agreement are set out in **Annexure 13**. The Billion asset management agreement will be available for inspection in terms of paragraph 36.

In terms of the agreement entered into between Ascension, Ascension Asset Managers and Billion Asset Managers dated 3 February 2014, the asset management of the Ascension property portfolio in terms of the Ascension asset management agreement salient details of which are set out in **Annexure 13**, has been outsourced to Billion Asset Managers. The Ascension asset management agreement will be available for inspection in terms of paragraph 36.

### 22.1. Billion Asset Managers

22.1.1. The directors of Billion Asset Managers are Sisa Ngebulana, Kameel Keshav, Nigel Adriaanse, Vuyokazi Njongwe and Mande Ndema. Their full names, ages, business addresses, qualifications, position and experience are outlined below:

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<b>Name and age</b>	<b>Sisa Ngebulana (50)</b>
Refer to paragraph 19.2 above.	

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<b>Name and age</b>	<b>Kameel Keshav (36)</b>
Refer to paragraph 19.2 above.	

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<b>Name and age</b>	<b>Nigel Adriaanse (46)</b>
Business address	3rd Floor, Palazzo Towers West, Montecasino Boulevard, Fourways
Qualification	B.Com (Accounting)
Position	Director of operations for Billion Asset Managers
Experience	Nigel is the director of operations for Billion Asset Managers. He has over 14 year's industry experience across a wide range of sectors within the property industry. Having worked in several industries as a business development and BEE consultant he embarked on a career in property by joining JHI as a property and financial manager looking after several portfolios in the Western Cape and Gauteng. Subsequently he moved to Old Mutual Properties' retail division as financial manager in Gauteng before moving to the new business development division where he gained valuable experience helping to develop new opportunities previously uncharted in the South African retail sector. After joining African Alliance Properties as a commercial asset manager he helped the company to grow to a substantial fund and helped the management team in listing the company during 2012 under the name Ascension Properties Limited and was appointed senior asset manager.
<b>Name and age</b>	<b>Vuyokazi Njongwe (43)</b>
Business address	3rd Floor, Palazzo Towers West, Montecasino Boulevard, Fourways
Qualification	B Juris, LLB
Position	Corporate affairs executive
Experience	Vuyokazi holds a B Juris and an LLB Honours Law Degree from the University of the Western Cape. She is an admitted attorney and Notary Public of the High Court of South Africa. She practised as an attorney at Sonnenberg Hoffman Galombik in Cape Town, specialising in property, insurance litigation, commercial litigation and general commercial matters. Vuyokazi thereafter worked for FNB Corporate where she gained experience in various departments. Through FNB Corporate she earned her experience in international trade financing, debt restructuring, tailoring various finance products, property finance as well as business development and client portfolio management. Vuyokazi joined Billion as Legal Counsel and is now a full-time Director at Billion. She is now responsible for various property developments within Billion.
<b>Name and age</b>	<b>Mande Ndema (42)</b>
Business address	3rd Floor, Palazzo Towers West, Montecasino Boulevard, Fourways
Qualification	BSocSc, LLB, PMD (GIBS), Certificate in Property Investment & Practise, Post Graduate Diploma in Marketing & Supply Chain Management
Position	Company secretary
Experience	Mande is an admitted attorney of the High Court of South Africa having specialised in commercial law. He now specialises in all aspects of corporate governance as a company secretary and is responsible for the flow of information to the Board and its committees and ensuring compliance with Board procedures, legislation and regulations. Mande also holds a certificate in Property Investment and Practice from the University of the Witwatersrand.

22.1.2. The business address of Billion Asset Managers is 3rd Floor, Palazzo Towers West, Montecasino Boulevard, Fourways, 2191.

22.1.3. Billion Asset Managers is wholly-owned by the Amatolo Family Trust. Sisa Ngebulana is a beneficiary of the Amatolo Family Trust which owns 4.25% of the shares in Rebois. Pursuant to the Billion Asset Management transaction as set out in paragraph 3 of **Annexure 14**, Billion Asset Managers will be a wholly-owned subsidiary of Billion prior to the transaction.

- 22.1.4. Other than the asset management services provided to Ascension pursuant to the Ascension outsourcing agreement, Billion Asset Managers do not provide asset management services to any other listed entity.
- 22.1.5. Post the implementation of the transaction Billion Asset Managers will become a wholly-owned subsidiary of Rebosis and the asset management function will effectively have been internalised.
- 22.1.6. Billion Asset Managers will enter into the Mthatha Mall asset management agreement in terms of which Billion Asset Managers will provide asset management services to Mthatha Mall. The salient details of the Mthatha Mall asset management agreement have been included in **Annexure 13** and will be available for inspection in terms of paragraph 36.

### 23. PROPERTY MANAGEMENT

Billion Property Services has been appointed to provide property management services in respect of the Rebosis property portfolio and the Ascension property portfolio. The property management agreement will be available for inspection in terms of paragraph 36 below.

- 23.1. The property management duties include, *inter alia*, screening of new tenants negotiation of renewal of existing leases, drawing up agreements of lease, control, management, maintenance and repair of Rebosis' properties, carrying out regular inspections of Rebosis' properties, marketing of vacant areas, maintenance of the properties, ensuring continuous supply of, *inter alia*, water, electricity, security, cleaning, sewerage and drainage, co-ordination and project management of any developments and/or refurbishments and property accounting.
- 23.2. The directors of Billion Property Services are Sisa Ngebulana, Nigel Adriaanse, Vuyokazi Njongwe and Rachel Klaasen.
- 23.3. The business address of Billion Property Services is 3rd Floor, Palazzo Towers West, Montecasino Boulevard, Fourways, 2191.
- 23.4. Billion Property Services is wholly-owned by Billion which in turn is wholly-owned by the Amatolo Family Trust. Sisa Ngebulana is a beneficiary of the Amatolo Family Trust which currently owns 4.25% of the shares in Rebosis.
- 23.5. Post the implementation of the transaction Billion Property Services will become a wholly-owned subsidiary of Rebosis and the property management function will effectively have been internalised.
- 23.6. Billion Property Services will enter into the Mthatha Mall property management agreement in terms of which Billion Property Services will provide property management services to Mthatha Mall. The Mthatha Mall property management agreement will be available for inspection in terms of paragraph 36.

### 24. SHARE CAPITAL

- 24.1. The share capital of Rebosis before the transaction is set out below:

	<b>R'000</b>
<b>Authorised share capital</b>	
5 000 000 000 ordinary shares of no par value	-
54 330 000 A ordinary shares of no par value	-
<b>Issued share capital</b>	
530 178 149 ordinary shares of no par value	5 473 885
<i>less</i> 2 372 911 treasury shares	-
<b>Total</b>	<b>5 473 885</b>

- 24.3. Assuming successful implementation of the transaction, the anticipated share capital of Rebosis after the transaction is set out below:

	<b>R'000</b>
<b>Authorised share capital</b>	
5 000 000 000 ordinary shares of no par value	-
54 330 000 A ordinary shares of no par value	-
<b>Issued share capital</b>	
648 714 773 ordinary shares of no par value	6 772 679
<i>less</i> 2 372 911 treasury shares	-
<b>Total</b>	<b>6 722 679</b>

## 25. MAJOR AND CONTROLLING SHAREHOLDERS

25.1. Set out below are the names of shareholders, other than directors who, directly or indirectly, are beneficially interested in 5% or more of the issued shares of Rebosis as at 19 August 2016.

Name of shareholder	Number of shares	%
Government Employees Pension Fund	118 810 133	22.41
Arrowhead Properties Ltd	77 182 993	14.56
Coronation Fund Managers	48 065 747	9.07
STANLIB	39 059 838	7.37
Sanlam	28 168 435	5.31
<b>Total</b>	<b>311 287 146</b>	<b>58.71</b>

25.3. During the last five years the company has not had a controlling shareholder, and there have been no changes in this regard.

## 26. RELATIONSHIP INFORMATION

26.1. Sisa Ngebulana is a beneficiary of the Amatolo Family Trust, the holder of 100% of the share capital of Billion and Billion Asset Managers and through Billion, Billion Property Services.

26.2. Jaco Odendaal is a trustee and major beneficiary of the Abacus Trust, which owns 100% of the share capital of Abacus, which owns 50% of the share capital of Baywest.

26.3. Other than paragraph 26.1 and paragraph 26.2 above, none of the other directors, the promoters, the asset manager or the property manager, have any beneficial interests, direct or indirect, in relation to any property held or property to be acquired by the company nor are they contracted to become a tenant of any part of the property of the company.

26.4. Other than paragraph 26.1 and paragraph 26.2 above, there is no relationship between any parties mentioned in paragraph 26.1 and paragraph 26.2 above and another person that may conflict with a duty to the group.

26.5. Other than Sisa Ngebulana who is a director of Rebosis and also a director of Billion Asset Managers, and who holds an indirect interest in Billion Asset Managers, neither Billion Asset Managers, nor any of its other directors have any beneficial interest, direct or indirect, in any securities or participatory interests to be issued by Rebosis in order to finance the acquisition of any properties in the Rebosis property portfolio.

26.6. Other than Sisa Ngebulana who is a director of Rebosis and also a director of Billion Property Services, and who holds an indirect interest in Billion Property Services, neither Billion Property Services, nor any of its other directors have any beneficial interest, direct or indirect, in any securities or participatory interests to be issued by Rebosis in order to finance the acquisition of any properties in the Rebosis property portfolio.

26.7. Other than Billion and Abacus, which in their capacities as underwriters, the target company shareholders do not have any beneficial interest, direct or indirect, in any securities or participatory interests to be issued by Rebosis in order to finance the acquisition of any properties in the Rebosis property portfolio.

26.8. Other than paragraph 26.1 and paragraph 26.2 above, the directors of Rebosis, the directors of Billion Asset Managers, the directors of Billion Property Services and the promoters have not had a material beneficial interest, whether directly or indirectly, in the acquisition or disposal of any properties of the company during the preceding two years.

## 27. MATERIAL CONTRACTS

Save for those contracts set out in **Annexure 13** and **Annexure 14**, the target companies have not entered into any other material contract either verbally or in writing, being restrictive funding arrangements and/or contracts entered into otherwise than in the ordinary course of the business carried on, or proposed to be carried on, entered into within the two years prior to the date of the circular; or entered into at any time and containing an obligation or settlement that is material to any of the target companies at the date of the circular.

## **28. MATERIAL CHANGES**

Save for the transaction -

- 28.1. there have been no material changes in the financial or trading position of the Rebosis group since Rebosis published its results for the six months ended 29 February 2016 and the date of the circular;
- 28.2. there have been no material changes in the financial or trading position of any of the target companies, since the target companies published its audited results for the period ended 29 February 2016 and the date of the circular; and
- 28.3. there has been no change in the business or trading objects of Rebosis during the past five years.

## **29. MATERIAL BORROWINGS**

- 29.1. Details of material loans made to the Rebosis group and the target companies are set out in **Annexure 15**.
- 29.2. None of the material borrowings listed in **Annexure 15** have any redemption or conversion rights attaching to them.

## **30. PRICE AND VOLUME HISTORY OF REBOSIS SHARES ON THE JSE**

A table of the aggregate volumes and values traded and the highest and lowest prices traded in Rebosis shares for each month over the 12 months prior to the date of issue of the circular and for each day over the 30 days preceding the last practicable date prior to the date of the circular is set out in **Annexure 16** of the circular.

## **31. ADEQUACY OF CAPITAL**

The directors have considered the effects of the transaction and are of the opinion that the working capital available to the Rebosis group is sufficient for the group's present requirements, that is, for at least the next 12 months from the date of issue of this circular.

## **32. LITIGATION STATEMENT**

- 32.1. There are no legal or arbitration proceedings which may have, or have during the 12 months preceding the date of this circular, had a material effect on the financial position of the Rebosis group. Rebosis is not aware of any other proceedings that would have a material effect on the financial position of the Rebosis group or which are pending or threatened against the Rebosis group.
- 32.2. There are no legal or arbitration proceedings which may have, or have during the 12 months preceding the date of this circular, had a material effect on the financial position of the target companies. The target companies are not aware of any other proceedings that would have a material effect on the financial position of the target companies or which are pending or threatened against the target companies.

## **33. DIRECTORS' RESPONSIBILITY STATEMENT**

The directors, whose names are set out in paragraph 19 above of this circular, collectively and individually, accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts the omission of which would make any statement false or misleading and that they have made all reasonable enquiries to ascertain such facts and that this circular contains all information required by law and the Listings Requirements.

## **34. CONSENTS**

- 34.1. Each of the corporate advisors, the sponsor, the independent reporting accountants, the competition law advisors, the underwriters, the independent property valuer, the legal advisor, the independent expert and the transfer secretaries have consented in writing to act in the capacities stated and to their names appearing in this circular and have not withdrawn their consent prior to the publication of this circular.
- 34.2. The independent reporting accountants, the independent expert and independent property valuer have consented to the inclusion of their reports in the form and context in which they are included in the circular, which consents have not been withdrawn prior to the publication of this circular.

### 35. PRELIMINARY EXPENSES AND ISSUE EXPENSES

The estimated preliminary and issue expenses (excluding VAT) relating to the transaction which have been incurred by Rebosis or that are expected to be incurred are presented in the table below.

Advisor	Payable to	Rand
Corporate advisor and sponsor fees	Java Capital	10 180 000
Capital raising fees	Java Capital	19 481 908
Corporate advisor and investment bank fees	Nedbank	3 000 000
Capital raising fees	Nedbank	2 364 819
Legal advisor fees	Cliffe Dekker	1 000 000
Due diligence fees	Bergstan South Africa	386 350
Competition law advisor fees	Baker & McKenzie	500 000
Competition commission filing fees	Competition Commission	350 000
Reporting accountants fees	Grant Thornton	400 000
Independent expert	Mazars	300 000
Property valuation fees	Mills Fitchet	60 000
Printing and other costs	WB Corporate Communications	200 000
JSE documentation fees: category 1	JSE	42 105
JSE documentation fees: related party	JSE	25 000
Contingency costs		3 709 818
<b>Total</b>		<b>42 000 000</b>

### 36. DOCUMENTS AND CONSENTS TO BE AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection at the company's registered office and at the corporate advisor's office at any time during business hours on weekdays (official public holidays excluded) for a period of 14 days from the date of this circular:

- 36.1. the circular;
- 36.2. the memoranda of incorporation of Rebosis, and its major subsidiaries;
- 36.3. the asset management agreements referred to in **Annexure 13**;
- 36.4. the Rebosis property management agreement and the Mthatha Mall property management agreement;
- 36.5. the material contracts referred to in **Annexure 14**;
- 36.6. the loan agreements in respect of the loans referred to in **Annexure 15**;
- 36.7. the underwriting agreement;
- 36.8. the summary valuation report and the detailed valuation reports prepared by the independent property valuer on Baywest and Forest Hill;
- 36.9. copies of service agreements with directors (or a summary of such agreements), managers or secretary/ies; underwriters, target company shareholders and promoters entered into during the last three years;
- 36.10. the signed reports prepared by the independent reporting accountants, the texts of which are set out in **Annexure 3, Annexure 5, Annexure 6, Annexure 7, Annexure 8, Annexure 9 and Annexure 10**;
- 36.11. the written consents detailed in paragraph 34;
- 36.12. the unaudited interim financial statements of Rebosis for the six months ended 29 February 2016;
- 36.13. the audited annual financial statements of Rebosis for the years ended 31 August 2015, 31 August 2014 and 31 August 2013;
- 36.14. the audited financial statements of Baywest for the year ended 29 February 2016;
- 36.15. the audited financial statements of Forest Hill for the six months ended 29 February 2016;
- 36.16. the audited financial statements of Billion Asset Managers for the six months ended 29 February 2016; and
- 36.17. the audited financial statements of Billion Property Services for the six months ended 29 February 2016.



### 37. INCORPORATED BY REFERENCE

The following information has been incorporated by reference and is available for viewing on the company's website as set out below and is available for inspection at the company's registered office and at the corporate advisor's office in accordance with the provision of paragraph 36 above.

Information incorporated by reference	Website link
The summary valuation report prepared by the independent property valuer on Baywest and Forest Hill;	<a href="http://rebasis.co.za/rebasis-summary-valuation-report-final/">http://rebasis.co.za/rebasis-summary-valuation-report-final/</a>
The historical financial information of Billion Asset Managers for the six months ended 29 February 2016 and the years ended 31 August 2015, 31 August 2014 and 31 August 2013	<a href="http://rebasis.co.za/billion-asset-managers-proprietary-limited-summary-of-historical-financial-statements/">http://rebasis.co.za/billion-asset-managers-proprietary-limited-summary-of-historical-financial-statements/</a>
The historical financial information of Billion Property Services for the six months ended 29 February 2016 and the years ended 31 August 2015, 31 August 2014 and 31 August 2013	<a href="http://rebasis.co.za/billion-property-services-proprietary-limited-summary-of-historical-financial-information/">http://rebasis.co.za/billion-property-services-proprietary-limited-summary-of-historical-financial-information/</a>

### 38. CONFLICTS OF INTEREST

Java Capital is acting in the capacities of corporate advisor and transaction sponsor in respect of the transaction. Java Capital has confirmed their view that this does not affect their independence. However, as required in terms of the Listings Requirements, it is confirmed that in order to manage any potential or perceived conflicts of interest that might arise as a result of Java Capital acting in these roles, Java Capital has in place appropriate checks and balances to manage any potential or perceived conflicts of interests, including procedures to assess the independence of Java Capital in respect of a transaction (and, should it be determined that Java Capital is not independent, an independent transaction sponsor will be appointed) and the division of responsibility between directors of Java Capital involved in fulfilling the various functions undertaken by Java Capital in respect of a transaction.

Signed in Johannesburg by Kameel Keshav on his behalf and on behalf of all the directors of the company on 26 August 2016 in terms of powers of attorney granted by them.

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**Kameel Keshav**  
*Chief Financial Officer*  
2 September 2016

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For: **Anna Mokgokong**, director, herein represented by Kameel Keshav under and in terms of a power of attorney executed on 19 August 2016

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For: **Sisa Ngebulana**, director, herein represented by Kameel Keshav under and in terms of a power of attorney executed on 19 August 2016

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For: **Andile Mazwai**, director, herein represented by Kameel Keshav under and in terms of a power of attorney executed on 19 August 2016

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For: **Jaco Odendaal**, director, herein represented by Kameel Keshav under and in terms of a power of attorney executed on 19 August 2016

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For: **Thabo Seopa**, director, herein represented by Kameel Keshav under and in terms of a power of attorney executed on 19 August 2016

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For: **Nomfundo Qangule**, director, herein represented by Kameel Keshav under and in terms of a power of attorney executed on 19 August 2016

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## FAIRNESS OPINION IN RESPECT OF THE TRANSACTION

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“26 August 2016

The Directors

**Rebosis Property Fund Limited**

3<sup>rd</sup> Floor, Palazzo Towers West

Montecasino Boulevard

Fourways, 2191

Dear Sirs,

**INDEPENDENT FAIRNESS OPINION IN RESPECT OF THE COMBINED ACQUISITION BY REBOSIS PROPERTY FUND LIMITED (“REBOSIS”) OF THE FOLLOWING:**

- **100% SHAREHOLDING IN BAYWEST CITY (PTY) LTD WHICH HOLDS THE SHOPPING CENTRE KNOWN AS BAYWEST CITY (“BAYWEST CITY”);**
- **100% SHAREHOLDING IN BILLION PROPERTY DEVELOPMENT (PTY) LTD WHICH HOLDS THE SHOPPING CENTRE KNOWN AS FOREST HILL CITY (“FOREST HILL CITY”);**
- **100% SHAREHOLDING IN BILLION ASSET MANAGERS (PTY) LTD (“BAM”), WHICH HOLDS AN AGREEMENT TO PROVIDE ASSET MANAGEMENT SERVICES TO REBOSIS; AND**
- **100% SHAREHOLDING IN BILLION PROPERTY SERVICES (PTY) LTD (“BPS”), WHICH PROVIDES PROPERTY MANAGEMENT AND LETTING SERVICES TO REBOSIS AND BILLION GROUP (PTY) LTD (“BILLION”) AND/OR ITS SUBSIDAIRIES.**

**(COLLECTIVELY REFERRED TO AS “THE ENTITIES”)**

### INTRODUCTION

We have been appointed by the Board of Directors (“Board”) to advise the shareholders of Rebosis whether, in our opinion, the combined Transaction, in terms of which Rebosis will acquire the entire shareholding in Forest Hill City, BAM and BPS from Billion and Baywest City from Billion and Abacus Holdings (Pty) Ltd (“Abacus”) for a purchase consideration of R4,934 billion (the “combined Transaction”) is fair.

The purchase consideration payable to Billion is in excess of 30% of the market capitalisation of Rebosis. The combined Transaction is classified as a category 1 Transaction in terms of 9.5(b) of the Johannesburg Stock Exchange (“JSE”) Listings Requirements and accordingly is subject to shareholders’ approval.

Further, in terms of paragraph 10.1(b)(vii) of the JSE Listings Requirements, Sisa Ngebulana and Jaco Odenaal are related parties to the combined Transaction. Sisa Ngebulana is both a Director of Rebosis and a trustee and beneficiary of the Amatolo Family Trust, which owns 100% of the share capital of Billion, Forest Hill City, BAM and BPS and 50% of the share capital in Baywest City. Jaco Odenaal is both a director of Rebosis and a trustee and beneficiary of the Abacus Trust, which owns 100% of the share capital of Abacus, which owns 50% of the share capital of Baywest City.

The combined Transaction constitutes a related party Transaction in terms of section 10.4(f) of the JSE Listing Requirements and requires the Board to obtain a fairness opinion from an independent expert, prepared in accordance with Schedule 5 of the JSE Listings Requirements.

### EXPLANATION OF THE TERM ‘FAIR’

The term ‘fair’ is defined in Schedule 5 of the JSE Listings Requirements as being based on quantitative issues. Therefore, the combined Transaction would be considered fair if the combined fair value of the Entities to be acquired is equal to or greater than the purchase consideration of R4,564 billion to be paid to Billion and R370 million to be paid to Abacus, which equates to a combined purchase consideration of R4,934 billion (the “purchase consideration”).

### ASSUMPTIONS

We arrived at our opinion based on the following assumptions:

- Current economic, regulatory and market conditions will not change materially. This included an analysis of publically available information relating to the forecast market outlook;
- That reliance can be placed on the audited annual financial statements of Forest Hill City, BAM and BPS for the years ended 31 August 2013 and 31 August 2014 during the course of this assignment;

- That reliance can be placed on the draft annual financial statements of Forest Hill City, BAM and BPS for the year ended 31 August 2015 during the course of this assignment;
- That reliance can be placed on the draft interim financial statements of Forest Hill City, BAM and BPS for the 6 months ended 29 February 2016 during the course of this assignment;
- That reliance can be placed on the audited annual financial statements of Baywest City for the years ended 28 February 2013, 28 February 2014 and 28 February 2015 during the course of this assignment;
- That reliance can be placed on the financial statements of Baywest City for the 6 months ended 31 August 2015 during the course of this assignment;
- That reliance can be placed on the draft annual financial statements of Baywest City for the 12 months ended 29 February 2016 during the course of this assignment;
- That reliance can be placed on the forecast information of BAM and BPS for the years ending 31 August 2016 to 31 August 2019, as prepared by the management of Billion; and
- That reliance can be placed on the independent property valuation reports in respect of the fair market value of Baywest City and Forest Hill City as at 31 August 2016, as prepared by Mills Fitchet Magnus Penny (Pty) Ltd (“Mills Fitchet”).

Where relevant, representations made by management and/or directors were corroborated to source documents prepared by third parties, independent analytical procedures performed by us and by examining and analysing external factors that influence the businesses. This included an analysis of the forecast financial information against that of the audited annual financial statements for reasonability.

#### **SOURCES OF INFORMATION**

In the course of our analysis, we relied upon financial and other information, including financial information obtained from management together with industry related and other information available in the public domain. Our conclusion is dependent on such information being accurate in all material respects.

The principle sources of information used in formulating our opinion regarding the combined Transaction include:

- The audited annual financial statements of Forest Hill City, BAM and BPS for the years ended 31 August 2013 and 31 August 2014;
- The draft annual financial statements of Forest Hill City, BAM and BPS for the year ended 31 August 2015;
- The draft interim financial statements of Forest Hill City, BAM and BPS for the 6 months ended 29 February 2016;
- The audited annual financial statements of Baywest City for the years ended 28 February 2013, 28 February 2014 and 28 February 2015;
- The financial statements of Baywest City for the 6 months ended 31 August 2015;
- The draft annual financial statements of Baywest City for the 12 months ended 29 February 2016;
- The forecast information of BAM and BPS for the years ending 31 August 2016 to 31 August 2019, as prepared by the management of Billion;
- The independent property valuation reports in respect of the fair market value of Baywest City and Forest Hill City as at 31 August 2016. These valuations take into account the prevailing economic conditions in the real estate investment trusts industry (“REIT”). The report complies with the requirements of the JSE Listings Requirements;
- A review of the qualifications of the independent valuer, Mills Fitchet, which has performed property valuations of Baywest City and Forest Hill City. We confirm that we are satisfied with the basis of the property valuation as well as the market value approach and have relied on these valuations for the purpose of performing the valuation of Baywest City and Forest Hill City;
- Information and assumptions made available by and from discussions held with executive directors of Rebosis and representatives of Billion in terms of the rationale for the combined Transaction;
- The circular to Rebosis shareholders relating to the combined Transaction (the “Circular”); and
- Publicly available information relating to Rebosis, Billion and other competitors in the REIT industry that we deemed to be relevant, including company announcements.

We obtained the information through:

- Conducting interviews with management, directors and senior staff members;
- Obtaining corroborating evidence from third parties; and
- Extracting information from the internet and the press.

We satisfied ourselves as to the appropriateness and reasonableness of the information with reference to:

- The audited annual financial statements of Forest Hill City, BAM and BPS for the years ended 31 August 2013 and 31 August 2014;
- The draft annual financial statements of Forest Hill City, BAM and BPS for the year ended 31 August 2015;
- The draft interim financial statements of Forest Hill City, BAM and BPS for the 6 months ended 29 February 2016;
- The audited annual financial statements of Baywest City for the years ended 28 February 2013, 28 February 2014 and 28 February 2015;
- The financial statements of Baywest City for the 6 months ended 31 August 2015;
- The draft annual financial statements of Baywest City for the 12 months ended 29 February 2016;
- The forecast information of BAM and BPS for the years ending 31 August 2016 to 31 August 2019, as prepared by the management of Billion;
- Conducting analytical reviews on the financial statements and forecast financial information;
- The independent property valuation reports in respect of the fair market value of Baywest City and Forest Hill City as at 31 August 2016;
- Understanding the industry in which Rebois and Billion operates; and
- Assessing whether replies from management on certain issues were corroborated by third parties and documentary evidence.

#### **LIMITING CONDITIONS AND RELATED PARTY RELATIONSHIPS**

We have relied upon the accuracy of information provided to us or otherwise reviewed by us, for the purposes of this opinion, whether in writing or obtained through discussion with the management of Rebois and Billion. We express no opinion on this information.

There were no limiting conditions, or any restrictions of scope imposed by the client whilst this opinion was being prepared.

Our opinion is based on current economic, regulatory, market as well as other conditions. Subsequent developments may affect this opinion, which we are under no obligation to update, review or re-affirm.

This letter and opinion is provided solely for the benefit of the shareholders of Rebois in connection with and for the purposes of the purchase consideration of the combined Transaction.

There is no relationship between Mazars Corporate Finance (Pty) Ltd (“Mazars”) and any other parties involved in this combined Transaction. Mazars has no shares in Rebois or any other party involved in the combined Transaction. Mazars’ fees in respect of this opinion is not payable in Rebois shares and is not contingent or related to the outcome of the combined Transaction.

Each shareholder’s individual decision may be influenced by such shareholder’s particular circumstances and accordingly each shareholder should consult an independent advisor if in any doubt as to the merits or otherwise of the combined Transaction.

#### **PROCEDURES**

In order to assess the fairness of the terms and conditions relating to the combined Transaction, we have performed, amongst others, the following procedures:

- Reviewed the independent valuation reports in respect of the fair market value of Baywest City and Forest Hill City as at 31 August 2016;
- Reviewed the terms and conditions of the combined Transaction;
- Considered information made available by and from discussions held with the executive directors and management of Rebois, as well as representatives of Billion;
- Considered the rationale of the combined Transaction, from the perspective of both Rebois and Billion;
- Reviewed the audited annual financial statements of Forest Hill City, BAM and BPS for the years ended 31 August 2013 and 31 August 2014;
- Reviewed the draft annual financial statements of Forest Hill City, BAM and BPS for the year ended 31 August 2015;

- Reviewed the draft interim financial statements of Forest Hill City, BAM and BPS for the 6 months ended 29 February 2016;
- Reviewed the audited annual financial statements of Baywest City for the years ended 28 February 2013, 28 February 2014 and 28 February 2015;
- Reviewed the financial statements of Baywest City for the 6 months ended 31 August 2015;
- Reviewed the draft annual financial statements of Baywest City for the 12 months ended 29 February 2016;
- Reviewed the forecast information of BAM and BPS for the years ending 31 August 2016 to 31 August 2019, as prepared by the management of Billion;
- Reviewed the Circular;
- Reviewed general economic, market and related conditions in which Rebosis and Billion operates;
- Reviewed the methodologies available for performing valuations of businesses operating in this industry;
- Performed an indicative valuation of BAM and BPS using the discounted cash flow (“DCF”) methodology as at 29 February 2016;
- Performed an indicative valuation of Baywest City and Forest Hill City using the net asset value (“NAV”) methodology, considering the fair values of the properties based on the independent property valuation reports;
- Compared the combined fair value of the Entities to the purchase consideration;
- Reviewed general economic, market and related conditions in which Rebosis and Billion operates; and
- Conducted appropriate sensitivity analyses given a reasonable range of key assumptions on the valuations above.

We believe the above procedures commercially justify the conclusion outlined below.

#### **CONFIRMATION OF PERFORMANCE OF VALUATION AND VALUATION METHODOLOGY**

We confirm that we have performed a valuation of BAM and BPS utilising the DCF methodology and the valuation of Baywest City and Forest Hill City utilising the NAV methodology.

The valuations were performed taking cognisance of BAM and BPS’s current and planned operations as well as other market factors affecting these operations and the independent property valuation reports in respect of the fair market value of Baywest City and Forest Hill City were taken into consideration whilst performing the valuations of the aforementioned entities. Using the combined fair values derived from the above valuations, a comparison was made to the purchase consideration to be paid.

Based on discussion with management, along with research into the sector, the following key value drivers were assessed for the DCF and NAV valuations:

##### **Internal:**

- Revenue growth rates;
- Profit margins to be achieved through the forecast period;
- The discount rate applicable to BAM and BPS;
- Forecast working capital assumptions;
- Forecast free cash flows;
- Forecast capital expenditure requirements;
- The fair value of the assets and liabilities as at 29 February 2016 for Baywest City and Forest Hill City; and
- The independent valuation reports in respect of the fair market value of Baywest City and Forest Hill City.

##### **External:**

- Stability of the economy and other macroeconomic factors. This included an analysis of publicly available information in respect of the macroeconomic outlook;
- Performed sensitivity analyses on the long term inflation rate assumed at 9% and 6% for BAM and BPS, respectively, and assessed the impact thereof on the valuation; and
- Interest rates with the prime rate of 10.25% as at 29 February 2016.

The following analyses were performed on the key value drivers:

- Performed an analysis and review of the forecast revenue growth rates. This included sensitivity analyses performed on the forecast revenue by increasing and decreasing revenue by 10% and the impact thereof on the valuation, being 1.19% decrease and 2.02% increase on the combined total value, respectively; and
- Performed an analysis and review of the forecast profit margins. This included a sensitivity analysis performed on the forecast earnings before interest, taxation, depreciation and amortisation (“EBITDA”) margins by decreasing the EBITDA margins by 1% and 2% respectively and assessed the impact thereof on the valuation, being a 0.38% and 0.65% decrease on the combined total value, respectively. An increase of the EBITDA margins by 1% and 2% resulted in a 0.15% and 0.42% increase in the total value, respectively.

As the combined fair value of the Entities to be acquired is greater than the purchase consideration, the combined Transaction is considered to be fair to the shareholders of Rebasis.

Our procedures and enquiries did not constitute an audit in terms of International Standards on Auditing. Accordingly, we cannot express any opinion on the financial data or other information used in arriving at our opinion.

#### **OPINION**

Our opinion is based upon the market, regulatory and trading conditions as they currently exist and can only be evaluated at the date of this letter. It should be understood that subsequent developments may affect our opinion, which we are under no obligation to update, revise or re-affirm.

We have considered the terms and conditions of the combined Transaction, and subject to the foregoing, we are of the opinion that the combined Transaction is fair to the shareholders of Rebasis in terms of the JSE Listings Requirements.

#### **CONSENT**

We hereby consent to the inclusion of this letter and references thereto, in the form and context in which they appear in any required regulatory announcement or document.

Yours faithfully

**Anoop Ninan**  
**Director**  
**Mazars Corporate Finance (Pty) Ltd**  
**54 Glenhove Road**  
**Melrose Estate, 2196**

26 August 2016”

## FORECAST STATEMENTS OF COMPREHENSIVE INCOME

Set out below are the forecast statements of comprehensive income of the target companies (“forecasts”) for the year ending 31 August 2017 and the year ending 31 August 2018 (“forecast periods”).

The forecasts include forecast figures for 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. The forecasts must be read in conjunction with the independent reporting accountants’ assurance report which is presented in **Annexure 3**.

The forecasts have been prepared in compliance with IFRS and in accordance with Rebosis’ current accounting policies which are not expected to change over the duration forecast periods.

R'000	Forecast for the year ending 31 Aug 2017	Forecast for the year ending 31 Aug 2018
Property portfolio	520 058	538 398
Rental income and recoveries	486 498	522 405
Straight-line lease income adjustments	33 560	15 993
Management fees received	101 646	117 393
<b>Total revenue</b>	<b>621 704</b>	<b>655 791</b>
Property operating expenses	(126 413)	(137 080)
Administration and corporate costs	(70 357)	(75 375)
<b>Profit from operations</b>	<b>424 934</b>	<b>443 336</b>
Finance charges	(418 608)	(399 127)
Interest received – other	1 461	4 061
<b>Profit before taxation</b>	<b>7 787</b>	<b>48 270</b>
Taxation	-	-
<b>Total profit for the year</b>	<b>7 787</b>	<b>48 270</b>
Total profit attributable to:		
Owners of the parent	7 787	48 270
Non-controlling interests	-	-

### Reconciliation between earnings and headline earnings

R'000	Forecast for the year ending 31 Aug 2017	Forecast for the year ending 31 Aug 2018
Profit for the year attributable to shareholders	7 787	48 270
Change in fair values of investment properties net of tax	-	-
<b>Headline earnings</b>	<b>7 787</b>	<b>48 270</b>
Straight-line lease income adjustments	(33 560)	(15 993)
Imputed interest on deferred consideration	63 097	43 618
<b>Distributable profit</b>	<b>37 324</b>	<b>75 895</b>
Number of shares in issue	50 837 511	81 810 962
Weighted average number of shares in issue	50 837 511	81 810 962
Basic and diluted earnings per share (cents)	15.32	59.00
Headline earnings per share (cents)	15.32	59.00
Distributable income per share (cents)	73.42	92.77

## Analysis of the contractual nature of rental revenue

	Forecast for the year ending 31 Aug 2017	Forecast for the year ending 31 Aug 2018
% contracted rental revenue	83.8	80.8
% contracted revenue linked to a rental guarantee provided by a vendor	8.9	9.1
% near-contracted rental revenue	1.0	3.8
% short-term rental revenue	-	-
% uncontracted rental revenue*	6.3	6.3
	<b>100.0</b>	<b>100.0</b>

\* Uncontracted rental revenue consists of advertising income and parking income

### Notes and assumptions:

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

1. Management forecasts for the year ending 31 August 2017 and the year ending 31 August 2018 are based on analysis of historical information, contracts and information provided by the property manager and the independent valuers.
2. Rebosis will acquire the entire share capital of the following subsidiaries:

Entity	Description	Assumed acquisition date
BPD	owner of the property known as Forest Hill City	effective 1 Sep 2016
Baywest City	owner of the property known as Bay West Mall	effective 1 Sep 2016
BAM	asset manager for Rebosis, Ascension and Billion	effective 1 Sep 2016
BPS	property manager for Rebosis, Ascension and Billion	effective 1 Sep 2016

3. Contracted revenue is based on existing lease agreements including stipulated increases, all of which are valid and enforceable.
4. Rebosis has entered into a rental guarantee agreement with Billion whereby Billion has undertaken to pay a guaranteed six monthly amount to the extent that existing premises remain vacant or are forecast to become vacant from the commercial effective date of the transaction until 31 August 2018, being the end of the forecast period. By virtue of this rental guarantee, all rental revenue associated with existing vacant space is regarded as contracted revenue linked to a rental guarantee;
5. Leases expiring during the periods have been forecast on a lease-by-lease basis, and in circumstances where discussion with the lessee has proven positive, are forecast to be let at prevailing market rates;
6. Property operating expenditure has been forecast on a line-by-line basis for each property based on management's review of historical expenditure and discussion with the property manager.
7. 'Management fees received' consists of revenue received for asset management and property management services rendered to Ascension, Billion and Rebosis;
8. In forecasting a market capitalisation for the purpose of calculating asset management fees to be received by BAM, a Rebosis share price of R11.50 at the commercial effective date of the transaction has been assumed, growing at 5% per annum thereafter; and
9. No fair value adjustment to investment properties has been provided for.

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

10. Existing interest-bearing borrowings advanced by various South African banks and financial institutions will incur interest at the current prevailing interest rates;
11. There will be no unforeseen economic factors that will affect the lessees' abilities to meet their commitments in terms of existing lease agreements.

Material items of expenditure within the property operating expenses line item include:

- R64.55 million in electricity and R33.12 million in rates in respect of the year ending 31 August 2017; and
- R71.01 million in electricity and R35.36 million in rates in respect of the year ending 31 August 2018.

Property operating expenses are not comparable with historic expenditure given that the one of the operating assets is a recently completed large-scale development that only became operational during the 2016 financial year. Other than property management expenses, no material items of expenditure are expected to increase by more than 15% from historical cost.



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## INDEPENDENT REPORTING ACCOUNTANTS' LIMITED ASSURANCE REPORT ON THE AGGREGATED FORECAST STATEMENTS OF COMPREHENSIVE INCOME

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“The Board of Directors  
Rebosis Property Fund Limited,  
3 Palazzo Office Towers,  
Monte Casino Boulevard,  
Fourways,  
2191  
26 August 2016

Dear Sirs

### **INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE FORECAST STATEMENT OF COMPREHENSIVE INCOME OF BAYWEST CITY (PTY) LTD, BILLION PROPERTY DEVELOPMENTS (PTY) LTD, BILLION ASSET MANAGERS (PTY) LTD AND BILLION PROPERTY SERVICES (PTY) LTD (COLLECTIVELY “THE BILLION ASSETS”) BEING ACQUIRED BY REBOSIS PROPERTY FUND LIMITED (“REBOSIS”)**

#### **Report on the identified property forecast information**

We have undertaken a reasonable assurance engagement in respect of the accompanying property forecast of the Billion Assets for the years ending 31 August 2017 and 31 August 2018 set out in **Annexure 2**, comprising the forecast statement of profit or loss and other comprehensive income and the vacancy and lease expiry profile of the property portfolio as a whole (the forecast information), as required by paragraph 13.15 of the JSE Limited (“JSE”) Listings Requirements.

We have also undertaken a limited assurance engagement in respect of the directors' assumptions used to prepare and present the forecast information, disclosed in **Annexure 2** to the forecast information, as required by paragraph 13.15 of the JSE Listings Requirements.

#### ***Directors' responsibility for the forecast information and for the assumptions used to prepare the forecast information***

The directors are responsible for the preparation and presentation of the forecast information and for the reasonableness of the assumptions used to prepare the forecast information as set out in the notes to **Annexure 2** to the forecast information in accordance with paragraphs 13.12-13.14 of the JSE Listings Requirements (JSE Limited Listings Requirements for forecast information). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the forecast information on the basis of those assumptions that is free from material misstatement, whether due to fraud or error.

#### ***Inherent Limitations***

Actual results are likely to be different from the forecast information since anticipated events frequently do not occur as expected and the variation may be material. Consequently, readers are cautioned that this forecast may not be appropriate for purposes other than described in the purpose of the report paragraph below.

#### ***Our independence and quality control***

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Part A and B).

The firm applies International Standard on Quality Control 1 and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

#### ***Limited assurance engagement on the reasonableness of the directors' assumptions***

##### ***Reporting accountant's responsibility***

Our responsibility is to express a limited assurance conclusion on whether anything has come to our attention that causes us to believe that the assumptions do not provide a reasonable basis for the preparation and presentation of the forecast information in accordance with the JSE Listings Requirements for forecast information, based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3400, The Examination of Prospective Financial Information (ISAE 3400), issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain limited assurance about whether the directors' assumptions provide a reasonable basis for the preparation and presentation of the forecast information.

A limited assurance engagement undertaken in accordance with ISAE 3400 involves assessing the source and reliability of the evidence supporting the directors' assumptions. Sufficient appropriate evidence supporting such assumptions would be obtained from internal and external sources including transaction consideration of the assumptions in the light of historical information and an evaluation of whether they are based on plans that are within the entity's capacity. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgement and included inquiries, observations of processes performed, inspection of documents, analytical procedures, evaluating the reasonableness of best-estimate assumptions and agreeing or reconciling with underlying records.

Our procedures included evaluating the directors' best-estimate assumptions on which the forecast information is based for reasonableness.

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the directors' assumptions provide a reasonable basis for the preparation and presentation of the forecast information.

#### *Limited assurance conclusion on the reasonableness of the directors' assumptions*

Based on the procedures we have performed and evidence we have obtained, nothing has come to our attention that causes us to believe that the directors' assumptions do not provide a reasonable basis for the preparation and presentation of the forecast information for the years ending 31 August 2017 and 31 August 2018.

#### ***Reasonable assurance engagement on the forecast information***

##### *Reporting accountant's responsibility*

Our responsibility is to express an opinion based on the evidence we have obtained about whether the forecast information is properly prepared and presented on the basis of the directors' assumptions disclosed in the notes to the forecast information (the assumptions) and in accordance with the JSE Listings Requirements for forecast information. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3400, The Examination of Prospective Financial Information (ISAE 3400), issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether such forecast information is properly prepared and presented on the basis of the directors' assumptions disclosed in the notes to the forecast information and in accordance with the JSE Listings Requirements for forecast information.

A reasonable assurance engagement in accordance with ISAE 3400 involves performing procedures to obtain evidence that the forecast information is properly prepared and presented on the basis of the assumptions and in accordance with the JSE Listings Requirements for forecast information. The nature, timing and extent of procedures selected depend on the reporting accountant's judgement, including the assessment of the risks of material misstatement, whether due to fraud or error, of the forecast information. In making those risk assessments, we considered internal control relevant to the Billion Asset's preparation and presentation of the forecast information.

Our procedures included:

- inspecting whether the forecast information is properly prepared on the basis of the assumptions;
- inspecting whether the forecast information is properly presented and all material assumptions are adequately disclosed, including a clear indication as to whether they are best-estimate assumptions; and
- inspecting whether the forecast statement of profit or loss and other comprehensive income is prepared on a consistent basis with the historical financial statements, using appropriate accounting policies.

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

*Opinion on the forecast information*

In our opinion, the forecast information is properly prepared and presented on the basis of the assumptions and in accordance with the JSE Listings Requirements for forecast information for the years ending 31 August 2017 and the 31 August 2018.

*Purpose of the report*

This report has been prepared for the purpose of satisfying the requirements of paragraph 13.15 of the JSE Limited Listings Requirements and for no other purpose.

**Report on other legal and regulatory requirements**

In accordance with our responsibilities set out in the JSE Limited Listings Requirements, paragraph 13.15(b), we have performed the procedures set out therein. If, based on the procedures performed, we detect any exceptions; we are required to report those exceptions. We have nothing to report in this regard.

**Grant Thornton Johannesburg**

Ian Vorster

Director

Practice number 903485E

Registered Auditors

Chartered Accountants (SA)

Wanderers Office Park

52 Corlett Drive

Illovo, 2196”

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## CONSOLIDATED *PRO FORMA* FINANCIAL INFORMATION

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Set out below are the following:

- the consolidated *pro forma* statement of financial position reflecting the effects of the transaction based on Rebosis' consolidated interim results for the six-months ended 29 February 2016, included in terms of section 10.9 and section 13.7 of the JSE Listings Requirements; and
- the consolidated *pro forma* statement of comprehensive income and a reconciliation between earnings, headline earnings and distributable earnings, solely reflecting the effects of the acquisition of the service businesses based on Rebosis' consolidated interim results for the six-months ended 29 February 2016, included in terms of section 10.9 of the JSE Listings Requirements.

Due to its nature, the consolidated *pro forma* statement of financial position, consolidated *pro forma* statement of comprehensive income and the reconciliation between earnings, headline earnings and distributable earnings, set out below, (collectively, "**consolidated *pro forma* financial information**") may not fairly present Rebosis' financial position, changes in equity, results of operations and cash flows subsequent to the transaction.

The consolidated *pro forma* financial information is the responsibility of the directors and has been prepared for illustrative purposes only, in order to provide information about the financial position of Rebosis assuming that the transaction had been implemented on 29 February 2016 for statement of financial position purposes and assuming that the acquisition of the service businesses had been implemented on 1 September 2015 for statement of comprehensive income purposes.

The consolidated *pro forma* financial information has been prepared in compliance with IFRS, the SAICA Guide on *Pro forma* Financial Information and in accordance with the accounting policies of the Rebosis group that were used in the preparation of the published condensed consolidated unaudited interim results for the six-months ended 29 February 2016.

The consolidated *pro forma* financial information has been reviewed by the independent reporting accountants whose report on the consolidated *pro forma* financial information is contained in **Annexure 5** of the circular. The independent reporting accountants' report on the value and existence of the assets and liabilities to be acquired by the company is set out in **Annexure 6**.

## CONSOLIDATED *PRO FORMA* STATEMENT OF FINANCIAL POSITION AS AT 29 FEBRUARY 2016

Set out below is the *pro forma* statement of financial position of Rebois reflecting the effects of the transaction:

	Billion Property Development unadjusted balance sheet at 29 February 2016	Disposal of non-core assets and liabilities	Acquisition adjustments	Billion Property Development net of disposals and adjustments	Baywest City unadjusted balance sheet at 29 February 2016	Disposal of non-core assets and liabilities	Acquisition adjustments	Baywest net of disposals and adjustments	Settlement of consideration for the properties and transaction costs	Sub-total after adjustments relating to the acquisition of the properties
<i>R 000</i>	<i>Note 1</i>	<i>Note 2</i>	<i>Note 3</i>	<i>Note 4</i>	<i>Note 5</i>	<i>Note 6</i>	<i>Note 7</i>		<i>Note 8, 14</i>	
<b>Before</b>	<b><i>Note 1</i></b>									
<b>ASSETS</b>										
<b>Non-current assets</b>										
Investment property	18 333 161	2 292 287	(194 700)	94 475	3 727 990	(1 461 990)	68 000	2 334 000	-	4 526 062
Investment in subsidiaries	-	-	575 648	(575 648)	-	1 000 000	(1 000 000)	-	-	-
Loans to group companies	-	162 783	(162 783)	-	-	-	-	-	-	-
Intangible assets	95 703	121	(121)	-	-	-	-	-	-	-
Derivative instruments	37 789	-	-	-	-	-	-	-	-	-
Property, plant and equipment	823	2 645	(2 645)	-	3 245	(3 245)	-	-	-	-
Loans to shareholders	-	-	-	-	-	-	-	-	-	-
Deferred tax	-	-	-	-	-	-	-	-	-	-
Other financial assets	-	73 063	(73 063)	-	24 118	(24 118)	-	-	-	-
	<b>18 467 476</b>	<b>2 530 899</b>	<b>142 336</b>	<b>(481 173)</b>	<b>3 755 353</b>	<b>(489 353)</b>	<b>(932 000)</b>	<b>2 334 000</b>	<b>-</b>	<b>4 526 062</b>
<b>Current assets</b>										
Trade and other receivables	262 811	10 217	(10 217)	-	45 172	(45 172)	-	-	-	-
Other financial assets	-	6 975	(6 975)	-	-	-	-	-	-	-
Current tax receivable	-	382	(382)	-	-	-	-	-	-	-
Cash and cash equivalents	219 567	157	(157)	-	19 171	(19 171)	-	-	-	-
	<b>482 378</b>	<b>17 731</b>	<b>(17 731)</b>	<b>-</b>	<b>64 343</b>	<b>(64 343)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>18 949 854</b>	<b>2 548 630</b>	<b>124 605</b>	<b>(481 173)</b>	<b>3 819 696</b>	<b>(553 696)</b>	<b>(932 000)</b>	<b>2 334 000</b>	<b>-</b>	<b>4 526 062</b>

	Before	Billion Property Development unadjusted balance sheet at 29 February 2016	Disposal of non-core assets and liabilities	Acquisition adjustments	Billion Property Development net of disposals and adjustments	Baywest City unadjusted balance sheet at 29 February 2016	Disposal of non-core assets and liabilities	Acquisition adjustments	Baywest net of disposals and adjustments	Settlement of consideration for the properties and transaction costs	Sub-total after adjustments relating to the acquisition of the properties
<i>R'000</i>											
<b>EQUITY AND LIABILITIES</b>											
<b>Equity</b>											
Stated capital	5 283 107	-	575 648	(575 648)	-	40 000	960 000	(1 000 000)	-	409 384	409 384
Reserves	2 120 162	726 795	(777 670)	94 475	43 600	1 256 752	(1 273 197)	68 000	51 555	67 783	162 938
	<b>7 403 269</b>	<b>726 795</b>	<b>(202 022)</b>	<b>(481 173)</b>	<b>43 600</b>	<b>1 296 752</b>	<b>(313 197)</b>	<b>(932 000)</b>	<b>51 555</b>	<b>477 167</b>	<b>572 322</b>
<b>Non-controlling interests</b>	<b>1 932 103</b>	-	-	-	-	-	-	-	-	-	-
<b>Non-current liabilities</b>											
Loans from group companies	-	15 525	(15 525)	-	-	-	-	-	-	-	-
Loans from shareholders	-	-	-	-	-	64 939	80 061	-	145 000	(145 000)	-
Loan from Billion Group	-	-	575 648	-	575 648	-	(177 199)	-	(177 199)	(398 449)	-
Deferred consideration to be settled through claw-back offers (discounted)	-	-	-	-	-	-	-	-	-	196 081	196 081
Other financial liabilities	7 904 963	1 474 912	18 788	-	1 493 700	1 972 945	233 561	-	2 206 506	-	3 700 206
Deferred taxation	570	221 147	(221 147)	-	-	301 856	(301 856)	-	-	-	-
	<b>7 905 533</b>	<b>1 711 584</b>	<b>357 764</b>	<b>-</b>	<b>2 069 348</b>	<b>2 339 740</b>	<b>(165 433)</b>	<b>-</b>	<b>2 174 307</b>	<b>(347 368)</b>	<b>3 896 287</b>
<b>Current liabilities</b>											
Trade and other payables	333 881	43 512	(38 504)	-	5 008	74 788	(64 343)	-	10 445	-	15 453
Other financial liabilities	1 369 891	66 739	7 367	-	74 106	108 416	(10 723)	-	97 693	(129 799)	42 000
Current tax payable	5 177	-	-	-	-	-	-	-	-	-	-
Bank overdraft	-	-	-	-	-	-	-	-	-	-	-
	<b>1 708 949</b>	<b>110 251</b>	<b>(31 137)</b>	<b>-</b>	<b>79 114</b>	<b>183 204</b>	<b>(75 066)</b>	<b>-</b>	<b>108 138</b>	<b>(129 799)</b>	<b>57 453</b>
<b>Total liabilities</b>	<b>9 614 482</b>	<b>1 821 835</b>	<b>326 627</b>	<b>-</b>	<b>2 148 462</b>	<b>2 522 944</b>	<b>(240 499)</b>	<b>-</b>	<b>2 282 445</b>	<b>(477 167)</b>	<b>3 953 740</b>
<b>Total equity and liabilities</b>	<b>18 949 854</b>	<b>2 548 630</b>	<b>124 605</b>	<b>(481 173)</b>	<b>2 192 062</b>	<b>3 819 696</b>	<b>(553 696)</b>	<b>(932 000)</b>	<b>2 334 000</b>	<b>-</b>	<b>4 526 062</b>
Number of shares in issue	516 391 250									41 323 276	
Net asset value per share (ZAR)	14.34										
Net tangible asset value per share (ZAR)	14.15										
Net asset value per share (excl. deferred tax) (ZAR)	14.34										

<i>R'000</i>	Billion Asset Management unadjusted balance sheet at 31 August 2015		Adjustments relating to the acquisition of Billion Asset Management	Billion Property Services unadjusted balance sheet at 31 August 2015		Adjustments relating to the acquisition of Billion Property Services	<i>Pro Forma</i> after
	Acquisition adjustments			Acquisition adjustments			
<i>Note</i>	<i>Note 9</i>	<i>Note 11, 12, 13</i>		<i>Note 10</i>	<i>Note 11, 12, 13</i>		
<b>ASSETS</b>							
<b>Non-current assets</b>							
Investment property	-	-	-	-	-	-	22 859 223
Investment in subsidiaries	-	-	-	-	-	-	-
Loans to group companies	-	-	-	2 689	(2 689)	-	-
Intangible assets	-	310 523	310 523	-	177 490	177 490	583 716
Derivative instruments	-	-	-	-	-	-	37 789
Property, plant and equipment	-	-	-	563	(563)	-	823
Loans to shareholders	2 040	(2 040)	-	-	-	-	-
Deferred tax	1 624	(1 624)	-	1 061	(1 061)	-	-
Other financial assets	-	-	-	-	-	-	-
	<b>3 664</b>	<b>306 859</b>	<b>310 523</b>	<b>4 313</b>	<b>173 177</b>	<b>177 490</b>	<b>23 481 551</b>
<b>Current assets</b>							
Trade and other receivables	3 081	(3 081)	-	4 104	(4 104)	-	262 811
Other financial assets	-	-	-	-	-	-	-
Current tax receivable	9	(9)	-	-	-	-	-
Cash and cash equivalents	-	-	-	9	(9)	-	219 567
<b>Current assets</b>	<b>3 090</b>	<b>(3 090)</b>	<b>-</b>	<b>4 113</b>	<b>(4 113)</b>	<b>-</b>	<b>482 378</b>
<b>Total assets</b>	<b>6 754</b>	<b>303 769</b>	<b>310 523</b>	<b>8 426</b>	<b>169 064</b>	<b>177 490</b>	<b>23 963 929</b>
<b>EQUITY AND LIABILITIES</b>							
<b>Equity</b>							
Stated capital	-	63 205	63 205	-	36 694	36 694	5 792 390
Reserves	(5 474)	5 474	-	(4 487)	4 487	-	2 283 100
	<b>(5 474)</b>	<b>68 679</b>	<b>63 205</b>	<b>(4 487)</b>	<b>41 181</b>	<b>36 694</b>	<b>8 075 490</b>
<b>Non-controlling interests</b>							
	-	-	-	-	-	-	1 932 103
<b>Non-current liabilities</b>							
Loans from group companies	11 851	(11 851)	-	12 480	(12 480)	-	-
Loans from shareholders	-	-	-	-	-	-	-
Loan from Billion Group	-	-	-	-	-	-	-
Deferred consideration to be settled through claw-back offers (discounted)	-	251 655	251 655	-	146 100	146 100	593 836
Other financial liabilities	-	-	-	-	-	-	11 605 169
Deferred taxation	-	-	-	-	-	-	570
	<b>11 851</b>	<b>239 804</b>	<b>251 655</b>	<b>12 480</b>	<b>133 620</b>	<b>146 100</b>	<b>12 199 575</b>
<b>Current liabilities</b>							
Trade and other payables	377	(4 714)	(4 337)	433	(5 737)	(5 304)	339 693
Other financial liabilities	-	-	-	-	-	-	1 411 891
Current tax payable	-	-	-	-	-	-	5 177
Bank overdraft	-	-	-	-	-	-	-
	<b>377</b>	<b>(4 714)</b>	<b>(4 337)</b>	<b>433</b>	<b>(5 737)</b>	<b>(5 304)</b>	<b>1 756 761</b>
<b>Total liabilities</b>	<b>12 228</b>	<b>235 090</b>	<b>247 318</b>	<b>12 913</b>	<b>127 883</b>	<b>140 796</b>	<b>13 956 336</b>
<b>Total equity and liabilities</b>	<b>6 754</b>	<b>303 769</b>	<b>310 523</b>	<b>8 426</b>	<b>169 064</b>	<b>177 490</b>	<b>23 963 929</b>
Number of shares in issue		6 019 551			3 494 684		567 228 761
Net asset value per share (ZAR)							14.24
Net tangible asset value per share (ZAR)							13.21
Net asset value per share (excluding deferred tax) (ZAR)							14.24

## Notes and assumptions:

1. The “Before” column has been extracted, without adjustment, from the statement of financial position within the unaudited interim results of Reboasis as at 29 February 2016 and as published on 14 April 2016.
2. Extracted, without adjustment, from the audited statement of financial position of Billion Property Development Proprietary Limited at 29 February 2016, prepared in compliance with IFRS and audited by Grant Thornton, who issued an unqualified audit opinion thereon.
3. Represents the discharge of obligations to Billion arising from shareholder loans and the declaration of a dividend prior to the transaction, the disposal of land within Forest Hill to Billion and the repurchase of Forest Hill shares from Billion as consideration for the land disposal.
4. Represents consolidation adjustments for the acquisition and revaluation of the shopping centre known as Forest Hill City, assumed to be effective 1 September 2016, for an amount of R2 093.0 million, further details of which are set out in **Annexure 11**. Refer to note 8 for details on settlement of the consideration due.
5. Extracted, without adjustment, from the audited statement of financial position of Baywest City Proprietary Limited at 29 February 2016, prepared in compliance with IFRS and audited by PricewaterhouseCoopers, who issued an unqualified audit opinion thereon.
6. Represents the discharge of obligations to Billion arising from shareholder loans and the declaration of a dividend prior to the transaction, the disposal of land within Baywest to Billion and the repurchase of Baywest shares from Billion as consideration for the land disposal.
7. Represents consolidation adjustments for the acquisition and revaluation of the shopping centre known as Baywest Mall, assumed to be effective 1 September 2016, for an amount of R2 272.0 million, further details of which are set out in **Annexure 11**. Refer to note 8 for details on settlement of the consideration due.
8. R433.9 million of the aggregate transaction consideration for the shopping centres is assumed to be funded through (i) the issue of 41 323 276 Reboasis shares by way of a claw-back offer at an assumed issue price of R10.50 per Reboasis share, (ii) interest-bearing borrowings of R3 700.2 million and (iii) R230.9 million representing the balance of the consideration due, deferred and funded through the issue of Reboasis shares by way of further claw-back offers. Refer to note 12.
9. The BAM financial information applied in the *pro forma* financial information has been extracted, without adjustment, from the audited statement of financial position of BAM at 29 February 2016, prepared in compliance with IFRS and audited by Grant Thornton, who issued an unqualified audit opinion thereon.
10. The BPS financial information applied in the *pro forma* financial information has been extracted, without adjustment, from the audited statement of financial position of BPS at 29 February 2016, prepared in compliance with IFRS and audited by Grant Thornton, who issued an unqualified audit opinion thereon.
11. The acquisition by Reboasis of the entire issued share capital of the service businesses as part of the manco internalisation is assumed to be with effect from 1 September 2016 for an aggregate consideration of R569.0 million (R360.0 million in respect of BAM and R209.0 million in respect of BPS). The aggregate consideration is assumed to be funded through (i) the issue of 9 514 235 Reboasis shares by way of a claw-back offer at an assumed issue price of R10.50 per Reboasis share, equating to R99.9 million, and (ii) R469.1 million representing the balance of the consideration due, deferred and funded through the issue of Reboasis shares by way of further claw-back offers. Refer to note 12.
12. R700.0 million of the aggregate consideration due for the transaction will be deferred and is assumed to be funded from the proceeds of claw-back offers to be undertaken by Reboasis in two tranches. R350.0 million of the aggregate consideration due will be funded through the issue of 30 973 451 Reboasis shares immediately after the record date for the Reboasis income distribution for the six month period ended 31 August 2017 at an issue price equal to the 30 day vwap of Reboasis shares immediately before the claw-back offer is launched but not less than R11.30 per share and R350.0 million, representing the balance of the deferred consideration due, funded through the issue of 30 973 451 Reboasis shares immediately after the record date for the Reboasis income distribution for the six month period ended 31 August 2018 at an issue price based on the then ruling 30 day vwap but not less than R11.30 per share.
13. The acquisition of the service businesses has been accounted for in terms of *IFRS 3: Business Combinations* whereby Reboasis will acquire the shares in the service businesses and goodwill will be recognised. In accordance with this standard, at the date of the manco internalisation, the fair value of the goodwill of BAM and BPS was determined to be R488.0 million (R310.5 million in respect of BAM and R177.5 million in respect of BPS) following a preliminary exercise to recognise and measure the identifiable assets acquired and the liabilities assumed. The goodwill was the primary asset of the respective service businesses. For both BAM and BPS, the goodwill was valued on a relief from royalty using inputs generated from the agreement signed initially between the service businesses and Reboasis as these were arm’s length agreements and were considered representative of potentially similar agreements.
14. Once-off expenses relating to the transaction of R42.0 million have been set off against stated capital as acquisition costs in terms of IFRS 3.53. It has been assumed that transaction costs will be settled in cash funded by way of interest-bearing borrowings.



**CONSOLIDATED *PRO FORMA* STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTH PERIOD TO 29 FEBRUARY 2016**

Set out below is the *pro forma* statement of comprehensive income of Rebois reflecting the effects of the transaction:

	Rebois interim results for the six months to 29 February 2016 R'000	BAM before the manco internalisation R'000	Adjustments for the manco internalisation R'000	BPS before the manco internalisation R'000	Adjustments for the manco internalisation R'000	<i>Pro forma</i> after the transaction R'000
<b>REVENUE</b>						
<b>Property portfolio</b>	<b>832 738</b>	-	-	-	-	<b>832 738</b>
Rental income	845 840					845 840
Listed property securities income	46					46
Straight line rental income accrual	(13 148)					(13 148)
Net income from facilities management agreement	10 577					10 577
Management fees received	9 191	16 473	(16 473)	24 321	(2 190)	31 322
Sundry income	709			2 187		2 896
<b>Total revenue</b>	<b>853 215</b>	<b>16 473</b>	<b>(16 473)</b>	<b>26 508</b>	<b>(2 190)</b>	<b>877 533</b>
Property expenses	(162 579)					(162 579)
Administration and corporate costs	(108 217)	(16 501)	16 473	(28 974)	2 190	(135 029)
<b>Net operating profit</b>	<b>582 419</b>	<b>(28)</b>	<b>-</b>	<b>(2 466)</b>	<b>-</b>	<b>579 925</b>
Changes in fair values	1 084 998					1 084 998
<b>Profit from operations</b>	<b>1 667 417</b>	<b>(28)</b>	<b>-</b>	<b>(2 466)</b>	<b>-</b>	<b>1 664 923</b>
Finance charges	(279 210)	(171)	(23 907)	(266)	(13 879)	(317 433)
<b>Profit before taxation</b>	<b>1 388 207</b>	<b>(199)</b>	<b>(23 907)</b>	<b>(2 732)</b>	<b>(13 879)</b>	<b>1 347 490</b>
Taxation	(6 511)	56		765		(5 690)
<b>Total profit/(loss) for the period</b>	<b>1 381 696</b>	<b>(143)</b>	<b>(23 907)</b>	<b>(1 967)</b>	<b>(13 879)</b>	<b>1 341 800</b>
<b>Other comprehensive income - items that may be reclassified subsequently to profit and loss</b>						
Foreign currency translation reserve	168 816					168 816
<b>Total comprehensive income for the period</b>	<b>1 550 512</b>	<b>(143)</b>	<b>(23 907)</b>	<b>(1 967)</b>	<b>(13 879)</b>	<b>1 510 616</b>
<b>Total profit/(loss) attributable to:</b>						
Owners of the parent	1 248 968	(143)	(23 907)	(1 967)	(13 879)	1 209 072
Non-controlling interests	132 728					132 728
	<b>1 381 696</b>	<b>(143)</b>	<b>(23 907)</b>	<b>(1 967)</b>	<b>(13 879)</b>	<b>1 341 800</b>
<b>Total comprehensive income attributable to:</b>						
Owners of the parent	1 339 404	(143)	(23 907)	(1 967)	(13 879)	1 299 508
Non-controlling interests	211 108					211 108
	<b>1 550 512</b>	<b>(143)</b>	<b>(23 907)</b>	<b>(1 967)</b>	<b>(13 879)</b>	<b>1 510 616</b>

	Rebasis interim results for the six months to 29 February 2016 R'000	BAM before the manco internalisation R'000	Adjustments for the manco internalisation R'000	BPS before the manco internalisation R'000	Adjustments for the manco internalisation R'000	<i>Pro forma</i> after the transaction R'000
<b>Calculation of headline earnings and distributable earnings reconciliation</b>						
Profit attributable to ordinary equity holders	1 248 968	(143)	(23 907)	(1 967)	(13 879)	1 209 508
Change in fair value of properties (net of deferred taxation)	(1 154 944)					(1 154 944)
<b>Headline profit attributable to shareholders</b>	<b>94 024</b>	<b>(143)</b>	<b>(23 907)</b>	<b>(1 967)</b>	<b>(13 879)</b>	<b>54 128</b>
<i>Adjusted for:</i>						
Change in fair value of financial assets and liabilities	68 978					68 978
Straight line rental income accrual	13 148	-	-	-	-	13 148
Income distributed in prior period	(67 651)					(67 651)
Amortisation of structuring fees	5 562					5 562
Corporate transaction costs	58 645					58 645
Anticipated distribution from listed REIT subsidiaries	124 480					124 480
Consolidation adjustments between group entities	(3 918)					(3 918)
Imputed interest on deferred consideration	-	-	23 907	-	13 879	37 786
<b>Distributable earnings attributable to shareholders</b>	<b>293 268</b>	<b>(143)</b>	<b>-</b>	<b>(1 967)</b>	<b>-</b>	<b>291 158</b>
Number of shares in issue (excl. treasury shares)	516 391 250		6 019 551		3 494 684	525 905 485
Weighted average number of shares in issue	424 011 545		6 019 551		3 494 684	433 525 780
Basic and diluted earnings per share (cents)	294.56					278.89
Headline and diluted headline earnings per share (cents)	22.17					12.49
Distribution per share (cents)	56.79					55.36

## Notes and assumptions:

1. The manco internalisation is assumed to be implemented on 1 September 2015 for statement of comprehensive income purposes.
2. The amounts set out in the “Rebosis interim results for the six months to 29 February 2016” column have been extracted, without adjustment, from the statement of comprehensive income within the unaudited interim results of Rebosis as at 29 February 2016 and as published on 14 April 2016.
3. The BAM financial information applied in the *pro forma* financial information has been extracted, without adjustment, from the audited statement of comprehensive income of BAM for the six month period ended 29 February 2016, prepared in compliance with IFRS and audited by Grant Thornton, who issued an unqualified audit opinion thereon.
4. The BPS financial information applied in the *pro forma* financial information has been extracted, without adjustment, from the audited statement of comprehensive income of BPS for the six month period ended 29 February 2016, prepared in compliance with IFRS and audited by Grant Thornton, who issued an unqualified audit opinion thereon.
5. The amounts set out in the “*Pro forma* after the acquisition” column were calculated by consolidating the *pro forma* results of Rebosis for the period from 1 September 2015 to 29 February 2016 and the audited interim financial information of BAM and BPS for the six month period to 29 February 2016, subject to the adjustments and assumptions set out below:
  - 5.1. The acquisition of the service businesses has been accounted for in terms of *IFRS 3: Business Combinations* whereby Rebosis will acquire the shares in the service businesses and goodwill will be recognised. In accordance with this standard, at the date of the manco internalisation, the fair value of the goodwill of BAM and BPS was determined to be R488.0 million following a preliminary exercise to recognise and measure the identifiable assets acquired and the liabilities assumed. The goodwill was the primary asset of the respective service businesses. For both BAM and BPS, the asset was valued on a relief from royalty using inputs generated from the agreement signed initially between the service businesses and Rebosis as these were arm’s length agreements and were considered representative of potentially similar agreements.
  - 5.2. The acquisition by Rebosis of BAM and BPS represents the acquisition of the entire issued share capital of the service businesses as part of the manco internalisation. The aggregate cash consideration of R569.0 million is assumed to be funded through (i) the issue of 9 514 235 Rebosis shares by way of a claw-back offer at an assumed issue price of R10.50 per share, equating to R99.9 million, and (ii) R469.1 million representing the balance of the consideration due, deferred and funded through the issue of Rebosis shares by way of further claw-back offers. Refer to 5.3.
  - 5.3. The aggregate consideration due for the transaction will be deferred and is assumed to be funded from the proceeds of claw-back offers to be undertaken by Rebosis in two tranches. The first tranche will be funded through the issue of Rebosis shares immediately after the record date for the Rebosis income distribution for the six month period ended 31 August 2017 at an issue price based on the ruling 30 day vwap and the second tranche, representing the balance of the deferred consideration due, funded through the issue of Rebosis shares immediately after the record date for the Rebosis income distribution for the six month period ended 31 August 2018 at an issue price based on the then ruling 30 day vwap but not less than R11.30 per share.
  - 5.4. The additional distributable income which results from the transaction is assumed to be earned evenly throughout the period ended 29 February 2016.
  - 5.5. All adjustments are assumed to have a continuing effect.

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## INDEPENDENT REPORTING ACCOUNTANTS' LIMITED ASSURANCE REPORT ON THE CONSOLIDATED *PRO FORMA* FINANCIAL INFORMATION

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“The Board of Directors  
Rebosis Property Fund Limited,  
3 Palazzo Office Towers,  
Monte Casino Boulevard,  
Fourways,  
2191  
26 August 2016

Dear Sirs

### INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF THE *PRO FORMA* FINANCIAL INFORMATION OF REBOSIS PROPERTY FUND LIMITED ("REBOSIS") FOLLOWING THEIR ACQUISITION OF BAYWEST CITY (PTY) LTD, BILLION PROPERTY DEVELOPMENTS (PTY) LTD, BILLION ASSET MANAGERS (PTY) LTD AND BILLION PROPERTY SERVICES (PTY) LTD (COLLECTIVELY "THE BILLION ASSETS")

We have completed our assurance engagement to report on the compilation of *pro forma* financial information of Rebosis by the directors. The *pro forma* financial information, in **Annexure 4** of the Rebosis Circular ("the Circular"), consists of the *pro forma* statement of financial position and related notes. The *pro forma* financial information has been compiled on the basis of the applicable criteria specified in the JSE Limited ("JSE") Listings Requirements.

The *pro forma* financial information has been compiled by the directors to illustrate the impact of the corporate action or event, described in **Annexure 4**, on Rebosis' financial position as at 29 February 2016, and Rebosis' financial performance for the period then ended, as if the transactions had taken place at 29 February 2016 for purposes of the *pro forma* statement of financial position and at 1 September 2015 for the purposes of the *pro forma* statement of comprehensive income. As part of this process, information about the Rebosis and the Billion Assets financial position and performance have been extracted from the respective company's financial information for the interim or year end periods, where applicable, ended 29 February 2016.

#### **Directors' Responsibility for the *Pro Forma* Financial Information**

The directors are responsible for compiling the *pro forma* financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in **Annexure 4** and as described in the notes to the consolidated *pro forma* statement of financial position.

#### **Our Independence and quality Control**

We have complied with the independence and other ethical requirement of the Code of Ethics for Profession Accountants issued by the international Ethics Standards Board for Accountants, which is founded on fundamental principle of integrity, objectively, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

#### **Reporting Accountants' Responsibility**

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

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

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

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

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

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

Our engagement also involves evaluating the overall presentation of the *pro forma* financial information.

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

### **Opinion**

In our opinion, the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in **Annexure 4**.

### **Consent**

This report on the unaudited *pro forma* statement of financial position is included solely for the information of the Rebosis shareholders. We consent to the inclusion of our report on the *pro forma* statement of financial position and the references thereto, in the form and context in which they appear.

### **Grant Thornton Johannesburg**

Ian Vorster

Director

Practice number 903485E

Registered Auditors

Chartered Accountants (SA)

Wanderers Office Park

52 Corlett Drive

Illovo, 2196

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## INDEPENDENT REPORTING ACCOUNTANTS' REVIEW CONCLUSION ON THE VALUATION AND EXISTENCE OF THE ASSETS AND LIABILITIES ACQUIRED

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“26 August 2016

The Board of Directors  
Rebosis Property Fund Limited,  
3 Palazzo Office Towers,  
Monte Casino Boulevard,  
Fourways,  
2191

Dear Sirs

### REVIEW CONCLUSION ON THE VALUATION AND EXISTENCE OF THE ASSETS AND LIABILITIES ACQUIRED BY REBOSIS PROPERTY FUND LIMITED (“REBOSIS”)

#### Introduction

We have reviewed the assets and liabilities acquired by Rebosis reflected in the Billion Property Development net of disposals and adjustments and Baywest City net of disposals and adjustments columns (“**the adjustment columns**”) of the *pro forma* statement of financial position included in **Annexure 4** of the circular to be issued on or about 31 August 2016 (“**the circular**”) as required by paragraph 13.16(e) of the JSE Limited Listings Requirements.

#### Directors’ responsibility for the *pro forma* statement of financial position

The directors are responsible for the preparation and presentation of the financial information in accordance with paragraph 13.16 (a)-(d) of the JSE Limited Listing Requirements (the JSE Limited Listings Requirements for the adjustment columns of the *pro forma* statement of financial position), as set out in Notes 4 and 7 of the *pro forma* statement of financial position, and for such internal controls as the directors determine is necessary to enable the preparation of the financial information that is free from material misstatement, whether due to fraud or error.

#### Independent reviewers’ responsibility

Our responsibility is to express a conclusion on the financial information. We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical Financial Statements (ISRE 2400 (Revised)). ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial information, taken as a whole, is not prepared in all material respects in accordance with JSE Limited Listings Requirements for the adjustment columns of the *pro forma* statement of financial position. This Standard also requires us to comply with relevant ethical requirements.

A review of financial information in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The reporting accountant performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on this financial information.

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial information is not prepared, in all material respects, in accordance with the JSE Limited Listings Requirements for the adjustment columns of the *pro forma* statement of financial position, as set out in Notes 4 and 7 to the *pro forma* statement of financial position.

#### Purpose of the report

This report has been prepared for the purpose of satisfying the requirement of paragraph 13.16(e) of the JSE Limited Listing Requirements, and for no other purpose.

Yours faithfully

#### Grant Thornton Johannesburg

Ian Vorster  
Director  
Practice number 903485E  
Registered Auditors  
Chartered Accountants (SA)  
Wanderers Office Park  
52 Corlett Drive  
Illovo, 2196”

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# INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF BILLION ASSET MANAGERS

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“The Board of Directors  
Rebosis Property Fund  
3rd Floor, Palazzo Towers West,  
Montecasino Boulevard,  
Fourways,  
2191  
26 August 2016

Dear Sirs

## INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION REFERRED TO IN THE CIRCULAR

### Introduction

We have audited the interim financial information of Billion Asset Managers (Pty) Ltd (“BAM”) in respect of the six month period ended 29 February 2016 and the historical financial information of BAM in respect of the year ended 31 August 2015 and have reviewed the historical financial information of BAM for the year ended 31 August 2014 which are incorporated by reference in compliance with the JSE Limited (“JSE”) Listings Requirements.

### Directors' Responsibility for the Historical Financial Information

The directors are responsible for the preparation, contents and presentation of the circular and the fair presentation of the interim and historical financial information in accordance with International Financial Reporting Standards. This responsibility includes: designing implementing and maintaining internal control relevant to the preparation and fair presentation of financial information that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Reporting Accountants' Responsibility

Our responsibility is to express an opinion on the interim financial information of BAM for the period ended 29 February 2016 and on the historical financial information of BAM for the years ended 31 August 2015 and 2014 referred to in the circular, based on our audit of the interim financial information for the period ended 29 February 2016, and our audit of the historical financial information for the year ended 31 August 2015, and our review of the financial information for the year ended 31 August 2014.

### Scope of the audit

We conducted our audit of the interim financial information for the period ended 29 February 2016 and of the historical financial information for the year ended 31 August 2015 in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and report the audit to obtain reasonable assurance whether the financial information is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial information. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial information, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 entity'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 financial information.

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

**Scope of the review**

We conducted our review of the historical financial information of BAM for the year ended 31 August 2014 in accordance with the International Standard on Review Engagements 2400, “Engagements to review historical financial statements”. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the historical financial information is free of material misstatement. A review is limited primarily to enquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit in respect of the year ended 31 August 2014 and, accordingly, we do not express an audit opinion in respect of this period.

**Audit opinion**

In our opinion, the interim financial information of BAM for the period ended 29 February 2016, and the historical financial information of BAM for the year ended 31 August 2015, presents fairly, in all material respects, for the purposes of the circular, the financial position of BAM at those dates, and its financial performance and cash flows for those periods then ended, in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa and the JSE Listings Requirements.

**Review conclusion**

Based on our review nothing has come to our attention that causes us to believe that the historical financial information of BAM for the year ended 31 August 2014 is not fairly presented, in all material respects, for the purposes of the circular, in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa and the JSE Listings Requirements.

**Consent**

We consent to the inclusion of this report, which will form part of the circular to the shareholders of Rebasis in the form and context in which it appears.

**Grant Thornton Johannesburg Partnership**

Registered Auditors

Vanessa de Villiers  
Partner  
Practice number 903485E  
Registered Auditor  
Chartered Accountant (SA)  
Wanderers Office Park  
52 Corlett Drive  
Illovo, 2196”



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## INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION OF BILLION PROPERTY SERVICES

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“The Board of Directors  
 Rebosis Property Fund  
 3rd Floor, Palazzo Towers West,  
 Montecasino Boulevard,  
 Fourways,  
 2191  
 26 August 2016

Dear Sirs

### INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION REFERRED TO IN THE CIRCULAR

#### Introduction

We have audited the interim financial information of Billion Property Services (Pty) Ltd (“BPS”) in respect of the six month period ended 29 February 2016 and the historical financial information of BPS in respect of the year ended 31 August 2015 and have reviewed the historical financial information of BPS for the year ended 31 August 2014 which are incorporated by reference in compliance with the JSE Limited (“JSE”) Listings Requirements.

#### Directors' Responsibility for the Historical Financial Information

The directors are responsible for the preparation, contents and presentation of the circular and the fair presentation of the interim and historical financial information in accordance with International Financial Reporting Standards. This responsibility includes: designing implementing and maintaining internal control relevant to the preparation and fair presentation of financial information that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Reporting Accountants' Responsibility

Our responsibility is to express an opinion on the interim financial information of BPS for the period ended 29 February 2016 and on the historical financial information of BPS for the years ended 31 August 2015 and 2014 referred to in the circular, based on our audit of the interim financial information for the period ended 29 February 2016, and our audit of the historical financial information for the year ended 31 August 2015 and our review of the financial information for the year ended 31 August 2014.

#### Scope of the audit

We conducted our audit of the interim financial information for the period ended 29 February 2016 and of the historical financial information for the year ended 31 August 2015 in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and report the audit to obtain reasonable assurance whether the financial information is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial information. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial information, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the 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 entity'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 financial information.

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

#### Scope of the review

We conducted our review of the historical financial information of BPS for the year ended 31 August 2014 in accordance with the International Standard on Review Engagements 2400, “Engagements to review historical financial statements”. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the historical financial information is free of material misstatement. A review is limited primarily to enquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit in respect of the year ended 31 August 2014 and, accordingly, we do not express an audit opinion in respect this period.

**Audit opinion**

In our opinion, the interim financial information of BPS for the period ended 29 February 2016, and the historical financial information of BPS for the year ended 31 August 2015, presents fairly, in all material respects, for the purposes of the circular, the financial position of BPS at those dates, and its financial performance and cash flows for those periods then ended, in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa and the JSE Listings Requirements.

**Review conclusion**

Based on our review nothing has come to our attention that causes us to believe that the historical financial information of BPS for the year ended 31 August 2014 is not fairly presented, in all material respects, for the purposes of the circular, in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa and the JSE Listings Requirements.

**Consent**

We consent to the inclusion of this report, which will form part of the circular to the shareholders of Rebasis in the form and context in which it appears.

**Grant Thornton Johannesburg Partnership**

Registered Auditors

Vanessa de Villiers  
Partner  
Practice number 903485E  
Registered Auditor  
Chartered Accountant (SA)  
Wanderers Office Park  
52 Corlett Drive  
Illovo, 2196"

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## INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF BILLION ASSET MANAGERS

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“26 August 2016

The Board of Directors  
 Rebosis Property Fund Limited  
 3rd Floor, Palazzo Towers West,  
 Montecasino Boulevard,  
 Fourways,  
 2191

Dear Sirs

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

We have reviewed the historical financial information of Billion Asset Managers Proprietary Limited for the period ended 31 August 2013, included in the Circular, which is incorporated by reference in compliance with the JSE Limited (“JSE”) Listings Requirements.

#### Directors' Responsibility for the Financial Statements

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

#### Independent Reviewer's Responsibility

Our responsibility is to express a conclusion on the historical financial information based on our review. We conducted our review in accordance with International Standards on Review Engagements (ISRE) 2400, Engagements to Review Financial Statements. ISRE 2400 requires us to conclude whether anything has come to our attention that causes us to believe that the financial information, taken as a whole, is not prepared in all material respects in accordance with the International Financial Reporting Standards. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 consists primarily of making inquiries of management and others within the entity involved in financial and accounting matters, applying analytical procedures, and evaluating the sufficiency and appropriateness of evidence obtained. A review also requires performance of additional procedures when the practitioner becomes aware of matters that cause the practitioner to believe the financial statements as a whole may be materially misstated.

We believe that the evidence we obtained in our review is sufficient and appropriate to provide a basis for our conclusion.

The procedures performed in a review engagement are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on the historical financial information.

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the historical financial information of Billion Asset Managers Proprietary Limited for the period ended 31 August 2013 is not presented fairly, in all material respects the financial position as at 31 August 2013 in accordance with International Financial Reporting Standards, for the purposes of the circular, in accordance with International Financial Reporting Standards, the requirements of the Companies Act of South Africa, and the JSE Listings Requirements

SizweNtsalubaGobodo Inc.

**Anoosh Rooplal**

Director

Registered Auditor

20 Morris Street East, Woodmead, 2191”

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## INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF BILLION PROPERTY SERVICES

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“26 August 2016

The Board of Directors  
Rebosis Property Fund Limited  
3rd Floor, Palazzo Towers West,  
Montecasino Boulevard,  
Fourways,  
2191

We have reviewed the historical financial information of Billion Property Services Proprietary Limited for the period ended 31 August 2013, included in the Circular, which is incorporated by reference in compliance with the JSE Limited (“JSE”) Listings Requirements.

### **Directors' Responsibility for the Financial Statements**

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

### **Independent Reviewer's Responsibility**

Our responsibility is to express a conclusion on the historical financial information based on our review. We conducted our review in accordance with International Standards on Review Engagements (ISRE) 2400, Engagements to Review Financial Statements. ISRE 2400 requires us to conclude whether anything has come to our attention that causes us to believe that the financial information, taken as a whole, is not prepared in all material respects in accordance with the International Financial Reporting Standards. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 consists primarily of making inquiries of management and others within the entity involved in financial and accounting matters, applying analytical procedures, and evaluating the sufficiency and appropriateness of evidence obtained. A review also requires performance of additional procedures when the practitioner becomes aware of matters that cause the practitioner to believe the financial statements as a whole may be materially misstated.

We believe that the evidence we obtained in our review is sufficient and appropriate to provide a basis for our conclusion.

The procedures performed in a review engagement are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on the historical financial information.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the historical financial information of Billion Property Services Proprietary Limited for the period ended 31 August 2013 is not presented fairly, in all material respects the financial position as at 31 August 2013 in accordance with International Financial Reporting Standards, for the purposes of the circular, in accordance with International Financial Reporting Standards, the requirements of the Companies Act of South Africa, and the JSE Listings Requirements.

SizweNtsalubaGobodo Inc.

**Anoosh Rooplal**

Director

Registered Auditor

20 Morris Street East, Woodmead, 2191”

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## DETAILS OF THE PROPERTY PORTFOLIO

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The table below sets out the property specific details of the properties to be acquired.

No	Property name	Physical Address	Weighted average gross rental per square metre (R/m <sup>2</sup> )	GLA (m <sup>2</sup> )	Valuation (R)
1.	Forest Hill City Shopping Centre	6922 Forrest Beech Street, Monavoni, Pretoria, Gauteng	R186.80	72 811	2 192 063 000
2.	Baywest Mall Shopping Centre	100 Baywest Boulevard, Baywest City, Port Elizabeth, Eastern Cape	R177.00	89 989	2 334 000 000
<b>Total</b>			<b>R181.40</b>	<b>162 800</b>	<b>4 526 063 000</b>

### Notes:

1. The commercial effective date of the transaction is 1 September 2016.
2. Figures reflect 100% ownership of property assets.
3. The properties were valued as at 31 August 2016, by Mike Gibbons of Mills Fitchet, who is an independent external registered professional valuer in terms of the Property Valuers Profession Act, No 47 of 2000.
4. As the shopping centres are in effect being acquired by Rebois through its subscription for shares in the target companies, no purchase price per shopping centre has been ascribed.

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## DETAILS OF THE TARGET COMPANY SHAREHOLDERS

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Details of the target company shareholders of the target companies are set out below:

Name of target company shareholder:	Billion
Address of the target company shareholder:	3 <sup>rd</sup> Floor, Palazzo Towers West, Montecasino Boulevard, Fourways, 2191
Transaction amount paid:	<ul style="list-style-type: none"> <li>– R2.093 billion in respect of Forest Hill which owns Forest Hill City</li> <li>– R360.0 million in respect of Billion Asset Managers</li> <li>– R209.0 million in respect of Billion Property Services</li> </ul>
Goodwill paid:	R488.0 million
Price paid by target company shareholder and date of acquisition if purchased within the preceding three years:	n/a
Name of the shareholder of the target company shareholder:	Amatolo Family Trust
Address of the shareholder of the target company shareholder:	3 <sup>rd</sup> Floor, Palazzo Towers West, Montecasino Boulevard, Fourways, 2191
Name of target company shareholder:	Billion Property Group
Address of the target company shareholder:	3 <sup>rd</sup> Floor, Palazzo Towers West, Montecasino Boulevard, Fourways, 2191
Transaction amount paid:	R1.136 billion in respect of Baywest which owns Baywest Mall
Goodwill paid:	n/a
Price paid by target company shareholder and date of acquisition if purchased within the preceding three years:	n/a
Name of the shareholder of the target company shareholder:	Billion
Address of the shareholder of the target company shareholder:	3 <sup>rd</sup> Floor, Palazzo Towers West, Montecasino Boulevard, Fourways, 2191
Name of target company shareholder:	Abacus Holdings
Address of the target company shareholder:	1 <sup>st</sup> Floor, Suite 101 Mill Square, 12 Plein Street, Stellenbosch, 7600
Transaction amount paid:	R1.136 billion in respect of Baywest which owns Baywest Mall
Goodwill paid:	n/a
Price paid by target company shareholder and date of acquisition if purchased within the preceding three years:	n/a
Name of the shareholder of the target company shareholder:	Abacus Trust
Address of the shareholder of the target company shareholder:	1 <sup>st</sup> Floor, Suite 101 Mill Square, 12 Plein Street, Stellenbosch, 7600

## SALIENT FEATURES OF THE ASSET MANAGEMENT AGREEMENTS

The salient features of the asset management and property management agreements of Rebosis and Ascension are set out below. The details below are a direct extract from the relevant agreements.

### 1. **THE BILLION ASSET MANAGEMENT AGREEMENT**

#### “4. **Appointment and duration**

- 4.1. Rebosis hereby, with effect from the commencement date, appoints the asset manager, which hereby accepts such appointment, to render the asset management and property management services to Rebois and manage the operational management of Rebois in accordance with the terms and conditions of this agreement.
- 4.2. The asset manager shall be an independent contractor and not an agent (save to the extent expressly authorised in terms of this agreement) employee, partner of, or joint venturer with Rebois. If the asset manager owns any interest in or provides other services to Rebois, nothing contained herein shall be construed or interpreted to modify, relax or vary this agreement and the asset manager’s duties hereunder shall be entirely separate from any other relationship with Rebois.
- 4.3. The asset manager shall not have the authority to represent Rebois and to contract in the name of and for the benefit of Rebois except where such authority is expressly conferred upon it in terms of this agreement and when so representing Rebois, the asset manager will act in the best interests of Rebois.
- 4.4. This agreement shall commence on the commencement date and, subject to the provisions of clause 14, continue indefinitely. Notwithstanding the aforesaid, either party is entitled to terminate this agreement by giving 3 (three) years’ written notice, provided that such notice may only be delivered to the other party on or after the ninth anniversary of the date of signature of this agreement.”

#### “5. **Duties of the asset manager**

##### 5.1. ***Asset management services***

The asset manager shall perform the asset management services set out in Annexure A, together with such other duties as agreed in writing between Rebois and the asset manager from time to time. The asset manager is required to render to Rebois the asset management services in compliance with its obligations in terms of this clause 5.1 and in so doing shall render all such other property asset management services, whether set out in Annexure A or not, as may be normally expected from asset managers and/or as Rebois may reasonably direct in order to ensure that the operating standard is achieved and maintained.

##### 5.1.1. *Operating standard*

The asset manager shall strategically manage the property portfolio in an efficient manner, in good faith and diligently in accordance with sound, reasonable and prudent asset management practices and in keeping with directives issued by Rebois from time to time (“the operating standard”). The asset manager shall devote its efforts to serving Rebois in accordance with the terms of this agreement and shall perform its duties hereunder in a diligent and careful manner aimed at achieving the operating standard as a standard of performance. The asset manager, in rendering these services to Rebois, shall be entitled to make use of the assets of Rebois. The asset manager shall regularly communicate with the major shareholders of Rebois and shall consult real estate market experts from time to time to effectively and completely provide the asset management services contemplated in this clause 5.1.

##### 5.1.2. *Strategy*

5.1.2.1. The asset manager shall prepare and deliver to Rebois prior to the commencement of each financial year a strategic plan for approval by Rebois. The strategic plan will be reviewed half yearly and the progress in implementation shall be reported upon quarterly to Rebois within 60 (sixty) days after the end of each quarter, unless Rebois agrees otherwise.

5.1.2.3. In addition to clause 5.1.2.1, the asset manager shall from time to time recommend general strategies to maximise the performance of the property portfolio and strategies with regard to property acquisitions, property disposals, new developments, funding the expansion of the property portfolio and interest rate strategies in respect of the liabilities of Rebois. The asset manager will also recommend such other strategies to Rebois which it deems to be in the best interests of Rebois.

5.1.3. *Marketing*  
The asset manager shall market the group to investors, analysts, bankers, financiers, the press and the investment community generally.

5.1.4. *Strategic research*  
The asset manager shall cause to be conducted or use available research into the state and relative investment merits of the various sectors and geographical localities of the property market. Such research shall be made available to the Rebosis board on reasonable request therefor.

5.1.5. *Succession plan*  
5.1.5.1. The asset manager shall as soon as possible after the date of signature prepare a succession plan for its management and staff and submit such plan to Rebosis for its approval.

5.1.5.2. The purpose of the succession plan is, without limiting the generality of the term, to provide for the adequate management and staffing of the asset manager with a view to having available the requisite skill and expertise to conduct and maintain the business of Rebosis during the term of this agreement.

5.1.5.3. If Rebosis elects not to approve the succession plan proposed by the asset manager, Rebosis will issue such instructions in respect of succession planning to the asset manager as it deems necessary in order to adequately protect the interests of Rebosis in relation to succession and the asset manager shall implement such directives.

## 5.2. ***Operational management***

5.2.1. The asset manager shall manage the operational management of Rebosis. The operational management functions are set out in Annexure B. The asset manager, in rendering the operational management services contemplated in this clause 5.2 shall render all such other operational management services, whether set out in Annexure B or not, as may normally be expected from asset managers and/or as Rebosis may reasonably direct in order to ensure that the operating standard is achieved and maintained.

5.2.2. The asset manager shall, in addition to the asset management services rendered in terms of clause 5.1, manage the operational management of Rebosis in accordance with the provisions of this clause 5.2. The asset manager shall be responsible for the actions and/or omissions of its employees acting in the course and scope of their functions and duties as such.

5.2.3. *Annual budget*  
Before and as close as possible to the beginning of each financial year the asset manager shall cause to be prepared an annual budget for submission to Rebosis for approval for the next financial year. The asset manager shall cause to be revised the income and expenditure forecasts from time to time as is or becomes necessary and shall from time to time submit revised forecasts to Rebosis for approval, provided that any negative revisions to income shall be reported to the next following meeting of Rebosis and any unbudgeted expenditure, save for increases in local authority taxes and charges which were not anticipated, shall likewise be reported to Rebosis. In addition to the above, the business of Rebosis shall be managed in accordance with the annual budget on a continual basis with projections for the next financial year being presented to Rebosis in the annual budget together with the projected earnings for the shares of Rebosis, on the understanding that the annual budget will be reviewed by Rebosis within 60 (sixty) days after the end of each half year.

5.2.4. *Financial reporting*  
The asset manager shall manage the budgeted projections in respect of both operating expenditure and operating income and all other related financial controls and cause to be prepared monthly management accounts, quarterly reports and such other reports as may be reasonably required by Rebosis.

5.2.5. *Operating policy*  
The asset manager shall ensure that the letting policies and leasing terms adopted by Rebosis are in accordance with prevailing market conditions from time to time in furtherance of the objectives for the property portfolio.



5.2.6. *Operational research*

The asset manager shall cause to be conducted or use available research into prevailing rental rates and leasing terms offered in localities where the property portfolio is represented and comparative localities and research of general market conditions prevailing in such localities. Such research shall be made available to the Reboasis board on reasonable request made therefor.

5.2.7. *Operational responsibilities*

The asset manager shall, inter alia, and without limiting its operational management responsibilities, cause to be prepared and/or implemented –

5.2.7.1. approved strategic plans;

5.2.7.2. valuations of the property portfolio by an independent valuer as directed by Reboasis, or as required by IFRS;

5.2.7.3. a review of municipal valuations in relation to market value, formulating objections and procuring the attendance by the requisite professionals at any valuation court proceedings as may be required and taking such further actions as may be required as a result thereof;

5.2.7.4. the inspection of the properties and the improvements thereto at least annually in order to formulate recommendation reports on maintenance and refurbishment required;

5.2.7.5. any legal, statutory, JSE or any other relevant processes necessary on behalf of Reboasis.

5.2.8. *Acquisitions, developments and disposals*

The asset manager shall-

5.2.8.1. cause to be implemented the strategic plan in respect of acquisitions, developments and disposals in accordance with Reboasis approved objectives for the property portfolio; and

5.2.8.2. ensure that appropriate project co-ordinators are appointed for ongoing and/or new developments and/or the refurbishment or alterations and/or additions to existing developments and monitor the progress in regard thereto.”

## “7. Remuneration

### 7.1. *Asset management fee*

7.1.1. The remuneration payable by Reboasis to the asset manager for all asset management and operational management services rendered by the asset manager in terms of this agreement shall be a monthly fee of:

7.1.1.1 1/12 of 0,35% (one-twelfth of zero comma three five percent) in respect of the first R10 000 000 000 (ten billion rand) of the aggregate of the market capitalisation and the borrowings of Reboasis (“**Reboasis EV**”); and

7.1.1.2 1/12 of 0,30% (one-twelfth of zero comma three zero percent) in respect of the Reboasis EV in excess of an amount of R10 000 000 000 (ten billion rand).

7.1.2. For the purpose of clause 7.1.1 above:

7.1.2.1. “**borrowings**” means the aggregate of Reboasis’ borrowings (excluding the face value of any debentures forming part of any shares issued by Reboasis) on the last day of the month for which the fee is being calculated, as confirmed by the relevant lender/s. In determining Reboasis’ borrowings, the asset manager shall be entitled to take into account any borrowings to be incurred in respect of an unconditional acquisition, the effective date of which occurs prior to the date on which the funding is to be advanced; and

7.1.2.2. “**market capitalisation**” means the market capitalisation of Reboasis on the JSE at the close of business on the last trading day of the month for which the fee is being calculated, calculated as the volume weighted average traded price of a share on the JSE for the 14 (fourteen) calendar day period prior to that trading day multiplied by the number of shares then in issue. For the purpose of determining the number of shares in issue, the asset manager shall be entitled to take into account any units still to be issued pursuant to an unconditional acquisition, the effective date of which occurs prior to the date on which such shares are to be issued.

- 7.1.3. The fee referred to above shall be payable to the asset manager monthly in arrears on the 10th (tenth) day of each month, together with the applicable VAT thereon.
- 7.1.4. For the avoidance of doubt, the parties record that neither the asset manager nor its beneficiaries will be entitled to any remuneration in addition to that permitted in terms of this agreement, whether through commissions, bonuses, promoter's fees, share options or any other form of remuneration or reward, unless approved by Rebosis.

**7.2. *Reimbursement of expenses incurred on behalf of Rebosis***

- 7.2.1. If the asset manager incurs any of the specified expenses, the asset manager shall be entitled to be reimbursed by Rebosis for such expenses upon presentation of the relevant proof of payment together with supporting documentation. Any other expenditure incurred by the asset manager without the prior written consent of Rebosis, shall be for the account of the asset manager.
- 7.2.2. The asset manager shall report to Rebosis on a quarterly basis detailing Rebosis expenses disbursed by the asset manager as envisaged in terms of clause 7.2.1."

**"12. Option to acquire the asset manager**

- 12.1. Rebosis shall be entitled to purchase the business conducted by Billion Asset Managers and/or the shares in and claims on loan account in Billion Asset Managers from the Billion Asset Managers shareholders including their respective successors-in-title by giving 12 twelve months written notice to the Billion Asset Managers shareholders (the "exercise notice") which exercise notice may not be given within the first 4 years of this appointment. In such event a sale of business and/or sale of shares shall be deemed to have been concluded on the following terms and conditions:
  - 12.1.1. Rebosis shall be entitled to carry out a due diligence investigation into the affairs of Billion Asset Managers and Billion Asset Managers shall provide Rebosis all information which Rebosis may reasonably require pursuant thereto;
  - 12.1.2. the acquisition shall be subject to Rebosis complying with the requirements of the JSE Listings Requirements and without derogating from the generality of the foregoing, that Rebosis procure a fairness opinion from an independent advisor should the JSE rule that the transaction is a related party transaction and requires a fairness opinion;
  - 12.1.3. if applicable, the shares shall be delivered in transferable form to Rebosis against payment of the purchase price;
  - 12.1.4. if applicable, Rebosis shall bear the costs of any Securities Transfer Tax payable in respect of the acquisition of the shares and claims on loan account against Billion Asset Managers;
  - 12.1.5. the business and/or the shares and claims shall be acquired voetstoots with effect from the expiry of the 12 twelve month period;
  - 12.1.6. the purchase price business and/or the shares and loan accounts shall be the fair market value thereof to be agreed between the parties or, failing agreement, to be determined by the auditors of Rebosis. The auditors in determining fair value may call on all or any of the parties to make written representation in regard to the value of the business and/or shares and furnish any such representation to the remaining parties and must take into account the price earnings multiple of any JSE listed company conducting similar business to that of the asset manager. Whether or not any party makes any representations, the auditors shall be entitled to consult with any of the parties or with any other person. In determining fair value the auditors shall act as expert and not as arbitrator.
- 12.2. If any party challenges the auditors' decision, which it may only do by delivering a certificate by another auditor setting out the basis on which such decision is challenged within 15 business days of receipt of the auditor's determination, the matter shall be referred to an independent chartered accountant appointed by the chairperson for the time being of the Institute of Chartered Accountants SA. Such independent chartered accountant shall act as an expert and not as an arbitrator and his decision shall be final and binding. He shall determine liability for his charges. If any determination is manifestly unjust, but the court exercises its general power, if any, to correct such determination, the parties shall be bound thereby.
- 12.3. Notwithstanding anything to the contrary contained in this clause 12, the provisions of this clause 12 shall apply only if a quorum of independent directors of Rebosis votes in favour of a resolution to invoke the provisions of this clause 12."

## “14. Termination

### 14.1. *Events of default*

An event of default shall have occurred if a party -

- 14.1.1. fails to comply with any provision of this agreement and if such failure is not rectified within 10 (ten) business days after receipt of a written notice from the other party, provided, however, with respect to any matter where rectifying such failure reasonably requires more than 10 (ten) business days, the time period for rectifying shall be extended for up to a total of 30 (thirty) business days provided that the party who failed, promptly commences to rectify the failure after the effective date of the notice and thereafter pursues such rectification; or
- 14.1.2. enters into a compromise or arrangement with its creditors, otherwise than for a reconstruction, restructuring or amalgamation without insolvency; or
- 14.1.3. is placed under judicial management or a liquidation whether provisional or final; or
- 14.1.4. has a judgement enforced upon or sued out against its property which is not discharged or steps are not taken to set it aside or the judgement is appealed within 14 (fourteen) business days and such steps are not diligently pursued to conclusion; or
- 14.1.5. is unable to pay its debts in the normal course of business; or
- 14.1.6. ceases or threatens to cease wholly or substantially to carry on its business, otherwise than for a reconstruction, restructuring or amalgamation, in solvent circumstances; or
- 14.1.7. is subject to an encumberer taking possession of or a liquidator or trustee is appointed over the whole or material part of its undertaking, property or assets; or
- 14.1.8. is subject to an order or passes a resolution for its winding up or placing under judicial management, whether provisionally or finally and, otherwise than for the purpose of a reconstruction or amalgamation, in solvent circumstances previously approved by the other party, which approval shall not be unreasonably withheld.

### 14.2. *Rebosis' right to cancel or terminate*

14.2.1. Rebosis shall have the right, but not be obliged, to terminate this agreement upon 60 (sixty) days' written notice to the asset manager –

- 14.2.1.1. upon the occurrence of an event of default by the asset manager, provided that if the event of default complained of is the event of default contemplated in clause 14.1.1, Rebosis shall only have the right to cancel if such event of default is material, goes to the root of this agreement and cannot be remedied by the payment of monetary compensation; and/or
- 14.2.1.2. in the event of proven fraud; and/or
- 14.2.1.3. upon a sale or alienation or other disposition of more than 50% (fifty per cent) in value of the properties by Rebosis to an entity which is not associated with Rebosis or the asset manager but subject to the provisions of clause 14.4 below; and/or
- 14.2.1.4. upon the performance criteria and written demands set out in **Annexure C** not being met, but subject to the provisions of **Annexure C**.

14.2.2. In the event that the shareholders of Rebosis in general meeting pass an ordinary resolution in terms of which they cancel this agreement other than in accordance with the notice provisions of clause 4.4 (as they are entitled to do in terms of the Listing Requirements of the JSE), this agreement shall terminate on the 60th day from the date of the passing of such resolution. Provided that such termination does not arise as a consequence of an event of default by the asset manager as contemplated in clause 14.2.1.1 or the failure by the asset manager to meet the performance criteria as contemplated in clause 14.2.1.4 such cancellation shall be subject to the provisions of clause 14.4 below.

### 14.3. *The asset manager's right to terminate*

The asset manager shall have the right, but not be obliged, to terminate this agreement upon 60 (sixty) days' written notice to Rebosis –

- 14.3.1. upon the occurrence of an event of default by Rebosis or in the event of fraud or wilful misconduct on the part of Rebosis, provided that if the event of default complained is the event of default contemplated in clause 14.1.1, the asset manager shall only have the right to terminate if such event of default is material and goes to the root of the agreement and cannot be remedied by the payment of monetary compensation; and/or

14.3.2. upon a sale or alienation or other disposition of all or substantially all of the properties by Rebois to an entity which is not associated with Rebois or the asset manager.

#### 14.4. ***Consequences of termination***

14.4.1. If Rebois elects to terminate the agreement (i) pursuant to an event contemplated in clause 14.2.1.3 in circumstances where the acquirer has not agreed to take over the rights and obligations of Rebois in respect of the properties sold, alienated or disposed of in terms of this agreement; or (ii) in accordance with clause 14.2.2 (the “termination event”), Rebois shall pay to the asset manager by way of compensation for the relinquishment of an income-generating asset, the net present value of the specified management fee (as defined below) for the agreed termination period, as determined by the auditors of Rebois based on such assumptions as they deem reasonable in the circumstances, save that:

14.4.1.1. they shall be obliged to assume the information contemplated in clause 7.1 as at the date of cancellation or termination as fixed for the duration of the agreed termination period;

14.4.1.2. the applicable period for which the present value calculation shall be determined shall be the agreed termination period; and

14.4.1.3. they shall be obliged to use a discount rate equivalent to the prime rate.

14.4.2. For purposes of this clause 14.4:

14.4.2.1. “**agreed termination period**” means a period of 3 (three) year calculated from the date of termination, provided that if the right to terminate contemplated in clause 14.4.1 is exercised within 9 (nine) years after the date of signature, the agreed termination period shall, for purposes of this clause 14.4, be 3 (three) years plus the remaining period of the first 9 (nine) years of the agreement; and

14.4.2.2. the “**specified management fee**” means 0,30% (zero comma three zero percent) of the Rebois EV for the 12 (twelve) months immediately preceding the termination event of default.

#### 14.5. ***Duties upon termination***

On the effective date of a termination, the asset manager shall deliver to Rebois promptly all of Rebois’ materials, supplies, keys, leases, contracts, other documents, insurance policies, plans, specifications, permits, licenses, promotional materials and such other accounting papers and records including general correspondence as pertain to this agreement. The asset manager shall also assign to Rebois, without recourse to the asset manager, executed contracts, if any, in the asset manager’s name relating to the asset management services, provided that such contracts are on market related terms and acceptable to Rebois. The asset manager shall deliver to Rebois a final accounting of the portfolio up to and including the effective date of the termination within 60 (sixty) days after such effective date of termination. No further services shall be performed by the asset manager under this agreement after the effective date of a termination or rely on or represent any association with Rebois, except that the asset manager shall co operate fully with Rebois to accomplish an orderly transfer of the asset management services and operational management of Rebois to Rebois itself or an entity designated by Rebois to succeed the asset manager.

#### 14.6. ***Remedies and survival***

14.6.1. If either party terminates this agreement pursuant to an event of default, the party so terminating may exercise any and all remedies available at law or in terms of this agreement for breach of contract, unless and to the extent limited herein.

14.6.2. Upon expiration or any termination –

14.6.2.1. both parties shall remain liable for all obligations accrued and not fully performed under this agreement during the term of this agreement;

14.6.2.2. the asset manager shall remain entitled to be remunerated until the actual date of expiration or termination;

14.6.2.3. the provisions of clause 8 and clause 12 shall continue to apply and shall survive such expiration or termination.”

## 2. **ASCENSION ASSET MANAGEMENT AGREEMENT**

### “5 **DURATION**

- 5.1 This Agreement shall commence on the Commencement Date and shall, subject to the provisions of clauses 16 and 22, continue for an initial period of 10 (ten) years (“Initial Period”) after which it shall terminate, unless renewed in accordance with clause 5.2.
- 5.2 This Agreement may be renewed for a period of 5 (five) years from the date of expiry of the Initial Period (“Renewal Period”), and thereafter for further consecutive periods of 5 (five) years from the date of expiry of any subsequent Renewal Period, by way of an ordinary resolution of Share Holders adopted at a general meeting of Share Holders prior to the expiry of the Initial Period or any Renewal Period, as the case may be.
- 5.3 Notwithstanding the foregoing, either Party is entitled to terminate this Agreement by giving 3 (three) years’ written notice, provided that such notice may only be delivered to the other Party on or after the 7th (seventh) anniversary of the Commencement Date.”

### “6 **APPOINTMENT AND DUTIES**

- 6.1 The Company hereby, with effect from the Commencement Date, appoints the Manager, which accepts such appointment, to –
  - 6.1.1 render the Asset Management Services;
  - 6.1.2 manage the Operational Management; and
  - 6.1.3 procure the Property Administration Services by the Property Managers,in accordance with the further terms and conditions of this Agreement.
- 6.2 The Manager shall be an independent contractor and not an agent (save to the extent expressly authorised in terms of this Agreement) employee, partner of, or joint venturer with the Company. If the Manager owns any interest in or provides other services to the Company, nothing contained herein shall be construed or interpreted to modify, relax or vary this Agreement and the Manager’s duties hereunder shall be entirely separate from any other relationship with the Company.
- 6.3 The Manager shall not have the authority to represent the Company and to contract in the name of and for the benefit of the Company except where such authority is expressly conferred upon it in terms of this Agreement and when so representing the Company, the Manager will act in the best interests of the Company.
- 6.4 **Asset Management Services**

The Manager shall perform the Asset Management Services as set out in Annexure “1” hereto, together with such other duties as may be agreed in writing between the Company and the Manager from time to time, in accordance with this clause 6.4. The Manager shall render the Asset Management Services and any such other asset management services (whether set out in Annexure “1” or not) as may be normally expected from asset managers and/or as the Company may reasonably direct in order to ensure that the Operating Standard is achieved and maintained.

#### 6.4.1 *Operating Standard*

The Manager shall strategically manage the Property Portfolio in an efficient manner, in good faith and diligently in accordance with sound, reasonable and prudent asset management practices and in keeping with directives issued by the Company from time to time (the “Operating Standard”). The Manager shall devote its efforts to serving the Company in accordance with the terms of this Agreement and shall perform its duties hereunder in a diligent and careful manner aimed at achieving the Operating Standard as a standard of performance. The Manager, in rendering these services to the Company, shall be entitled to make use of the assets of the Company. The Manager shall regularly communicate with the Board and may consult real estate market experts from time to time to effectively and completely provide the Asset Management Services on the basis contemplated in this clause 6.4.

#### 6.4.2 *Strategy*

- 6.4.2.1 The Manager shall prepare and deliver to the Company prior to the commencement of each Financial Year a strategic plan for approval by the Company. The strategic plan will be reviewed half yearly and the progress in implementation shall be reported upon quarterly to the Company within 60 (sixty) days after the end of each quarter, unless the Company agrees otherwise.

6.4.2.2 In addition to the provisions of clause 6.4.2.1, the Manager shall from time to time recommend general strategies to maximise the performance of the Property Portfolio and strategies with regard to property acquisitions, property disposals, new developments, funding the expansion of the Property Portfolio and interest rate strategies in respect of the liabilities of the Company. The Manager will also recommend such other strategies to the Company which it deems to be in the best interests of the Company.

6.4.3 *Marketing*

The Manager shall market the Group to investors, analysts, bankers, financiers, the press and the investment community generally.

6.4.4 *Strategic research*

The Manager shall either cause to be conducted or use available research into the state and relative investment merits of the various sectors and geographical localities of the property market. Such research shall be made available to the Board on reasonable request.

**6.5 Operational Management**

6.5.1 The Manager shall manage the operational management of the Company (“Operational Management”). The Operational Management functions are set out in Annexure “2”. The Manager, in rendering the Operational Management services contemplated in this clause 6.5, shall render all such other Operational Management services, whether set out in Annexure “2” or not, as may normally be expected from asset managers and/or as the Company may reasonably direct to ensure that the Operating Standard is achieved and maintained.

6.5.2 The Manager shall, in addition to the Asset Management Services, manage the Operational Management of the Company in accordance with the provisions of this clause 6.5. The Manager shall be responsible for the actions and/or omissions of its employees acting in the course and scope of their functions and duties as such.

6.5.3 *Annual budget*

Not later than 30 days before the commencement of each Financial Year, the Manager shall cause to be prepared an Annual Budget for submission to the Company for approval for the next Financial Year. The Manager shall cause to be revised the income and expenditure forecasts from time to time as is or becomes necessary and shall from time to time submit revised forecasts to the Company, in such form and containing such information as may reasonably be required by the Company, for approval, provided that any negative revisions to income shall be reported to the next following meeting of the Company and any unbudgeted expenditure, save for increases in local authority taxes and charges which were not anticipated, shall likewise be reported to the Company. In addition to the above, the business of the Company shall be managed in accordance with the Annual Budget on a continual basis with projections for the next Financial Year being presented to the Company in the Annual Budget together with the projected earnings for the Shares of the Company, on the understanding that the Annual Budget will be reviewed by the Company within 60 (sixty) days after the end of each half year.

6.5.4 *Financial reporting*

The Manager shall manage the budgeted projections in respect of both operating expenditure and operating income and all other related financial controls and cause to be prepared monthly management accounts, quarterly reports and such other reports as may be reasonably required by the Company.

6.5.5 *Letting policy*

The Manager shall ensure that the letting policies and leasing terms adopted by the Company are in accordance with prevailing market conditions from time to time in furtherance of the objectives for the Property Portfolio.

6.5.6 *Operational research*

The Manager shall cause to be conducted or use available research into prevailing rental rates and leasing terms offered in localities where the Property Portfolio is represented and comparative localities and research of general market conditions prevailing in such localities. Such research shall be made available to the Board on reasonable request.

#### 6.5.7 *Operational responsibilities*

The Manager shall, without limiting its Operational Management responsibilities, cause to be prepared and/or implemented –

- 6.5.7.1 approved strategic plans;
- 6.5.7.2 valuations of the Property Portfolio by an independent valuer as directed by the Company or as required by IFRS;
- 6.5.7.3 an annual review of municipal valuations of the Properties in relation to the market value, formulating objections and procuring the attendance by the requisite professionals at any valuation court proceedings as may be required and taking such further actions as may be required;
- 6.5.7.4 the inspection of the Properties and the improvements thereto at least annually in order to formulate recommendation reports on maintenance and refurbishment required; and
- 6.5.7.5 any legal, statutory, JSE or any other relevant processes necessary on behalf of the Company.

#### 6.5.8 *Acquisitions, developments and disposals*

The Manager shall-

- 6.5.8.1 cause to be implemented the strategic plan in respect of acquisitions, developments and disposals in accordance with the Company approved objectives for the Property Portfolio; and
- 6.5.8.2 ensure that appropriate project co-ordinators are appointed for ongoing and/or new developments and/or the refurbishment or alterations and/or additions to existing developments and monitor the progress in regard thereto.

#### 6.5.9 *Secretarial*

The Manager shall further be responsible for –

- 6.5.9.1 investing surplus funds;
- 6.5.9.2 maintaining all books of account for the Property Portfolio;
- 6.5.9.3 maintaining all the Property Portfolio's necessary secretarial documentation, including minutes and resolutions, if and to the extent that (1) the Company has not resolved to do so itself or (2) this is not the responsibility of a Property Manager appointed by the Company;
- 6.5.9.4 liaison and provision of information for annual audit;
- 6.5.9.5 taking minutes at meetings;
- 6.5.9.6 circulating all agendas and minutes;
- 6.5.9.7 attending to correspondence; and
- 6.5.9.8 attending to the requirements of the JSE including, without limitation, the preparation and distribution of circulars, payment of distributions and the convening of general meetings of members of the Company.

### 6.6 **Property Administration Services**

6.6.1 The Manager shall be responsible for entering into (and terminating) such agreements on behalf of the Company and in the name of the Company as the Manager shall consider appropriate with such Property Managers as shall be selected by the Manager (it being agreed, for the avoidance of doubt, that the administration of the properties in the Property Portfolio shall be the Company's responsibility), which Property Administrators' duties in relation to the Company shall be to attend to the day to day administration of each Property. It shall be provided in any such agreement entered into between the Company and any proposed administrator that the latter shall administer the Properties by instituting systems and procedures to –

- 6.6.1.1.1 collect rental, operating costs and VAT recoveries and account for tenants' deposits;
- 6.6.1.1.2 pay all property expenses, including without limitation, stamp duties and relevant property taxes;
- 6.6.1.1.3 enforce the landlord's rights against defaulting tenants;

- 6.6.1.1.4 insure the buildings on the Properties adequately against all relevant risks provided that the Manager shall, on an annual basis, submit full details of all proposed insurance and/or existing insurance to the Company, to the extent possible, prior to effecting or renewing same;
- 6.6.1.1.5 inspect all the buildings and Properties with a view to ensuring the continued maintenance and carrying out of authorised capital expenditures are carried out;
- 6.6.1.1.6 deal with tenant complaints and requirements;
- 6.6.1.1.7 inform all tenants of all rules, regulations and notices issued by the Company;
- 6.6.1.1.8 prepare budgets of income and expenditure for each Property;
- 6.6.1.1.9 report to the Manager the monthly income and expenditure accounts for each Property;
- 6.6.1.1.10 deal with lease expiries and renewals and report on and, where possible, fill anticipated vacancies prior to their occurrence;
- 6.6.1.1.11 use its/their best endeavours to let vacant space immediately and space which is to become vacant before leases expire;
- 6.6.1.1.12 enter into leases in accordance with the letting policies of the Company from time to time and prepare and execute all necessary documentation;
- 6.6.1.1.13 enter into contracts with suppliers of services to buildings on the Properties at competitive rates having due regard to the quality of service provided; and
- 6.6.1.1.14 maintain the Properties.”

## “9 REMUNERATION

The remuneration and expenses payable by the Company to the Manager for and in the course of the services to be rendered by the Manager in terms of this Agreement shall be the sum of the fees and expenses set out in this clause 9.

### 9.1 Asset Management Fee

9.1.1 From the Commencement Date until 31 August 2013, a monthly fee of 1/12th of 0,25% (one twelfth of zero comma two five percent) of the aggregate of the market capitalisation and the borrowings of the Company. Thereafter, a monthly fee of 1/12th of 0,45% (one twelfth of zero comma four five percent) of the aggregate of the market capitalisation and the borrowings of the Company (“Asset Management Fee”).

9.1.2 For the purpose of clause 9.1.1 above:

9.1.2.1 “borrowings” means the aggregate of the Company’ borrowings (excluding the face value of any debentures forming part of any Shares issued by the Company) on the day in question, as confirmed by the relevant lender/s. In determining the Company’s borrowings, the Company shall be entitled to take into account any borrowings to be incurred in respect of an unconditional acquisition, the effective date of which occurs prior to the date on which the funding is to be advanced; and

9.1.2.2 “market capitalisation” means the market capitalisation of the Company on the JSE at the close of business on the trading day in question, calculated as the volume weighted average traded price of a Share on the JSE for the 30 (thirty) calendar day period prior to the last trading day in question multiplied by the number of Shares in issue at the relevant time. For the purpose of determining the number of Shares in issue, the Manager shall be entitled to take into account any Shares still to be issued pursuant to an unconditional acquisition, the effective date of which occurs prior to the date on which such Shares are to be issued.

9.1.3 The Asset Management Fee shall be payable to the Manager monthly in arrears on the 10th (tenth) day of each month, together with the applicable VAT thereon.

### 9.3 Reimbursement of expenses incurred on behalf of the Company

9.3.1 If the Manager incurs any of the Specified Expenses, the Manager shall be entitled to be reimbursed by the Company for such expenses upon presentation of the relevant proof of payment together with supporting documentation. Any other expenditure incurred by the Manager without the prior written consent of the Company, shall be for the account of the Manager.

9.3.2 The Manager shall report to the Company on a quarterly basis detailing the Company expenses disbursed by the Manager as envisaged in terms of clause 9.3.1.”



## **“14 BEE UNDERTAKINGS AND INDEMNITIES BY THE MANAGER**

- 14.1 The Manager hereby undertakes in favour of the Company to procure that, for the duration of this Agreement –
- 14.1.1 it shall at all relevant times be and remain wholly owned and controlled by Black People; and
  - 14.1.2 none of its shareholders shall –
    - 14.1.2.1 dispose of or enter into any contract to dispose of any shares in the Manager or of any of the rights attached to shares in the Manager; or
    - 14.1.2.2 enter into any agreement in respect of the votes attached to any of its shares or any of the other rights attached to its interests as a shareholder; or
    - 14.1.2.3 agree, whether or not subject to any suspensive or resolute condition, to do any of the foregoing; or
    - 14.1.2.4 take any action, or agree to take any action,  
which could adversely affect the BEE credentials of the Manager or could adversely affect the Company’s standing in terms of the DPW Empowerment Policies.
- 14.2 If any event occurs or any circumstance arises which constitutes a breach or which is reasonably expected to result in a breach of any of the provisions of clause 14.1, the Manager shall immediately upon it becoming aware of such event or circumstance give written notice thereof to the Company. For this purpose, as soon as such event or circumstance comes to the knowledge of any director or senior executive of the Manager, the Manager shall (unless the contrary is proved) be deemed to have knowledge of the event or circumstance in question.
- 14.3 The Company may, without limiting its rights under any other applicable provision, on written notice to the Manager, require the Manager to provide the Company with such documents and information as it may reasonably require in order to verify the BEE credentials of the Manager, its shareholders and directors.
- 14.4 Without prejudice to any rights of the Company arising from any other provision of this Agreement, the Manager hereby agrees to indemnify and hold the Company harmless from and against any loss, damage or harm which the Company may suffer (whether directly or indirectly) resulting from, arising out of, or relating to any breach of or non-compliance by the Manager with any of its obligations in terms of clause 14.1, including, for the avoidance of doubt, any loss arising as a result of the cancellation or non-renewal of any leases by the DPW due to such failure, breach or non-compliance by the Manager.”

## **“16 TERMINATION**

### **16.1 Events of Default**

An Event of Default shall have occurred if a Party –

- 16.1.1 fails to comply with any provision of this Agreement and if such failure is, subject to clause 16.1.2, not rectified within 10 (ten) Business Days after receipt of a written notice from the other Party, provided, however, with respect to any matter where rectifying such failure reasonably requires more than 10 (ten) Business Days, the time period for rectifying shall be extended for up to a total of 30 (thirty) Business Days provided that the Party who failed, promptly commences to rectify the failure after the effective date of the notice and thereafter pursues such rectification; or
- 16.1.2 in the case of the Manager, it fails to comply with the provisions of clause 14.1 and if such failure is not rectified within 60 (sixty) Business Days after receipt of a written notice from the other Company;
- 16.1.3 enters into a compromise or arrangement with its creditors, otherwise than for a reconstruction, restructuring or amalgamation without insolvency; or
- 16.1.4 is placed under judicial management or a liquidation whether provisional or final; or
- 16.1.5 has a judgement enforced upon or sued out against its property which is not discharged or steps are not taken to set it aside or the judgement is appealed within 14 (fourteen) business days and such steps are not diligently pursued to conclusion; or
- 16.1.6 is unable to pay its debts in the normal course of business; or
- 16.1.7 ceases or threatens to cease wholly or substantially to carry on its business, otherwise than for a reconstruction, restructuring or amalgamation, in solvent circumstances; or
- 16.1.8 is subject to an encumberer taking possession of or a liquidator or trustee is appointed over the whole or material part of its undertaking, property or assets; or

16.1.9 is subject to an order or passes a resolution for its winding up or placing under judicial management, whether provisionally or finally and, otherwise than for the purpose of a reconstruction or amalgamation, in solvent circumstances previously approved by the other party, which approval shall not be unreasonably withheld.

## 16.2 Termination by the Company

16.2.1 The Company shall be entitled, but not be obliged, to terminate this Agreement upon 60 (sixty) days' written notice to the Manager

16.2.1.1 upon the occurrence of an Event of Default by the Manager, provided that if the Event of Default complained of is the Event of Default contemplated in clause 16.1.1, the Company shall only have the right to cancel if such Event of Default is material, goes to the root of this Agreement and cannot be remedied by the payment of monetary compensation; and/or

16.2.1.2 in the event of proven fraud or proven wilful misconduct on the part of the Manager; and/or

16.2.1.3 upon a sale or alienation or other disposition of more than 50% (fifty percent) in value of the Properties by the Company to an entity which is not associated with the Company or the Manager, but subject to the provisions of clause 16.4 below.

16.2.2 In the event that the Share Holders of the Company in general meeting pass an ordinary resolution in terms of which they cancel this Agreement other than in accordance with the notice provisions of clause 5 (as they are entitled to do in terms of the listing Requirements of the JSE), this Agreement shall terminate on the 60th (sixtieth) day from the date of the passing of such resolution, provided that if such termination does not arise as a consequence of an Event of Default by the Manager as contemplated in clause 16.2.1.1, or in the event of proven fraud or proven wilful misconduct on the part of the Manager as set out in clause 16.2.1.2, such cancellation shall be subject to the provisions of clause 16.4 below.

## 16.3 Termination by the Manager

The Manager shall be entitled, but not be obliged, to terminate this Agreement upon 60 (sixty) days' written notice to the Company

16.3.1 upon the occurrence of an Event of Default by the Company or in the event of fraud or wilful misconduct on the part of the Company, provided that if the Event of Default complained is the Event of Default contemplated in clause 16.1.1, the Manager shall only have the right to terminate if such Event of Default is material and goes to the root of this Agreement and cannot be remedied by the payment of monetary compensation; and/or

16.3.2 upon a sale or alienation or other disposition of more than 50% (fifty percent) in value of the Properties by the Company to an entity which is not associated with the Company or the Manager;

## 16.4 Consequences of termination by the Company

16.4.1 If the Company –

16.4.1.1 fails to renew this Agreement in terms of clause 5.2 on the expiry of the Initial Period, or any Renewal Period, as the case may be; or

16.4.1.2 elects to terminate this Agreement (1) pursuant to an event contemplated in clause 16.2.1.3 in circumstances where the acquirer has not agreed to take over the rights and obligations of the Company in respect of the properties sold, alienated or disposed of in terms of this Agreement; or (2) in accordance with clause 16.2.2 (the “termination event”), the Company shall pay to the Manager by way of compensation for the relinquishment of an income-generating asset, the sum of the –

16.4.1.2.1.1 specified transaction fees; and

16.4.1.2.1.2 net present value of the specified management fee for the agreed termination period, as determined by the auditors of the Company based on such assumptions as they deem reasonable in the circumstances, save that –

16.4.1.2.1.3 they shall be obliged to assume the information contemplated in clause 9.1 as at the date of cancellation or termination as fixed for the duration of the agreed termination period;

16.4.1.2.1.4 the applicable period for which the present value calculation shall be determined shall be the agreed termination period; and

16.4.1.2.1.5 they shall be obliged to use a discount rate equivalent to the Prime Rate.

16.4.2 For purposes of this clause 16.4:

16.4.2.1 “agreed termination period” means –

16.4.2.1.1 in respect of an event contemplated in clause 16.4.1.1, a period of 5 (five) years;

16.4.2.1.2 in respect of an event contemplated in clause 16.4.1.2, the greater of –

16.4.2.1.2.1 the remaining period of the Initial Period (if applicable); and

16.4.2.1.2.2 5 (five) years;

16.4.2.2 the “specified transaction fee” means an amount equal to the Transaction Fee payable to the Manager in terms of clause 9.2 in respect of all Assets Acquired at any time after the occurrence of the termination event, if any agreement for the acquisition of such Acquired Assets was concluded by or on behalf of the Company (whether conditionally or unconditionally) prior the date of the termination event;

16.4.2.3 the “specified management fee” means the management fee paid to the Manager in terms of clause 9.1 (the “actual management fee”) for the 6 (six) months immediately preceding the termination event, annualised, or if this Agreement has endured for less than 12 (twelve) months from the Commencement Date, then the actual management fee, annualised, after deducting expenses actually incurred by the Manager in providing the Asset Management Services for the relevant period.

16.4.3 The specified management fee shall be paid by the Company to the Manager within 10 (ten) Business Days after the effective date of the termination of this Agreement.

16.4.4 The specified transaction fee shall be paid by the Company to the Manager mutatis mutandis in accordance with clause 9.2.3, read with the changes required by the context.

### 16.5 Duties upon termination

On the effective date of a termination, the Manager shall deliver to the Company promptly all of the Company’ materials, supplies, keys, leases, contracts, other documents, insurance policies, plans, specifications, permits, licenses, promotional materials and such other accounting papers and records including general correspondence as pertain to this Agreement. The Manager shall also assign to the Company, without recourse to the Manager, executed contracts, if any, in the Manager’s name relating to the Asset Management Services, provided that such contracts are on market related terms and acceptable to the Company. The Manager shall deliver to the Company a final accounting of the Property Portfolio up to and including the effective date of the termination within 60 (sixty) days after such effective date of termination. No further services shall be performed by the Manager under this Agreement after the effective date of a termination or rely on or represent any association with the Company, except that the Manager shall co operate fully with the Company to accomplish an orderly transfer of the asset management services and operational management of the Company to the Company itself or an entity designated by the Company to succeed the Manager.

### 16.6 Remedies and survival

16.6.1 If either Party terminates this Agreement pursuant to an Event of Default, the party so terminating may exercise any and all remedies available at law or in terms of this Agreement for breach of contract, unless and to the extent limited herein.

16.6.2 Upon expiration or any termination -

16.6.2.1 both Parties shall remain liable for all obligations accrued and not fully performed under this Agreement during the term of this Agreement; and

16.6.2.2 the Manager shall remain entitled to be remunerated until the actual date of expiration or termination.”

## 3. MTHATHA MALL ASSET MANAGEMENT AGREEMENT

### “1.1. Definitions

1.1.5. “Commencement Date” means 1 September 2016 or the effective date of the Rebois Transaction, whichever date occurs later.

### 2. Introduction and recordal

2.1. Mthatha Mall hereby, with effect from the commencement date, appoints the asset manager, which hereby accepts such appointment, to render the asset management services to Mthatha Mall and manage the operational management of Mthatha Mall.

2.2. In light of the foregoing the parties have entered into this agreement on the terms recorded herein.

**“3. Appointment and duration**

- 3.1. The asset manager shall be appointed as an independent contractor and not an agent (save to the extent expressly authorised in terms of this agreement) employee, partner of, or joint venturer with Mthatha Mall. If the asset manager owns any interest in or provides other services to Mthatha Mall, nothing contained herein shall be construed or interpreted to modify, relax or vary this agreement and the asset manager’s duties hereunder shall be entirely separate from any other relationship with Mthatha Mall.
- 3.2. The asset manager shall not have the authority to represent Mthatha Mall and to contract in the name of and for the benefit of Mthatha Mall except where such authority is expressly conferred upon it in terms of this agreement and when so representing Mthatha Mall, the asset manager will act in the best interests of Mthatha Mall.
- 3.3. This agreement shall commence on the commencement date and, subject to the provisions of clause 12, continue for 7 (seven) years.”

**“6. Remuneration**

**6.1. *Asset management fee***

- 6.1.1. The remuneration payable by Mthatha Mall to the asset manager for all asset management and operational management services rendered by it in terms of this agreement shall be a monthly fee of 1/12th of 0,30% (one twelfth of zero comma three zero per cent) of the enterprise value of the property.
- 6.1.2. The asset management fee stipulated in clause 6.1.1 above is based on the percentage that was utilised to calculate the value paid for the asset manager by Rebosis.
- 6.1.3. The fee referred to above shall be payable to the asset manager monthly in arrears on the 10th (tenth) day of each month, together with the applicable VAT thereon.
- 6.1.4. For the avoidance of doubt, the parties record that neither the asset manager nor its beneficiaries will be entitled to any remuneration in addition to that permitted in terms of this agreement, whether through commissions, bonuses or any other form of remuneration or reward, unless approved by Mthatha Mall.

**6.2. *Reimbursement of expenses incurred on behalf of Mthatha Mall***

- 6.2.1. If the asset manager incurs any of the specified expenses, the asset manager shall be entitled to be reimbursed by Mthatha Mall for such expenses upon presentation of the relevant proof of payment together with supporting documentation. Any other expenditure incurred by the asset manager without the prior written consent of Mthatha Mall, shall be for the account of the asset manager.
- 6.2.2. The asset manager shall report to Mthatha Mall on a quarterly basis detailing Mthatha Mall expenses disbursed by the asset manager as envisaged in terms of clause 6.2.1.”

**“12. Termination**

**12.1. *Events of default***

An event of default shall have occurred –

12.1.1 if a party

- 12.1.1.1 fails to comply with any provision of this agreement and if such failure is not rectified within 10 (ten) business days after receipt of a written notice from the other party, provided, however, with respect to any matter where rectifying such failure reasonably requires more than 10 (ten) business days, the time period for rectifying shall be extended for up to a total of 30 (thirty) business days or such longer period as may be reasonable in the circumstances provided that the party who failed, promptly commences to rectify the failure after the effective date of the notice and thereafter pursues such rectification; or
- 12.1.1.2 enters into a compromise or arrangement with its creditors, otherwise than for a reconstruction, restructuring or amalgamation without insolvency; or
- 12.1.1.3 is placed under judicial management or a liquidation whether provisional or final; or
- 12.1.1.4 has a judgement enforced upon or sued out against its property which is not discharged or steps are not taken to set it aside or the judgement is appealed within 14 (fourteen) business days and such steps are not diligently pursued to conclusion; or
- 12.1.1.5 is unable to pay its debts in the normal course of business; or
- 12.1.1.6 ceases or threatens to cease wholly or substantially to carry on its business, otherwise than for a reconstruction, restructuring or amalgamation, in solvent circumstances; or
- 12.1.1.7 is subject to an encumberer taking possession of or a liquidator or trustee is appointed over the whole or material part of its undertaking, property or assets; or

12.1.1.8 is subject to an order or passes a resolution for its winding up or placing under judicial management, whether provisionally or finally and, otherwise than for the purpose of a reconstruction or amalgamation, in solvent circumstances previously approved by the other party, which approval shall not be unreasonably withheld.

12.1.2 in the event of proven fraud or proven wilful misconduct on the part of a party.

## **12.2. *Right to cancel or terminate***

12.2.1. Either Party shall have the right, but not be obliged, to terminate this agreement upon 60 (sixty) days' written notice to the other Party

12.2.1.1. upon the occurrence of an event of default, provided that if the event of default complained of is the event of default contemplated in clause 12.1, the aggrieved party shall only have the right to cancel if such event of default is material, goes to the root of this agreement and cannot be remedied by the payment of monetary compensation; and/or

12.2.1.2. upon a sale or alienation or other disposition of the property by Mthatha Mall to an entity which is not associated with Mthatha Mall or the asset manager;

12.2.1.3. upon a change in the control of either party;

12.2.1.4. in the event of a change of control and/or takeover of Reboasis by a third party.

12.2.2. In the event of cancellation by Mthatha Mall in terms of 12.2.1 excluding only cancellation for default by the asset manager, Mthatha Mall shall only be entitled to cancel if it has first paid the asset manager an amount equal to the present value of a reasonable estimate of the asset management fees that would become otherwise payable in terms of 6.1 above for the unexpired balance of the 7 (seven) year period referred to in 3.3 above, the calculation of the present value and the estimation of the fees to be as agreed between the parties or, if not agreed within 14 (fourteen) days, determined on behalf of the parties by the auditor of Reboasis acting as an expert and not as an arbitrator whose determination, absent manifest error, shall be final and binding on the parties.

## **12.3. *Duties upon termination***

On the effective date of a termination, the asset manager shall deliver to Mthatha Mall promptly all of Mthatha Mall's materials, supplies, keys, leases, contracts, other documents, insurance policies, plans, specifications, permits, licenses, promotional materials and such other accounting papers and records including general correspondence as pertain to this agreement. The asset manager shall also assign to Mthatha Mall, without recourse to the asset manager, executed contracts, if any, in the asset manager's name relating to the asset management services, provided that such contracts are on market related terms and acceptable to Mthatha Mall.

The asset manager shall deliver to Mthatha Mall a final accounting of the portfolio up to and including the effective date of the termination within 60 (sixty) days after such effective date of termination. No further services shall be performed by the asset manager under this agreement after the effective date of a termination or rely on or represent any association with Mthatha Mall, except that the asset manager shall co-operate fully with Mthatha Mall to accomplish an orderly transfer of the asset management services and operational management of Mthatha Mall to Mthatha Mall itself or an entity designated by Mthatha Mall to succeed the asset manager.

## **12.4. *Remedies and survival***

12.4.1. If either party terminates this agreement pursuant to an event of default, the party so terminating may exercise any and all remedies available at law or in terms of this agreement for breach of contract, unless and to the extent limited herein.

12.4.2. Upon expiration or any termination -

12.4.2.1. both parties shall remain liable for all obligations accrued and not fully performed under this agreement during the term of this agreement;

12.4.2.2. the asset manager shall remain entitled to be remunerated until the actual date of expiration or termination;

12.4.2.3. the provisions of clause 8 and clause 13 shall continue to apply and shall survive such expiration or termination.”

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# TRANSACTION AGREEMENTS AND MATERIAL CONTRACTS

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Material contracts which have been entered into either verbally or in writing by any of target companies, being restrictive funding arrangements and/or contracts entered into otherwise than in the ordinary course of the business carried on, or proposed to be carried on, entered into within the two years prior to the date of the circular; or entered into at any time and containing an obligation or settlement that is material to any of the target companies, as the case may be, are set out below.

### 1. BAYWEST CITY TRANSACTIONS

1.1. Billion Property Group and Abacus each holds 50% of the issued shares in Baywest City. Rebosis has entered into a separate set of transaction agreements with each of Billion Property Group and Abacus, the result of which will be that Rebosis becomes the sole shareholder of Baywest City.

#### 1.2. Abacus transaction

1.2.1. In terms of a subscription agreement entered into between Rebosis, Baywest City, Billion Property Group and Abacus on or about 12 August 2016 2016 (“**the signature date**”) (the “**subscription agreement**”) –

1.2.1.1. Rebosis will subscribe for new shares in Baywest City which, calculated at the issue price of R4 427 774.40 per share, have a value equal to R345 000 000.00 (the “**subscription consideration**”); and

1.2.1.2. Baywest City will declare a prior dividend to Abacus and Billion Property Group which may be owing by the company to Abacus and Billion Property Group.

1.2.2. In terms of a discharge agreement entered into between Rebosis, Billion Property Group, Baywest City and Abacus on or about the signature date (the “**discharge agreement**”) the parties agreed that, in discharge of the respective payment obligations in respect of the subscription for shares and the distribution provided for in the subscription agreement, Rebosis will be liable to pay an amount equal to a portion of the subscription consideration to Abacus, and the remaining payment obligations are assumed by Billion Property Group.

1.2.3. In terms of a settlement agreement entered into between Rebosis, Billion, Billion Property Group and Abacus on or about the signature date (the “**settlement agreement**”) the parties agreed that Billion Property Group transfers its payment obligations to Abacus under the discharge agreement to Billion, and Billion in turn transfers to Abacus a portion of its loan rights under the Billion loan agreement referred to below, in settlement of such obligations.

1.2.4. In terms of a share purchase agreement entered into between Billion and Abacus on or about the signature date (the “**share purchase agreement**”), Abacus will immediately after the implementation of the discharge agreement sell and transfer to Billion its existing shares in Baywest City, for a nominal consideration.

#### 1.3. Billion Property Group transaction

1.3.1. In terms of a subscription agreement entered into between Rebosis, Baywest City and Billion Property Group on or about the signature date (the “**subscription agreement**”) Rebosis will subscribe for new shares in Baywest City which, calculated at the issue price of R4 427 774.40 per share, have a value equal to R655 000 000.00 (the “**subscription consideration**”).

1.3.2. In terms of a land sale agreement entered into between Billion Property Group, Baywest City and Forest Hill or about the signature date (the “**undeveloped land sale agreement**”), Baywest City will, immediately after the implementation of the subscription agreement, sell all of its undeveloped land to BPG for a purchase price equal to the agreed value of the undeveloped land, to be paid by set-off as described below and by the assumption of certain debt associated with the land.

1.3.3. In terms of a share repurchase agreement entered into between Baywest City and Billion Property Group or about the signature date (the “**share repurchase agreement**”), Billion Property Group will, immediately after the implementation of the discharge agreement, repurchase all of Billion Property Group’s shares in Baywest City for an amount equal to the purchase price payable under the undeveloped land sale agreement, and such repurchase consideration will be paid by setting off the payment obligations under the share repurchase agreement against the payment obligations under the undeveloped land sale agreement. As a result of such repurchase, Rebosis will be the sole remaining shareholder of Baywest City.

1.4. In terms of the subscription agreements –

1.4.1 Billion and Abacus provide to Rebosis such warranties in respect of Baywest City Managers as are considered appropriate in transactions of such nature; and

- 1.4.2. Billion will compensate Rebois in the event that the actual level of debt or net working capital of Baywest City as at the reference date is different than the level assumed for purposes of the transaction. If the actual net working capital as at the reference date is more than the estimated amount set out in the subscription agreement, then Rebois shall, as and when the relevant excess is turned into cash through the collection of any receivables that form part of the net working capital, pay an amount equal to such cash to Billion.
- 1.5. The agreements are subject to the general conditions precedent described in paragraph 4 of the circular and other conditions of a technical nature.
- 1.6. Further, the agreements are all inter-conditional, and are also conditional upon the transaction as whole becoming unconditional.

## 2. FOREST HILL TRANSACTION

- 2.1. In terms of a subscription agreement entered into between Rebois, Forest Hill and Billion on or about 12 August 2016 (the “**subscription agreement**”) –
  - 2.1.1. Rebois will subscribe for new shares in Forest Hill which calculated at the issue price of R1 498 651.24 per share, have a value equal to R570 028 853.56 (the “**subscription consideration**”); and
  - 2.1.2. Forest Hill will declare a prior dividend to Billion in an amount equal to such subscription consideration.
- 2.2. In terms of a discharge agreement entered into between Rebois, Forest Hill and Billion on or about the signature date (the “**discharge agreement**”) the parties agreed that, in discharge of the respective payment obligations in respect of the subscription for shares and the distribution provided for in the subscription agreement, Rebois will be liable to pay an amount equal to the subscription consideration to Billion.
- 2.3. In terms of a land sale agreement entered into between Billion and Forest Hill on or about the signature date (the “**undeveloped land sale agreement**”), Forest Hill will, immediately after the implementation of the discharge agreement, sell all of its undeveloped land to Billion for a purchase price equal to the agreed value of the undeveloped land.
- 2.4. In terms of a share repurchase agreement entered into between Billion and Forest Hill on or about the signature date (the “**share repurchase agreement**”), Forest Hill will, immediately after the implementation of the discharge agreement, repurchase all of Billion’s shares in Forest Hill for an amount equal to the purchase price payable under the undeveloped land sale agreement, and such repurchase consideration will be paid by setting off the payment obligations under the share repurchase agreement against the payment obligations under the undeveloped land sale agreement. As a result of such repurchase, Rebois will be the sole remaining shareholder of Forest Hill.
- 2.5. In terms of the subscription agreement –
  - 2.5.1. Billion provides to Rebois such warranties in respect of Forest Hill and its underlying properties as are considered appropriate in transactions of such nature; and
  - 2.5.2. Billion will compensate Rebois in the event that the actual level of debt or net working capital of Forest Hill as at the reference date is different than the level assumed for purposes of the transaction. If the actual net working capital as at the reference date is more than the estimated amount set out in the subscription agreement, then Rebois shall, as and when the relevant excess is turned into cash through the collection of any receivables that form part of the net working capital, pay an amount equal to such cash to Billion.
- 2.6. The agreements are subject to the general conditions precedent described in paragraph 4 of the circular and other conditions of a technical nature.
- 2.7. Further, the agreements are all inter-conditional, and are also conditional upon the transaction as whole becoming unconditional.

## 3. BILLION ASSET MANAGERS TRANSACTION

- 3.1. In terms of a subscription agreement entered into between Rebois, Billion Asset Managers and Billion on or about the signature date (the “**subscription agreement**”) –
  - 3.1.1. Rebois will subscribe for new shares in Billion Asset Managers which calculated at the issue price of R3 680.80 per share, have a value equal to R367 711 684.28 (the “**subscription consideration**”); and
  - 3.1.2. Prior to the subscription by Rebois, Billion Asset Managers will declare a dividend to Billion in an amount equal to such subscription consideration.
- 3.2. In terms of a discharge agreement entered into between Rebois, Billion Asset Managers and Billion on or about the signature date (the “**discharge agreement**”) the parties agreed that, in discharge of the respective payment obligations in respect of the subscription for shares and the distribution provided for in the subscription agreement, Rebois will be liable to pay an amount equal to the subscription consideration to Billion.
- 3.3. In terms of a share purchase agreement entered into between Billion and Rebois on or about the signature date (the “**share purchase agreement**”), Billion will immediately after the implementation of the discharge agreement sell and transfer to Rebois its existing shares in Billion Asset Managers, for a nominal consideration.

- 3.4. In terms of the subscription agreement –
  - 3.4.1. Billion provides to Rebosis such warranties in respect of Billion Asset Managers as are considered appropriate in transactions of such nature;
  - 3.4.2. Billion will compensate Rebosis in the event that the actual level of debt or net working capital of Billion Asset Managers as at the reference date is different than the level assumed for purposes of the transaction. If the actual net working capital as at the reference date is more than the estimated amount set out in the subscription agreement, then Rebosis shall, as and when the relevant excess is turned into cash through the collection of any receivables that form part of the net working capital, pay an amount equal to such cash to Billion;
  - 3.4.3. Billion undertakes that the annual operating costs of Billion Asset Managers will not exceed a specified amount by more than 10%;
  - 3.4.4. Billion will ensure that Billion Asset Managers is appropriately staffed and resourced so as to be able to continue providing the services it currently provides at least to the same level they are currently provided; and
  - 3.4.5. Billion will ensure that retention and non-compete arrangements are made with key staff members of Billion Asset Managers, including Sisa Ngebulana, to the reasonable satisfaction of Rebosis.
- 3.5. The agreements are subject to the general conditions precedent described in paragraph 4 of the circular and other conditions of a technical nature.
- 3.6. Further, the agreements are all inter-conditional, and are also conditional upon the transaction as whole becoming unconditional.

#### 4. BILLION PROPERTY SERVICES TRANSACTION

- 4.1. In terms of a subscription agreement entered into between Rebosis, Billion Property Services and Billion on or about the signature date (the “**subscription agreement**”) –
  - 4.1.1. Rebosis will subscribe for new shares in Billion Property Services which calculated at the issue price of R2 136.91 per share, have a value equal to R213 477 061.15 (the “**subscription consideration**”); and
  - 4.1.2. Prior to the subscription, Billion Property Services will declare a dividend to Billion in an amount equal to such subscription consideration.
- 4.2. In terms of a discharge agreement entered into between Rebosis, Billion Property Services and Billion on or about the signature date (the “**discharge agreement**”) the parties agreed that, in discharge of the respective payment obligations in respect of the subscription for shares and the distribution provided for in the subscription agreement, Rebosis will be liable to pay an amount equal to the subscription consideration to Billion.
- 4.3. In terms of a share purchase agreement entered into between Billion and Rebosis on or about the signature date (the “**share purchase agreement**”), Billion will immediately after the implementation of the discharge agreement sell and transfer to Rebosis its existing shares in Billion Property Services, for a nominal consideration.
- 4.4. In terms of the subscription agreement –
  - 4.4.1. Billion provides to Rebosis such warranties in respect of Billion Property Services as are considered appropriate in transactions of such nature;
  - 4.4.2. Billion will compensate Rebosis in the event that the actual level of debt or net working capital of Billion Property Services as at the reference date is different than the level assumed for purposes of the transaction. If the actual net working capital as at the reference date is more than the estimated amount set out in the subscription agreement, then Rebosis shall, as and when the relevant excess is turned into cash through the collection of any receivables that form part of the net working capital, pay an amount equal to such cash to Billion;
  - 4.4.3. Billion undertakes that the annual operating costs of Billion Property Services will not exceed a specified amount by more than 10%;
  - 4.4.4. Billion will ensure that Billion Property Services is appropriately staffed and resourced so as to be able to continue providing the services it currently provides at least to the same level they are currently provided; and
  - 4.4.5. Billion will ensure that retention and non-compete arrangements are made with key staff members of Billion Property Services, including Sisa Ngebulana, to the reasonable satisfaction of Rebosis.



- 4.5. The agreements are subject to the general conditions precedent described in paragraph 4 of the circular and other conditions of a technical nature.
- 4.6. Further, the agreements are all inter-conditional, and are also conditional upon the transaction as whole becoming unconditional.

## 5. RENTAL GUARANTEE AGREEMENT

- 5.1. Rebosis entered into a rental guarantee agreement with Billion on or about 12 August 2016 (“**the rental guarantee**”).
- 5.2. In terms of the rental guarantee, Billion has guaranteed, for a 24 month period commencing on the effective date (and comprising 4 half-years), the projected net operating income to be derived from the properties.
- 5.3. If the net operating income actually received in respect of any half-year is less than the applicable guaranteed amount, then Billion shall pay to Rebosis an amount equal to the shortfall.
- 5.4. The agreement provides for Billion to fund a security account with a minimum of R30 million for the duration of the guarantee period, which amount will be used to fund any shortfall payments.
- 5.5. In the event of a take-over of Rebosis the rental guarantee will fall away.
- 5.6. The rental guarantee is conditional upon the transaction being completed.

## 6. LOAN AGREEMENT

### 6.1. Billion Loan Agreement

- 6.1.1. Rebosis entered into a loan agreement with Billion on or about 12 August 2016 (the “**Billion loan agreement**”).
- 6.1.2. In terms of the Billion loan agreement, the aggregate amounts due and payable by Rebosis to Billion in terms of the discharge agreements in respect of the BAM transaction, the BPS transaction and the Forest Hill transaction, will be reconstituted as a loan owing by Rebosis to Billion in an equivalent aggregate amount, and payable, as follows –
  - 6.1.2.1. R447 894 399, on the first payment date;
  - 6.1.2.2. R232 050 268, on the second payment date;
  - 6.1.2.3. R237 050 268, on the third payment date; and
  - 6.1.2.4. R57 023 621, on the fourth payment date.
- 6.1.3. In terms of the Billion loan agreement, in the event that Rebosis receives an unsolicited offer from a serious source (excluding Billion) in respect of an “affected transaction”, as contemplated in the Companies Act, all the then outstanding amounts, adjusted as appropriate to take into account the time value benefit of the acceleration, will become immediately payable.

### 6.2. Abacus Loan Terms

- 6.2.1. In terms of the Billion Loan Agreement and the Billion Abacus Settlement Agreement, Billion will transfer a portion of its rights under the Billion Loan Agreement to Abacus, resulting in Rebosis owing Abacus the following amounts.
  - 6.2.1.1. R200 000 000 on the first payment date;
  - 6.2.1.2. R75 000 000 on the second payment date;
  - 6.2.1.3. R70 000 000 on the third payment date.
- 6.2.2. The resulting arrangement is on the same terms as the Billion Loan Agreement.

## 7. NEDBANK AGREEMENT

- 7.1. Rebosis, Nedbank, Forest Hill and Baywest City entered into a settlement agreement on or about 12 August 2016 (the “**Nedbank agreement**”).
- 7.2. In terms of the settlement agreement, certain profit share amounts to which Nedbank is entitled in terms of funding agreements with Forest Hill and Baywest are quantified and agreed to be payable by Rebosis on behalf of Billion in terms of the transaction agreements.
- 7.3. The amounts payable are as follows:
  - 7.3.1. R85 899 465, on the first payment date;
  - 7.3.2. R42 949 732, on the second payment date;
  - 7.3.3. R42 949 732, on the third payment date; and
  - 7.3.4. R7 976 379, on the fourth payment date.
- 7.4. In terms of the Nedbank agreement, in the event that Rebosis receives an unsolicited offer from a serious source (excluding Billion) in respect of an “affected transaction”, as contemplated in the Companies Act, all the then outstanding amounts, adjusted as appropriate to take into account the time value benefit of the acceleration, will become immediately payable.
- 7.5. The Nedbank agreement is conditional upon certain further ancillary agreements being concluded between, *inter alia*, Nedbank, Billion and Abacus, and the transaction as whole becoming unconditional.

## MATERIAL BORROWINGS

### 1. MATERIAL BORROWINGS OF REBOSIS GROUP

Set out below are the material borrowings of the Reboasis group as at the last practicable date.

No	Lender	Description	Origination	Loan amount ('000)	Interest rate	Terms and conditions of repayment or renewal	Security	Maturity date
<b>REBOSIS</b>								
1.	Nedbank Corporate (a division of Nedbank Limited)	Term facility	Fund acquisition	R201 100	3-month JIBAR plus 1.85%	Interest is serviced monthly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over Reboasis investment properties	23 May 2019
2.	Nedbank Corporate (a division of Nedbank Limited)	Term facility	Fund acquisition	R151 700	1-month JIBAR plus 1.8%	Interest is serviced monthly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over Reboasis investment properties	15 February 2019
3.	Nedbank Corporate (a division of Nedbank Limited)	Term facility	Fund acquisition	R150 000	1-month JIBAR plus 1.8%	Interest is serviced monthly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over Reboasis investment properties	31 July 2019
4.	Nedbank Corporate (a division of Nedbank Limited)	Term facility	Fund acquisition	R175 000	3-month JIBAR plus 1.74%	Interest is serviced quarterly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over Reboasis investment properties	17 July 2017 <sup>1</sup>
5.	Nedbank Corporate (a division of Nedbank Limited)	Term facility	Fund acquisition	R247 500	3-month JIBAR plus 1.6%	Interest is serviced monthly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over Reboasis investment properties	23 May 2017 <sup>1</sup>
6.	Nedbank Corporate (a division of Nedbank Limited)	Term facility	Fund acquisition	R150 000	3-month JIBAR plus net margin of 1%	Interest is serviced quarterly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over Reboasis investment properties	9 May 2020
7.	Nedbank Corporate (a division of Nedbank Limited)	Term facility	Fund acquisition	R25 088	3-month JIBAR plus net margin of 1%	Interest is serviced quarterly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over Reboasis investment properties	7 August 2020
8.	Nedbank Corporate (a division of Nedbank Limited)	Term facility	Fund acquisition	R260 918	3-month JIBAR plus net margin of 1%	Interest is serviced quarterly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over Reboasis investment properties	7 August 2020
9.	Nedbank Corporate (a division of Nedbank Limited)	Term facility	Fund acquisition	R481 694	3-month JIBAR plus net margin of 1%	Interest is serviced quarterly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over Reboasis investment properties	7 August 2020
10.	Nedbank Corporate (a division of Nedbank Limited)	Term facility	Fund acquisition	R1 135 500	3-month JIBAR plus 1.73%	Interest is serviced quarterly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over Reboasis investment properties	2 October 2017

No	Lender	Description	Origination	Loan amount ('000)	Interest rate	Terms and conditions of repayment or renewal	Security	Maturity date
11.	Nedbank Corporate (a division of Nedbank Limited)	Term facility	Fund acquisition	R120 685	3-month JIBAR + 2.36%	Interest is serviced quarterly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over Reboasis investment properties	7 March 2020
12.	Nedbank Corporate (a division of Nedbank Limited)	Term facility	Fund acquisition	R200 000	3-month JIBAR + 1.72%	Interest is serviced quarterly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over Reboasis investment properties	7 December 2017
13.	Nedbank Corporate (a division of Nedbank Limited)	Term facility	Fund acquisition	R150 000	1-month JIBAR plus 1.9%	Interest is serviced monthly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over Reboasis investment properties	30 November 2016 <sup>1</sup>
14.	Nedbank Corporate (a division of Nedbank Limited)	Term facility	Fund acquisition	R363 418	3-month JIBAR plus 1.72%	Interest is serviced quarterly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over Reboasis investment properties	2 October 2017
15.	Nedbank Corporate (a division of Nedbank)	Term facility	Fund acquisition	R347 885	3 month JIBAR plus net margin of 1%	Interest is serviced quarterly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over Reboasis investment properties	20 May 2020
<b>DMTN Programme</b>								
16.	DMTN Programme	Term facility	Fund acquisition	R130 000	3-month JIBAR plus 1.85%	Interest is serviced quarterly and notes payable on maturity date	Unsecured	21 May 2018
17.	DMTN Programme	Term facility	Fund acquisition	R100 874	3-month JIBAR plus 1.85%	Interest is serviced quarterly and notes payable on maturity date	Unsecured	21 May 2018
18.	DMTN Programme	Term facility	Fund acquisition	R100 000	3-month JIBAR plus 2%	Interest is serviced quarterly and notes payable on maturity date	Unsecured	21 May 2018
19.	DMTN Programme	Term Facility	Fund acquisition	R100 000	3-month JIBAR plus 1.25%	Interest is serviced quarterly and notes payable on maturity date	Unsecured	21 November 2016 <sup>1</sup>
<b>ASCENSION<sup>2</sup></b>								
20.	Nedbank Corporate (a division of Nedbank Limited)	Term facility	Fund acquisition	R152 930	Prime minus 1.50%	Interest is serviced monthly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over Ascension investment properties	7 March 2019
21.	Nedbank Corporate (a division of Nedbank Limited)	Term facility	Fund acquisition	R151 116	Prime minus 1.50%	Interest is serviced monthly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over Ascension investment properties	12 September 2018
22.	Nedbank Corporate (a division of Nedbank Limited)	Term facility	Fund acquisition	R26 233	Prime minus 1.50%	Interest is serviced monthly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over Ascension investment properties	30 August 2018

No	Lender	Description	Origination	Loan amount ('000)	Interest rate	Terms and conditions of repayment or renewal	Security	Maturity date
23.	Nedbank Corporate (a division of Nedbank Limited)	Term facility	Fund acquisition	R45 107	Prime minus 0.85%	Interest is serviced monthly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over Ascension investment properties	23 April 2018
24.	Nedbank Corporate (a division of Nedbank Limited)	Term facility	Fund acquisition	R50 150	Prime minus 1.50%	Interest is serviced monthly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over Ascension investment properties	28 June 2018
25.	Nedbank Corporate (a division of Nedbank Limited)	Term facility	Fund acquisition	R34 180	Prime minus 1.50%	Interest is serviced monthly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over Ascension investment properties	30 August 2018
26.	Nedbank Corporate (a division of Nedbank Limited)	Term facility	Fund acquisition	R25 982	Prime minus 1.50%	Interest is serviced monthly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over Ascension investment properties	18 July 2018
27.	Investec Private Bank Limited	Term facility	Fund acquisition	R578 991	Prime less 0.50%	Interest is serviced monthly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over Ascension investment properties	13 March 2018
28.	Standard Bank of South Africa	Term facility	Fund acquisition	R160 039	Prime less 1.50%	Interest is serviced monthly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over Ascension investment properties	31 August 2017 <sup>1</sup>
29.	Standard Bank of South Africa	Term facility	Fund acquisition	R392 922	3-month JIBAR plus 1.80%	Interest is serviced monthly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over Ascension investment properties	31 August 2017 <sup>1</sup>
<b>NEW FRONTIER<sup>2</sup></b>								
30.	HSBC Bank Plc	Term facility	Fund acquisition	£84 000	3-month LIBOR plus 2.2%	Interest is serviced monthly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over New Frontier investment properties	7 March 2020
31.	Deutsche Pf andbriefbank AG	Term facility	Fund acquisition	€59,700	3-month LIBOR plus 1.70%	Interest is serviced quarterly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over New Frontier investment properties	16 September 2020

#### Notes

1. These facilities are to be refinanced. Refinancing opportunities are in the process of being considered.
2. These debt facilities have no recourse to Reboasis and neither sureties nor guarantees have been provided by Reboasis in respect of these facilities.

## 2. MATERIAL BORROWINGS OF THE TARGET COMPANIES

Set out below are the material borrowings of the target companies as at the last practical date.

No	Lender	Description	Origination	Loan amount ('000)	Interest rate	Terms and conditions of repayment or renewal	Security	Maturity date
<b>FOREST HILL</b>								
1.	Nedbank Corporate (a division of Nedbank Limited)	Senior facility	Construction Costs for development purposes	R1 050 700	Prime - 0.50%	Interest is serviced monthly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over investment properties and suretyships and cession and pledges.	1-Nov-16
2.	Nedbank Corporate (a division of Nedbank Limited)	Mezz facility	Construction Costs & Funding of Capitalised interest	R338 000	Prime + 3.00%	Interest is serviced monthly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over investment properties and suretyships and cession and pledges.	30-Sep-16
3.	Nedbank Corporate (a division of Nedbank Limited)	Mezz facility	Construction Costs & Funding of Capitalised interest	R82 000	Prime + 3.00%	Interest is serviced monthly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over investment properties and suretyships and cession and pledges.	30-Sep-16
4.	Nedbank Corporate (a division of Nedbank Limited)	Mezz facility	Funding of Capitalised interest	R23 000	Prime + 3.00%	Interest is serviced monthly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over investment properties and suretyships and cession and pledges.	30-Sep-16
<b>BAYWEST</b>								
1.	Investec Bank Limited	Term facility	Funding of land parcels	R260 000	Prime	Interest is serviced monthly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over investment properties and suretyships, guarantees and cession and pledges.	31-Aug-17
2.	Nedbank Corporate (a division of Nedbank Limited)	Senior facility	Construction Costs, VAT Facility on account of Construction Costs, Payment of Investec Interest, Funding of Capitalised Interest and payment of the raising fee	R1 300 000	Prime + 3.00%	Interest is serviced monthly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over investment properties and suretyships, guarantees and cession and pledges.	31-Mar-17

No	Lender	Description	Origination	Loan amount ('000)	Interest rate	Terms and conditions of repayment or renewal	Security	Maturity date
3.	Nedbank Corporate (a division of Nedbank Limited)	Mezz facility	Roads / Infrastructure and Bulk costs	R150 000	Prime + 3.00%	Interest is serviced monthly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over investment properties and suretyships, guarantees and cession and pledges.	21-May-17
4.	Nedbank Corporate (a division of Nedbank Limited)	Mezz facility	Construction Costs & Funding of Capitalised interest	R221 000	Prime + 3.00%	Interest is serviced monthly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over investment properties and suretyships, guarantees and cession and pledges.	21-May-17
5.	Nedbank Corporate (a division of Nedbank Limited)	Mezz facility	Construction Costs which includes Construction Costs for the PAD Sites	R40 000	Prime + 3.00%	Interest is serviced monthly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over investment properties and suretyships, guarantees and cession and pledges.	30-Sep-16
6.	Nedbank Corporate (a division of Nedbank Limited)	Mezz facility	Capitalised interest	R75 000	Prime + 3.00%	Interest is serviced monthly and loan is repayable on final repayment date (the last day of the facility term).	Secured by mortgage bonds over investment properties and suretyships, guarantees and cession and pledges.	31-May-17

#### Notes

1. The terms of these facilities are in the process of being renegotiated to be on more favourable terms.
2. The material borrowings for Baywest includes borrowings against land parcels held by the company. At implementation of the transaction, a portion of these borrowings will be settled and the remaining portion will be refinanced within Billion.

## PRICE AND VOLUME HISTORY OF REBOSIS SHARES

A table of the aggregate volumes and values traded and the highest and lowest prices traded in Rebohis shares for each month over the 12 months prior to the date of issue of the circular and for each day over the 30 days preceding the last practicable date prior to the date of the circular is set out below.

Period	High (cents)	Low (cents)	Close (cents)	Volume	Value (R)
<b>Monthly</b>					
<b>2015</b>					
July	1200	1110	1110	8 953 789	105 442 804
August	1192	1051	1120	7 168 756	81 018 640
September	1150	1018	1055	9 969 720	107 065 316
October	1179	1060	1179	8 772 573	97 579 603
November	1199	1055	1060	14 158 900	158 690 315
December	1110	851	989	19 354 834	193 070 114
<b>2016</b>					
January	1000	811	960	16 911 751	153 774 836
February	1048	920	995	18 638 925	186 276 584
March	1170	990	1080	21 327 732	228 893 999
April	1194	1060	1115	12 009 247	133 267 186
May	1149	950	965	13 504 380	137 150 898
June	1069	910	1000	15 587 603	151 163 161
July	1090	956	1070	10 781 666	112 369 342
<b>Daily</b>					
<b>2016</b>					
27 June	1011	941	979	201 244	1 944 717
28 June	999	942	982	225 248	2 201 894
29 June	1025	989	1025	439 034	4 402 794
30 June	1038	1000	1000	667 503	6 745 774
1 July	1035	989	1035	105 669	1 083 713
4 July	1050	987	1050	1 064 035	10 891 458
5 July	1080	992	1072	273 116	2 834 803
6 July	1036	985	1027	693 113	6 952 374
7 July	1030	1018	1024	127 568	1 311 355
8 July	1048	1015	1025	497 574	5 100 553
11 July	1050	1001	1039	96 667	997 321
12 July	1041	1013	1023	72 056	743 099
13 July	1069	956	1020	397 233	4 002 238
14 July	1065	1020	1050	1 458 977	15 165 064
15 July	1054	1033	1040	143 367	1 494 665
18 July	1043	1000	1023	54 160	555 276
19 July	1040	995	1020	87 243	888 211
20 July	1050	995	1047	628 600	6 397 893
21 July	1048	1028	1045	454 071	4 736 064
22 July	1079	1006	1079	262 607	2 785 722
25 July	1084	1026	1084	924 349	9 883 188
26 July	1084	1063	1080	1 763 124	18 906 690
27 July	1090	1069	1070	169 186	1 817 446
28 July	1079	1060	1067	567 002	6 059 825
29 July	1080	1055	1070	375 993	4 019 726
1 August	1080	1052	1060	852 525	9 056 247
2 August	1076	1042	1076	704 175	7 453 034
4 August	1065	1007	1060	682 666	7 151 536
5 August	1075	1028	1050	514 336	5 400 559
8 August	1057	1044	1050	86 062	904 275
10 August	1065	1040	1044	133 272	1 394 919
11 August	1050	1024	1039	331 169	3 413 125
12 August	1072	1003	1049	86 836	905 300
15 August	1067	1020	1067	140 190	1 477 466
16 August	1075	1002	1069	173 395	1 834 252
17 August	1075	1047	1060	96 810	1 021 498
18 August	1079	1045	1079	748 245	7 885 965
19 August	1080	1035	1080	566 753	6 056 901





### Rebosis Property Fund Limited

(Incorporated in the Republic of South Africa on 22 February 2010)

(Registration number 2010/003468/06)

(Approved as a REIT by the JSE)

JSE share code: REB ISIN code: ZAE000201687

("Rebosis" or "the company")

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## NOTICE OF GENERAL MEETING OF SHAREHOLDERS

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Notice is hereby given that a general meeting of shareholders of Rebosis ("shareholders") will be held at the offices of Rebosis being 3<sup>rd</sup> Floor, Palazzo Towers West, Montecasino Boulevard, Fourways, 2191 at 10:00 on Monday, 3 October 2016 (the "general meeting of shareholders"), for the purpose of considering and, if deemed fit, passing with or without modification, the resolutions set out below.

All meeting participants, including proxies, will be required to provide identification reasonably satisfactory to the chairman of the meeting.

### Important dates to note

2016

Record date for receipt of notice of the general meeting of shareholders	Friday, 26 August
Last day to trade in order to be eligible to participate in and vote at the general meeting of shareholders	Tuesday, 20 September
Record date for voting purposes at the general meeting of shareholders ("voting record date")	Friday, 23 September
Last day to lodge forms of proxy for the general meeting of shareholders by 10:00*	Thursday, 29 September
Date of general meeting of shareholders (at 10:00)	Monday, 3 October
Results of general meeting of shareholders released on SENS	Monday, 3 October
Results of general meeting of shareholders published in the press	Tuesday, 4 October

Where appropriate and applicable the terms defined in the circular to which this notice of general meeting of shareholders is attached and forms part of bear the same meanings in this notice of general meeting, and in particular, in the resolutions set out below.

In terms of section 62(3)(e) of the Companies Act-

- a shareholder who is entitled to attend and vote at the general meeting is entitled to appoint a proxy or two or more proxies to attend, participate in and vote at the general meeting in the place of the shareholders;
- a proxy need not be a shareholder of the company.

Kindly note that meeting participants (including proxies) are required to provide reasonably satisfactory identification before being entitled to attend or participate in a meeting. In this regard, all Rebosis shareholders recorded in the registers of the company on the voting record date will be required to provide identification satisfactory to the chairman of the general meeting. Forms of identification include valid identity documents, drivers licenses and passports.

\* Proxies may also be delivered to the company at any time before the meeting commences.

## **NOW THEREFORE:**

### **SHAREHOLDER ORDINARY RESOLUTION 1: APPROVAL OF CATEGORY 1 TRANSACTION AND THE MANCO INTERNALISATION**

“Resolved that, in terms of paragraph 9.20 of the Listings Requirements of the JSE and subject to the conditions precedent to the transactions referred to in paragraph 4 and Annexure 14 of the circular to which this notice of general meeting of shareholders is attached, being fulfilled or waived (save for any condition precedent contained therein relating to the passing of this shareholder ordinary resolution 1), Rebosis be and is hereby authorised to enter into and implement the transactions with, *inter alia*, Billion, Billion Property Group and Abacus (all of which are indivisible and inter-conditional), pursuant to which Rebosis will become the sole shareholder of the target companies, as described in the circular, and which will result in the manco internalisation, as a category 1 transaction as contemplated in the Listings Requirements of the JSE (such authority to include, to the extent that such authority may be required, an authorisation to partially fund such transactions by way of the issue of Rebosis shares in terms of the claw-back offers as envisaged in the circular).”

In terms of the Listings Requirements of the JSE, in order for shareholder ordinary resolution 1 to be adopted, the support of more than 50% of the voting rights exercised by Rebosis shareholders on shareholder ordinary resolution 1, is required.

### **SHAREHOLDER ORDINARY RESOLUTION 2: APPROVAL OF RELATED PARTY TRANSACTION IN RESPECT OF SISA NGBULANA**

“Resolved that, in terms of paragraph 10.4 of the Listings Requirements of the JSE and subject to the conditions precedent to the transactions as set out in paragraph 4 of the circular to which this notice of general meeting of shareholders is attached, being fulfilled or waived (save for any condition precedent contained therein relating to the passing of this shareholder ordinary resolution 2), Rebosis be and is hereby authorised to enter into and implement the relevant transactions with Billion and Billion Property Group (all of which are indivisible and inter-conditional), pursuant to which Rebosis will become the sole shareholder of the target companies, as described in the circular, as related party transaction as contemplated in the Listings Requirements of the JSE.”

In order for shareholder ordinary resolution 2 to be adopted, the support of more than 50% of the voting rights exercised by Rebosis shareholders, other than the related parties (being Billion and Billion Property Group) and their associates, on shareholder ordinary resolution 2, is required.

### **SHAREHOLDER ORDINARY RESOLUTION 3: APPROVAL OF RELATED PARTY TRANSACTION IN RESPECT OF JACO ODENDAAL**

“Resolved that, in terms of paragraph 10.4 of the Listings Requirements of the JSE and subject to the conditions precedent to the transactions as set out in paragraph 4 of the circular to which this notice of general meeting of shareholders is attached, being fulfilled or waived (save for any condition precedent contained therein relating to the passing of this shareholder ordinary resolution 3), Rebosis be and is hereby authorised to enter into and implement the relevant transactions with Abacus Holdings (all of which are indivisible and inter-conditional), pursuant to which Rebosis will become the sole shareholder of Baywest City, as described in the circular, as related party transaction as contemplated in the Listings Requirements of the JSE.”

In order for shareholder ordinary resolution 3 to be adopted, the support of more than 50% of the voting rights exercised by Rebosis shareholders, other than the related party (being Abacus Holdings) and its associates, on shareholder ordinary resolution 3, is required.

### **SHAREHOLDER SPECIAL RESOLUTION 1: AUTHORITY TO ISSUE SHARES IN TERMS OF SECTION 41(1) OF THE COMPANIES ACT PURSUANT TO ANY REINVESTMENT OF ALL OR A PORTION OF THE CASH PROCEEDS FROM ANY OF THE CLAW-BACK OFFERS**

“Resolved that, to the extent that this may be required in terms of section 41(1) of the Companies Act, the board of directors of Rebosis be and is hereby authorised to allot and issue Rebosis shares in the authorised but unissued share capital of Rebosis to Billion (to the extent that it may be a person related or inter-related to Sisa Ngebulana, a director of Rebosis), pursuant to any reinvestment that may at the election of Rebosis be required to be made by Billion of all or a portion of the cash proceeds from any of the claw-back offers by way of a subscription for further shares in Rebosis, as envisaged in paragraph 2 of the circular to which this notice of general meeting of shareholders is attached.”

In terms of the Companies Act, in order for special resolution 1 to be adopted, the support of at least 75% of the total number of votes exercised by Rebosis shareholders, is required.

#### **Reason and effect**

The reason for and effect of special resolution 1 is to authorise the issue of Rebosis shares to Billion, a person related or inter-related to Sisa Ngebulana, a directors of Rebosis, pursuant to any reinvestment that may at the election of Rebosis be required to be made by Billion of all or a portion of the cash proceeds of any of the claw-back offers by way of a subscription for further shares in Rebosis, as envisaged in paragraph 2 of the circular to which this notice of general meeting of shareholders is attached.

## **ORDINARY RESOLUTION 4: SIGNATURE OF DOCUMENTATION**

“Resolved that any director of Rebosis be and they are hereby authorised to do all such things and sign all such documents as are necessary to give effect to the resolutions proposed and passed at the general meeting of shareholders at which this ordinary resolution is proposed.”

In order for shareholder ordinary resolution 4 to be adopted, the support of more than 50% of the voting rights exercised by Rebosis shareholders on shareholder ordinary resolution 4, is required.

## **QUORUM**

A quorum for the purposes of considering the shareholder resolutions above shall consist of three shareholders of the company personally present (and if the shareholder is a body corporate, it must be represented) and entitled to vote at the general meeting of shareholders. In addition, a quorum shall comprise 25% of all the voting rights that are entitled to be exercised by Rebosis shareholders in respect of each matter to be decided at the general meeting of shareholders.

The date on which Rebosis shareholders must be recorded as such in the register maintained by the transfer secretaries, Computershare Investor Services Proprietary Limited, for the purposes of being entitled to attend, participate in and vote at the general meeting of shareholders is Friday, 23 September 2016.

## **SHAREHOLDERS**

### **General instructions**

Shareholders are encouraged to attend, speak and vote at the general meeting.

### **Electronic participation**

The company has made provision for Rebosis shareholders or their proxies to participate electronically in the general meeting of shareholders by way of telephone conferencing. Should you wish to participate in the general meeting of shareholders by telephone conference call as aforesaid, you, or your proxy, will be required to advise the company thereof by no later than 10:00 on Thursday, 29 September 2016, by submitting by e-mail to the company secretary at [mande@billiongroup.co.za](mailto:mande@billiongroup.co.za), relevant contact details, including an e-mail address, cellular number and landline as well as full details of the Rebosis shareholder's title to securities issued by the company and proof of identity, in the form of copies of identity documents and share certificates (in the case of materialised Rebosis shares) and in the case of dematerialised Rebosis shares written confirmation from the Rebosis shareholder's CSDP confirming the Rebosis shareholder's title to the dematerialised Rebosis shares. Upon receipt of the required information, the Rebosis shareholder concerned will be provided with a secure code and instructions to access the electronic communication during the general meeting. Rebosis shareholders must note that access to the electronic communication will be at the expense of the Rebosis shareholders who wish to utilise the facility.

Rebosis shareholders and their appointed proxies attending by conference call will not be able to cast their votes at the general meeting of shareholders through this medium.

### **Proxies and authority for representatives to act**

A form of proxy is attached for the convenience of any Rebosis shareholder holding certificated shares, who cannot attend the general meeting but wishes to be represented thereat.

The attached form of proxy is only to be completed by those shareholders who are:

- holding shares in certificated form; or
- recorded on the company's sub-register in dematerialised electronic form with "own name" registration.

All other beneficial owners who have dematerialised their shares through a Central Securities Depository Participant ("CSDP") or broker and wish to attend the general meeting of shareholders, must instruct their CSDP or broker to provide them with the necessary letter of representation, or they must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker. These shareholders must not use a form of proxy.

Forms of proxy must be deposited at the transfer secretaries, Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg 2001 (PO Box 61051, Marshalltown 2107) to be received by no later than 10:00 on Thursday, 29 September 2016. Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend, speak and vote in person at the general meeting of shareholders should the shareholder decide to do so.

A company that is a shareholder, wishing to attend and participate at the general meeting of shareholders should ensure that a resolution authorising a representative to so attend and participate at the general meeting of shareholders on its behalf is passed by its directors. Resolutions authorising representatives in terms of section 57(5) of the Companies Act must be lodged with the company's transfer secretaries prior to the general meeting.

**Rebosis does not accept responsibility and will not be held liable for any failure on the part of the CSDP or broker of a dematerialised shareholder not notify such shareholder of the general meeting of shareholders or any business to be conducted thereat.**

#### **GENERAL NOTES**

1. A member entitled to attend and vote at the general meeting of shareholders may appoint a proxy to attend, speak and vote in his or her stead. A proxy need not be a member of the company.
2. All forms of proxy or other instruments of authority must be deposited with the transfer secretaries, so as to be received no later than 10:00 on Thursday, 29 September 2016. A shareholder may nevertheless deposit a form of proxy with the company at any time before the meeting commences. Shareholders who are companies or other bodies corporate may, by resolution of its directors or other governing body, authorise any person to act as its representative at the general meeting of shareholders.
3. Shareholders who have not dematerialised their shares and own-name dematerialised shareholders who are unable to attend the general meeting of shareholders and wish to be represented thereat, must complete the attached form of proxy in accordance with the instructions therein and return it to the transfer secretaries, so as to be received no later than 10:00 on Thursday, 29 September 2016.
4. Shareholders who have dematerialised their shares with a CSDP or broker, other than with own-name registration, should advise their CSDP or broker with their voting instruction in terms of the agreement entered into between them and their CSDP or broker. Shareholders who have dematerialised their shares and wish to attend the general meeting of shareholders must contact their CSDP or broker who will furnish them with the necessary authority to attend general meeting of shareholders.
5. Shareholders who have dematerialised their shares, other than with own-name registration, must not return the form of proxy to the transfer secretaries. Their instructions must be sent to their CSDP or broker for action.
6. On a show of hands, every member present in person or every proxy representing shareholders, shall have only one vote, irrespective of the number of shares he or she holds.
7. On a poll, every shareholder present in person or represented by proxy shall have one vote for every share held by such shareholder.
8. A resolution put to the vote shall be decided by way of a poll.

**By order of the board**

#### **Rebosis Property Fund Limited**

2 September 2016

#### **Registered office**

3<sup>rd</sup> Floor  
Palazzo Towers West  
Montecasino Boulevard  
Fourways  
2191

# REBOSIS PROPERTY FUND

## Rebosis Property Fund Limited

(Incorporated in the Republic of South Africa on 22 February 2010)

(Registration number 2010/003468/06)

(Approved as a REIT by the JSE)

JSE share code: REB ISIN code: ZAE000201687

("Rebosis" or "the company")

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## FORM OF PROXY

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### THIS FORM OF PROXY IS ONLY FOR USE BY:

- registered shareholders who have not yet dematerialised their Rebosis shares;
- registered shareholders who have already dematerialised their Rebosis shares and which shares are registered in their own names in the company's sub-register.

For completion by the aforesaid registered shareholders of Rebosis who are unable to attend the general meeting of shareholders of the company to be held at the offices of the company at 3<sup>rd</sup> Floor, Palazzo Towers West, Montecasino Boulevard, Fourways, 2191 at 10:00 on Monday, 3 October 2016 ("**the general meeting of shareholders**");

If you are a dematerialised shareholder, other than with "own name" registration, do not use this form. Dematerialised shareholders, other than with "own name" registration, should provide instructions to their appointed Central Securities Depository Participant ("**CSDP**") or broker in the form as stipulated in the agreement entered into between the shareholder and the CSDP or broker.

I/We (FULL NAMES IN BLOCK LETTERS PLEASE) \_\_\_\_\_

of (Address) \_\_\_\_\_

Telephone number: (    ) \_\_\_\_\_

Cellphone number : (    ) \_\_\_\_\_

E-mail address \_\_\_\_\_

being the holder(s) of \_\_\_\_\_ Rebosis shares hereby appoint:

1. \_\_\_\_\_ or failing him/her

2. \_\_\_\_\_ of failing him/her

3. \_\_\_\_\_ the chairman of the general meeting

as my/our proxy to attend and speak and to vote for me/us and on my/our behalf at the general meeting and at any adjournment or postponement thereof, for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed at the general meeting, and to vote on the resolutions in respect of the Rebosis ordinary shares registered in my/our name(s):

Please indicate with an “X” in the appropriate spaces below how you wish your votes to be cast. Unless this is done the proxy will vote as he/she thinks fit.

	Number of votes		
	*In favour of	*Against	*Abstain
Shareholder ordinary resolution 1: Category 1 transaction and manco internalisation approval			
Shareholder ordinary resolution 2: Related party transaction approval in respect of Sisa Ngebulana			
Shareholder ordinary resolution 3: Related party transaction approval in respect of Jaco Odendaal			
Shareholder special resolution 1: Potential issue of shares to related party of director			
Shareholder ordinary resolution 4: General authority			

*One vote per share held by Rebasis shareholders, recorded in the register on the voting record date*

Unless otherwise instructed my proxy may vote or abstain from voting as he/she thinks fit.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

Signature \_\_\_\_\_

Assisted by me (where applicable) \_\_\_\_\_

(State capacity and full name) \_\_\_\_\_

A shareholder entitled to attend and vote at the general meeting is entitled to appoint a proxy to attend, vote and speak in his/her stead. A proxy need not be a member of the company. Each shareholder is entitled to appoint one or more proxies to attend, speak and, on a poll, vote in place of that shareholder at the general meeting.

Forms of proxy must be deposited at Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg 2001 (PO Box 61051, Marshalltown 2107) to be received by no later than 10:00 on Thursday, 29 September 2016. A shareholder may nevertheless deposit a form of proxy with the company at any time before the meeting commences.

**Please read notes on the reverse side hereof**

## NOTES TO THE FORM OF PROXY:

1. Only shareholders who are registered in the registers of the company under their own name on the date on which shareholders must be recorded as such in the registers maintained by the transfer secretaries, Computershare Investor Services Proprietary Limited, in order to attend and vote at the general meeting being Friday, 23 September 2016 (the “**voting record date**”), may complete a form of proxy or attend the general meeting. This includes certificated shareholders or dematerialised shareholders with “own name” registration. A proxy need not be a shareholder of the company.
2. Certificated shareholders wishing to attend the general meeting have to ensure beforehand with the transfer secretaries of the company (being Computershare Investor Services Proprietary Limited) that their shares are registered in their own name.
3. Beneficial shareholders whose shares are not registered in their “own name”, but in the name of another, for example, a nominee, may not complete a proxy form, unless a form of proxy is issued to them by a registered shareholder and they should contact the registered shareholder for assistance in issuing instructions on voting their shares, or obtaining a proxy to attend, speak and, on a poll, vote at the general meeting.
4. Dematerialised shareholders who have not elected “own name” registration in the register of the company through a CSDP and who wish to attend the general meeting, must instruct the CSDP or broker to provide them with the necessary letter of representation to attend.
5. Dematerialised shareholders who have not elected “own name” registration in the register of the company through a CSDP and who are unable to attend, but wish to vote at the general meeting, must timeously provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between that shareholder and the CSDP or broker.
6. A shareholder may insert the name of a proxy or the names of two or more alternative proxies of the shareholder’s choice in the space, with or without deleting “the chairman of the general meeting”. The person whose name stands first on the form of proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
7. The completion and lodging of this form will not preclude the relevant shareholder from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed, should such shareholder wish to do so. In addition to the foregoing, a shareholder may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and (ii) delivering a copy of the revocation instrument to the proxy, and to the company.
8. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy’s authority to act on behalf of the relevant shareholder as of the later of the date:
  - 8.1. stated in the revocation instrument, if any; or
  - 8.2. upon which the revocation instrument is delivered to the proxy and the relevant company as required in section 58(4)(c)(ii) of the Companies Act, 71 of 2008, as amended (the “**Companies Act**”).
9. Should the instrument appointing a proxy or proxies have been delivered to the company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the company’s Memorandum of Incorporation to be delivered by the company to the shareholder must be delivered by the company to:
  - 9.1. the shareholder; or
  - 9.2. the proxy or proxies if the shareholder has in writing directed the relevant company to do so and has paid any reasonable fee charged by the company for doing so.
10. A proxy is entitled to exercise, or abstain from exercising, any voting right of the relevant shareholder without direction, except to the extent that the Memorandum of Incorporation of the company or the instrument appointing the proxy provide otherwise.
11. If the company issues an invitation to shareholders to appoint one or more persons named by the company as a proxy, or supplies a form of instrument appointing a proxy:
  - 11.1. such invitation must be sent to every shareholder who is entitled to receive notice of the meeting at which the proxy is intended to be exercised;
  - 11.2. the company must not require that the proxy appointment be made irrevocable; and
  - 11.3. the proxy appointment remains valid only until the end of the relevant meeting at which it was intended to be used, unless revoked as contemplated in section 58(5) of the Companies Act.

12. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies. A deletion of any printed matter and the completion of any blank space(s) need not be signed or initialled.
13. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form unless previously recorded by the transfer secretaries of the company or waived by the chairman of the general meeting.
14. A minor must be assisted by his/her parent/guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries.
15. A company holding shares in the company that wishes to attend and participate at the general meeting should ensure that a resolution authorising a representative to act is passed by its directors. Resolutions authorising representatives in terms of section 57(5) of the Companies Act must be lodged with the company's transfer secretaries prior to the general meeting.
16. Where there are joint holders of shares any one of such persons may vote at any meeting in respect of such shares as if he were solely entitled thereto; but if more than one of such joint holders wishes to be present or represented at the meeting, that one of the said persons whose name appears first in the register of shareholders of such shares or his proxy, as the case may be, shall alone be entitled to vote in respect thereof.
17. The chairman of the general meeting may reject or accept any proxy which is completed and/or received other than in accordance with the instructions, provided that he shall not accept a proxy unless he is satisfied as to the matter in which a shareholder wishes to vote.
18. A proxy may not delegate his/her authority to act on behalf of the shareholder, to another person.
19. A shareholder's instruction to the proxy must be indicated by the insertion of the relevant number of shares to be voted on behalf of that shareholder in the appropriate space provided. Failure to comply with the above will be deemed to authorise the chairperson of the annual general meeting, if the chairperson is the authorised proxy, to vote in favour of the resolutions at the general meeting or other proxy to vote or to abstain from voting at the general meeting as he/she deems fit, in respect of the shares concerned. A shareholder or the proxy is not obliged to use all of the votes exercisable by the shareholder or the proxy, but the total of votes cast in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the shareholder or the proxy.
20. Forms of proxy are requested to be deposited at the transfer secretaries, Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001, posted to PO Box 61051, Marshalltown, 2107, faxed to +27 11 688 5238 or emailed to [proxy@computershare.co.za](mailto:proxy@computershare.co.za) so as to arrive no later than 10:00 on Thursday, 29 September 2016. Forms of proxy not lodged with the transfer secretaries in time can be handed to the chairman of the general meeting immediately before the commencement thereof. Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend, speak and vote in person at the general meeting should the shareholder decide to do so.
21. This form of proxy may be used at any adjournment or postponement of the general meeting, including any postponement due to a lack of quorum, unless withdrawn by the shareholder.
22. The foregoing notes include a summary of the relevant provisions of section 58 of the Companies Act, as required in terms of that section.