EXEMPLAR

Exemplar REITail Limited

(formerly McCormick REITail Fund Limited)
(Incorporated in the Republic of South Africa)
(Registration number 2018/022591/06)
Approved as a REIT by the JSE
JSE share code: "EXP"
ISIN: ZAE000257549
("**Exemplar**" or "**the company**")

PROSPECTUS

The definitions and interpretations commencing on page 7 of this prospectus have, where applicable, been used in these cover pages.

This prospectus is not an invitation to the public to subscribe for shares but is issued in compliance with the Listings Requirements and the Companies Act, for the purpose of providing information to the public regarding the business and affairs of the company at the time of the listing of all the issued shares in the company by way of introduction in the "Retail" REIT's sector on the Main Board of the JSE. This prospectus does not relate to an offer of shares and no capital is being raised. Consequently, there is no underwriting.

	2018
Abridged prospectus released on SENS (09:00) on	Wednesday, 30 May
Abridged prospectus published in the press on	Thursday, 31 May
Listing of shares and the commencement of trading on the JSE (09:00) on	Tuesday, 12 June

A copy of this prospectus in English, accompanied by the documents referred to under "Documents available for inspection" as set out in paragraph 32 of this prospectus, was registered by CIPC on Friday, 25 May 2018 in terms of the Companies Act.

Immediately prior to the listing –

- the authorised share capital of the company comprised 5 000 000 000 shares of no par value;
- the issued share capital of the company comprised 305 871 896 shares of no par value; and
- the company had no treasury shares in issue.

There will be no changes to the authorised and issued share capital as a result of the listing.

At the date of listing, the market capitalisation of the company will be R3.0 billion.

The JSE has granted Exemplar a listing of 305 871 896 shares in the "Retail" REIT's sector on the Main Board of the JSE under the abbreviated name: "Exemplar", JSE share code: "EXP" and ISIN: ZAE000257549, with effect from the commencement of trade on Tuesday, 12 June 2018.

The directors, whose names are given in paragraph 2.1 of this prospectus, collectively and individually, accept full responsibility for the accuracy of the information given herein and certify that, to the best of their knowledge and belief, no facts have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this prospectus contains all information required by law and the Listings Requirements.

Each of the corporate advisor, the sponsor, the independent reporting accountants and auditors, the attorneys, the independent property valuer, the transfer secretaries, the transactional bankers and the company secretary whose names are included in this prospectus, have consented in writing and have not prior to publication of this prospectus, withdrawn their written consent to the inclusion of their names in the capacity stated and, where applicable, to their reports being included in this prospectus.

An abridged version of this prospectus was published on SENS on Wednesday, 30 May 2018 and in the press on Thursday, 31 May 2018.

Corporate advisor	Attorneys
JAVA CAPITAL	WERKSMANS ATTORNEYS
Independent reporting accountants and auditors	**Independent property valuer**
Grant Thornton An instinct for growth™	Quadrant PROPERTY GROUP

Date of issue: Wednesday, 30 May 2018

This prospectus is only available in English. Copies of this prospectus may be obtained from the registered office of the company and the sponsor, whose addresses are set out in the "Corporate Information" section of this prospectus, from Wednesday, 30 May 2018 to Tuesday, 12 June 2018 and on the company's website at www.ExemplarREIT.co.za from Wednesday, 30 May 2018.

CORPORATE INFORMATION

Registered office of the company

Exemplar REITail Limited
(Registration number 2018/022591/06)
Cnr Lyttelton Road and Leyden Avenue
Clubview
Centurion, 0157
(PO Box 12169, Clubview, 0014)

Company secretary

Ananda Booysen
BA (Honours), LLB
Cnr Lyttelton Road and Leyden Avenue
Clubview
Centurion, 0157
(PO Box 12169, Clubview, 0014)

Corporate advisor

Java Capital Proprietary Limited
(Registration number 2012/089864/07)
6A Sandown Valley Crescent
Sandton, 2196
South Africa
(PO Box 522602, Saxonwold, 2132)

Sponsor

Java Capital Trustees and Sponsors Proprietary Limited
(Registration number 2006/005780/07)
6A Sandown Valley Crescent
Sandton, 2196
South Africa
(PO Box 522602, Saxonwold, 2132)

Attorneys

Werksmans Incorporated
(Registration number 1990/007215/21)
The Central
96 Rivonia Road
Sandton
2146
(Private Bag 10015, Sandton, 2146)

Independent reporting accountants and auditors

Grant Thornton Johannesburg
Chartered Accountants
(Practice number 903485E)
@Grant Thornton
Wanderers Office Park
52 Corlett Drive
Illovo, 2196
(Private Bag X28, Benmore, 2010)

Independent property valuers

Quadrant Properties Proprietary Limited
(Registration number 1995/003097/07)
16 North Road, Cnr Jan Smuts Avenue
Dunkeld West, 2196
(PO Box 1984, Parklands, 2121)

Transactional bankers

First National Bank, a division of FirstRand Bank Limited
(Registration number 1929/001225/06)
Mezzanine Floor
No 3 First Place, Bank City
Cnr Jeppe and Simmonds Street
Johannesburg, 2001
(PO Box 786273, Sandton, 2146)

Transfer secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Rosebank Towers
15 Biermann Avenue
Rosebank
2196
(PO Box 61051, Marshalltown, 2107)

Holding entity

John McCormick Family Trust
(Masters reference number IT1621/84)
Cnr Lyttelton Road and Leyden Avenue
Clubview
Centurion, 0157
(PO Box 12169, Clubview, 0014)

Place and date of incorporation

Incorporated in the Republic of South Africa on 17 January 2018.

Forward-looking statements

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

TABLE OF CONTENTS

The definitions and interpretations commencing on page 7 of this prospectus have been used in the following table of contents.

SALIENT FEATURES

The information set out in this section of the prospectus is only an overview and is not intended to be comprehensive. It should be read in conjunction with the information contained in other sections of this prospectus.

1. HISTORY AND NATURE OF THE BUSINESS

Exemplar was incorporated as a public company on 17 January 2018. The company's financial year end is the last day of February. Exemplar holds, either directly or indirectly, a portfolio of 20 income generating properties and has secured a further three shopping centre development properties scheduled to be completed between April 2019 and October 2019. Further details of the group structure, subsidiaries and the property portfolio are set out in **Annexure 1**, **Annexure 2 and Annexure 7**, respectively.

Exemplar is a newly incorporated company and is a focused fund specialising in owning, internally managing and growing a portfolio of shopping malls typically in under-serviced, peri-urban townships and rural areas of South Africa. The current property portfolio was acquired in a sequence of transactions prior to the company's listing from, amongst others, the JMFT.

All the properties were developed by MPD, a privately owned property developer with a 35 year history in the sector, during which time a total of 62 such developments have been completed. MPD is wholly-owned by the JMFT. The JMFT will be the controlling shareholder of Exemplar on listing.

2. INVESTMENT AND GROWTH STRATEGY

The company intends to grow its property portfolio through the acquisition of high quality assets consistent with the metrics of the existing portfolio. MPD has a strong pipeline of secured development opportunities and will continue to develop property consistent with the nature of the properties in Exemplar's portfolio. Should MPD conclude to dispose of a particular property it develops in the future, it will offer such property to the company on a "right of first refusal" basis, in which event the merits of such proposed acquisition will be considered by the board. In the interest of transparency and to ensure arms-length transactions, John and Jason McCormick will recuse themselves from any meetings regarding related-party acquisitions.

The three new shopping centre development properties, being Katale Square, Mabopane Plaza and Riba Cross Mall, further details of which are set out in **Annexure 7**, are in the process of being completed by MPD. They are housed in three separate companies. Exemplar has undertaken to acquire the three development companies subject to MPD completing the development properties housed therein to an agreed specification and furthermore subject to a two year rental guarantee. The purchase price for each of the Katale Square, Mabopane Plaza and Riba Cross Mall developments has been agreed to by the parties and will be settled by way of a combination of cash and Exemplar shares on completion of each development, being 1 April 2019, 1 September 2019 and 1 October 2019, respectively.

3. PROSPECTS

Based on the forecast statement of comprehensive income, further details of which are set out in **Annexure 14**, the Exemplar board is confident that it will deliver a distribution per share of 61.37 cents per share for the nine months ending 28 February 2019.

The property and asset management function of the Exemplar group is internalised and the Exemplar group have vast experience in their chosen market. In addition, it is of the opinion that there are several redevelopment opportunities which could be the subject of future acquisitions. It is intended that MPD will offer to Exemplar its current and future development pipeline of retail projects currently in excess of 500 000 m^2 of GLA, all focused on the undersupplied rural and peri-urban township markets.

4. STATEMENT AS TO LISTING ON THE JSE

The JSE has granted Exemplar a listing of all of its issued shares on the JSE in the "Retail" REIT's sector on the Main Board of the JSE under the abbreviated name: "Exemplar" JSE share code: "EXP" and ISIN: ZAE000257549 with effect from the commencement of trade on Tuesday, 12 June 2018.

5. **FURTHER COPIES OF THE PROSPECTUS**

Copies of the prospectus may be obtained between 08:30 and 17:00 on business days from Wednesday, 30 May 2018 to Tuesday, 12 June 2018 at the following addresses and on the company's website at www.ExemplarREIT.co.za:

Exemplar REITail Limited

Cnr Lyttelton Road and Leyden Avenue, Clubview, Centurion, 0157

Java Capital Trustees and Sponsors Proprietary Limited

6A Sandown Valley Crescent, Sandton, 2196

An abridged version of this prospectus was released on SENS on Wednesday, 30 May 2018 and in the press on Thursday, 31 May 2018.

IMPORTANT DATES AND TIMES[1]

The definitions and interpretations commencing on page 7 of this prospectus apply to these important dates and times:

	2018
Abridged prospectus released on SENS on	Wednesday, 30 May
Abridged prospectus published in the press on	Thursday, 31 May
Exemplar shares listed on the JSE from the commencement of trade (09:00) on	Tuesday, 12 June

Notes

(1) All references to dates and times are to local dates and times in South Africa. These dates and times are subject to amendment. Any such amendment will be released on SENS and published in the press.

DEFINITIONS AND INTERPRETATIONS

In this prospectus and the annexures hereto, unless inconsistent with the context, an expression which denotes one gender includes the other genders, a natural person includes a juristic person and *vice versa*, the singular includes the plural and *vice versa* and the expressions set out in the first column bear the meaning assigned to them in the second column.

"**Acornhoek**"	Acornhoek Plaza Share Block Proprietary Limited (Registration number 1988/000375/07), a share block company incorporated and registered in South Africa and which operates the share block scheme in respect of the property known as Acornhoek Plaza, further details of which are set out in **Annexure 7**. Exemplar has a 43.98% interest in Acornhoek Plaza;
"**Alex Mall**"	Alex Mall Proprietary Limited (Registration number 2014/065933/07), a private company incorporated and registered in South Africa, a wholly-owned subsidiary of Exemplar and which owns the property known as Alex Mall, further details of which are set out in **Annexure 7**;
"**Arlyn Investments**"	Arlyn Investments Proprietary Limited (Registration number 1995/013948/07), a private company incorporated and registered in South Africa, which owns the development known as Riba Cross Mall and which will become a wholly-owned subsidiary of Exemplar following the completion of the Riba Cross Mall development (expected to be completed on 1 October 2019), further details of which are set out in **Annexure 7**;
"**Atteridge**"	Atteridge Stadium Centre Share Block Proprietary Limited (Registration number 2007/016049/07), a share block company incorporated and registered in South Africa, a wholly-owned subsidiary of Exemplar and which owns the property known as Atteridge Stadium Centre, further details of which are set out in **Annexure 7**;
"**attorneys**" or "**Werksmans**"	Werksmans Incorporated (Registration number 1990/007215/21), 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;
"**board**" or "**directors**" or "**board of "Exemplar**"	the board of directors of Exemplar as set out paragraph 2 of this prospectus;
"**business day**"	any day other than a Saturday, Sunday or official public holiday in South Africa;
"**CEO**"	chief executive officer;
"**CFO**"	chief financial officer;
"**certificated shareholders**"	Exemplar shareholders who hold certificated shares;
"**certificated shares**"	Exemplar shares which have not yet been dematerialised into the Strate system, title to which is represented by share certificates or other physical documents of title;
"**CIPC**"	the Companies and Intellectual Property Commission under the Companies Act;
"**common monetary area**"	collectively, South Africa, the Kingdoms of Swaziland and Lesotho and the Republic of Namibia;
"**Companies Act**" or "**the Act**"	the Companies Act, 2008, as amended;
"**Companies Regulations**" or "**Regulations**"	the Companies Regulations, 2012 promulgated in Government Gazette No. 34239 in terms of section 223 of the Companies Act;
"**CSDP**"	a Central Securities Depository Participant in South Africa appointed by a shareholder for purposes of, and in regard to, dematerialisation and to hold and administer securities or an interest in securities on behalf of a shareholder;
"**dematerialisation**"	the process whereby certificated shares are converted to an electronic form as dematerialised shares and recorded in the sub-register of shareholders maintained by a CSDP or broker in South Africa;
"**dematerialised shareholders**"	Exemplar shareholders who hold dematerialised shares;
"**dematerialised shares**"	Exemplar shares which have been incorporated into the Strate system, title to which is no longer represented by share certificates or other physical documents of title;

"**documents of title**"	share certificates, certified transfer deeds, balance receipts and any other documents of title to share acceptable to the board;
"**Emoyeni**"	Emoyeni Regional Mall Share Block Proprietary Limited (Registration number 2007/008088/07), a share block company incorporated and registered in South Africa, a wholly-owned subsidiary of Exemplar and which owns the property known as Emoyeni Mall, further details of which are set out in **Annexure 7**;
"**Exchange Control Regulations**"	the Exchange Control Regulations of South Africa issued under the Currency and Exchanges Act (Act 9 of 1933), as amended;
"**Exemplar**" or "**the company**"	Exemplar REITail Limited (Registration number 2018/022591/06), a public company registered and incorporated in terms of the laws of South Africa;
"**Exemplar group**" or "**group**"	collectively, Exemplar, its subsidiaries, associates and joint ventures;
"**Financial Markets Act**"	Financial Markets Act (Act 19 of 2012), as amended;
"**GLA**"	gross lettable area being the total area of a property that can be rented to a tenant;
"**government**"	the government of South Africa;
"**Income Tax Act**"	Income Tax Act (Act 58 of 1962), as amended;
"**independent property valuers**" or " "**Quadrant Properties**"	the independent property valuers of the company, being Quadrant Properties Proprietary Limited (Registration number 1995/003097/07), a private company duly incorporated and registered in South Africa, further details of which are set out in the "Corporate Information" section;
"**independent reporting accountants and auditors**" or "**independent reporting accountants**" or "**Grant Thornton**"	Grant Thornton Johannesburg (Practice number 903485E), full details of which are set out in the "Corporate Information" section;
"**IFRS**"	International Financial Reporting Standards;
"**Java Capital**"	collectively, Java Capital Proprietary Limited (Registration number 2012/089864/07), the corporate advisor and Java Capital Trustees and Sponsors Proprietary Limited (Registration number 2006/005780/07), the sponsor, further details of which are set out in the "Corporate Information" section;
"**JMFT**"	The John McCormick Family Trust (Master's reference IT1621/84), a discretionary trust, the beneficiaries of which are John McCormick, Roxana Deborah McCormick, Jason McCormick and Matthew Mark McCormick;
"**JSE**"	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, as amended and a public company registered and incorporated in accordance with the laws of South Africa;
"**Katale Square**"	Katale Square Proprietary Limited (Registration number 2005/000675/07), a private company incorporated and registered in South Africa, which owns the development known as Katale Square (formerly known as Marapyane Plaza) and which will become a wholly-owned subsidiary following the completion of the Katale Square development (expected to be completed on 1 April 2019), further details of which are set out in **Annexure 7**;
"**King IV**"	the Code of Corporate Practices and Conduct in South Africa representing principals of good corporate governance as laid out in the King Report, as amended from time to time;
"**last practicable date**"	the last trading date before the finalisation of this prospectus, being Thursday, 10 May 2018;
"**the listing**"	the listing of all of the shares of Exemplar in the "Retail" REIT's sector of the JSE;
"**Listings Requirements**"	the Listings Requirements, as issued by the JSE from time to time;
"**Lusiki**"	Lusiki Plaza Share Block Proprietary Limited (Registration number 2008/003665/07), a share block company incorporated and registered in South Africa, a wholly-owned subsidiary of Exemplar and which owns the property known as Lusiki Plaza, further details of which are set out in **Annexure 7**;

"**m^2**"	square metres;
"**Maake**"	Maake Plaza Proprietary Limited (Registration number 1994/001886/07), a private company registered in South Africa, a wholly-owned subsidiary of Exemplar and which has a 30% interest in a head lease agreement in respect of the property known as Maake Plaza, further details of which are set out in **Annexure 7**;
"**Mandeni**"	Mandeni Plaza Proprietary Limited (Registration number 2005/029931/07, a private company incorporated and registered in South Africa, a 50% subsidiary of Exemplar and which owns the property known as Mandeni Plaza, further details of which are set out in **Annexure 7**;
"**Modimall**"	Modimall Proprietary Limited (Registration number 2006/012707/07), a private company incorporated and registered in South Africa, a wholly-owned subsidiary of Exemplar and which owns the property known as Modi Mall, further details of which are set out in **Annexure 7**;
"**Moonspan Investments**"	Moonspan Investments Proprietary (Registration number 2013/173059/07), a private company incorporated and registered in South Africa which owns the development known as Mabopane Plaza and which will become a wholly-owned subsidiary of Exemplar following completion of the Mabopane Plaza development (expected to be completed on 1 September 2019), further details of which are set out in **Annexure 7**;
"**MOI**"	the memorandum of incorporation of the company, extracts of which are set out in **Annexure 6**;
"**MPD**"	McCormick Property Development Proprietary Limited (Registration number 2017/504855/07), a private company incorporated and registered in South Africa and wholly-owned by the JMFT;
"**own-name dematerialised shareholders**"	dematerialised Exemplar shareholders who/which have elected own-name registration;
"**Phola**"	Phola Mall Proprietary Limited (Registration number 2012/064726/07), a private company incorporated and registered in South Africa, a 53% owned subsidiary of Exemplar and which owns the property known as Phola Mall, further details of which are set out in **Annexure 7**;
"**press**"	the Business Day newspaper;
"**promoter**"	the party(ies) responsible for the formation of a company to be listed, or acquired by an existing issuer, and who earn(s) a fee therefrom, in cash or otherwise;
"**property portfolio**" or "**properties**"	comprising the properties set out in **Annexure 7**;
"**prospectus**"	this bound document dated Wednesday, 30 May 2018 inclusive of all annexures, prepared in compliance with the Companies Act and the JSE Listings Requirements;
"**R**" or "**Rand**" or "**ZAR**"	the South African Rand, the lawful currency of South Africa;
"**SARB**"	South African Reserve Bank;
"**SENS**"	Stock Exchange News Service of the JSE;
"**shares**" or "**ordinary shares**" or "**Exemplar shares**"	the issued ordinary shares in the share capital of Exemplar;
"**share block company**"	a company of which the activities comprise or include the operation of a share block scheme;
"**share block scheme**"	any scheme in terms of which a share, in any manner whatsoever, confers a right to or an interest in the use of immovable property;
"**shareholders**" or "**Exemplar shareholders**"	holders of Exemplar shares, as recorded in the share register of the company;
"**Strate**"	Strate Proprietary Limited (Registration number 1998/022242/07), a private company which is registered in terms of the Financial Markets Act of South Africa (Act 36 of 2004), as amended, responsible for the electronic settlement system of the JSE;
"**subsidiaries**"	collectively, Maake, Tsakane, Lusiki, Modi, Emoyeni, Mandeni, Alex Mall, Phola, Theku and Atteridge, further details of which are set out in **Annexure 2**;

"**Theku**"	Theku Plaza Proprietary Limited (Registration number 2007/028033/07), a private company incorporated and registered in South Africa, a 82.50% owned subsidiary of Exemplar and which owns the property known as Theku Plaza, further details of which are set out in **Annexure 7**;
"**transfer secretaries**" or "**Computershare**"	Computershare Investor Services Proprietary Limited, (Registration number 2004/003647/07), a private company registered and incorporated in South Africa, full details of which are set out in the "Corporate Information" section;
"**transfer**"	the registration of transfer of the relevant immovable property into the name of Exemplar in the relevant deeds registry office;
"**Tsakane**"	Tsakane Mall Proprietary Limited (Registration number 2004/019957/07), a private company incorporated and registered in South Africa, a wholly-owned subsidiary of Exemplar and which owns a 50% undivided share in the property known as Tsakane Mall, further details of which are set out in **Annexure 7**;
"**VAT**"	value added tax as defined in the Value Added Tax Act, 1991, as amended;
"**VWAP**"	volume weighted average price; and
"**yield**"	the distribution available to a holder of a share in any 12 month period or any financial year, as the case may be, divided by the market price of that share.

Exemplar REITail Limited

(formerly McCormick REITail Fund Limited)
(Incorporated in the Republic of South Africa)
(Registration number 2018/022591/06)
Approved as a REIT by the JSE
JSE share code: "EXP"
ISIN: ZAE000257549
("**Exemplar**" or "**the company**")

Directors of the company

Executive directors

Jason McCormick *(CEO)*
Duncan Alan Church *(CFO)*
John McCormick

Independent non-executive directors

Frank Michael Berkeley *(Chairman)*
Gregory Victor Charles Azzopardi
Peter Joel Katzenellenbogen
Elias Phatudi Maponya

PROSPECTUS
SECTION ONE – INFORMATION ON THE EXEMPLAR GROUP

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1. **NAME, ADDRESS AND INCORPORATION**

1.1 Exemplar REITail Limited (Registration number 2018/022591/06) was incorporated as a public company on 17 January 2018.

1.2 The addresses of the company's registered office, holding entity and the transfer secretaries' registered office is set out in the "Corporate Information" section.

1.3 The group structure is set out in **Annexure 1** and the names, registration numbers, places of incorporation, dates of incorporation, nature of business and issued capital of each of Exemplar's subsidiaries are set out in **Annexure 2** to this prospectus.

2. **DIRECTORS, OTHER OFFICE HOLDERS OR MATERIAL THIRD PARTIES**

2.1 **Directors of the company**

The board is currently made up of 7 directors of which 4 are non-executives (all of whom are independent) and 3 are executive directors.

2.1.1 The full names, ages, business addresses, qualifications, positions, experience and occupations of the directors of the company are outlined below:

Name and age	**Frank Michael Berkeley (Frank) (61)**
Business address	3 Avenue Lombardie, Constantia, Cape Town 7806
Qualification	B Comm. B Acc. CA(SA)
Position	Chairman, independent non-executive director
Experience	Frank attended the University of the Witwatersrand and qualified as a Chartered Accountant in 1982. He has spent over 30 years in the property industry. After spending several years as managing director of Group Five's residential development business during the 1980s and early 1990s, he started his 20 year tenure in the Nedbank Group in 1994. In 1997 he was appointed the managing executive of Nedcor Investment Bank's property finance division. In 2004 he was appointed managing executive of Nedbank Corporate Property Finance, following the merger of Nedbank, NIB, Cape of Good Hope Bank and BoE, a position he held until his retirement in 2014. Frank has vast experience in both the equity and debt financing of all aspects of the property industry and also served as a director on the boards of Sycom Property Fund for 18 years, and Acucap for 11 years, until their acquisition by Growthpoint. He was also Chairman of Hospitality Property Fund and a director and chairman of the audit committee of Attfund, one of the largest unlisted property companies in South Africa, prior to its sale to Hyprop. Frank has particular expertise in strategy development and implementation, successful implementation of mergers, and leadership and management of large complex organisations, particularly relating to property and banking environments. His particular passion for many years has been the professional and personal development of people. Frank was appointed as a director of the company on 17 January 2018.
Name and age	**Jason McCormick (39)**
Business address	Cnr Lyttelton Road and Leyden Avenue, Clubview, Centurion, 0157
Qualification	BComm (Economics and Business Management), BComm (Hons) (Business Management)
Position	CEO
Experience	Initially educated at Michaelhouse, Jason continued his studies at Stellenbosch University. He joined McCormick Property Development in 2002 and was appointed GM Business Development in 2008, sourcing, securing and developing 18 of the 23 properties in the Exemplar property portfolio. He has been Managing Director of MPD since 2011 and has overseen the MPD portfolio grow from 6 shopping centres totalling 83,000sqm GLA in 2002 to 27 centres totalling 523,977sqm GLA in 2018. At 33 Jason was elected as the youngest ever Councillor/Director of the South African Council of Shopping Centres (SACSC) and received the SACSC's inaugural "Young Achiever Award" for his contributions to the shopping centre industry in 2016. He sits on the Sub-Saharan Africa Advisory Board of the International Council of Shopping Centres (ICSC). Jason was appointed as a director of the company on 17 January 2018.

Name and age	**Duncan Alan Church (Duncan) (45)**
Business address	Cnr Lyttelton Road and Leyden Avenue, Clubview, Centurion, 0157
Qualification	BCompt (Hons), CA(SA)
Position	CFO
Experience	Duncan completed his articles at PKF (Jhb) Inc before becoming a partner in 2004 at which time he was also appointed Head of Corporate Finance. In 2013 the Johannesburg offices of PKF and Grant Thornton merged and he was appointed Head of Corporate Advisory of the merged entity. During his time at PKF and later Grant Thornton he acted as the reporting accountant in the listing of numerous companies, including several property funds. He provided advisory services to various listed property funds as well as many other non-property sector listed and private companies. He was also a member of the firm's Executive Management Committee for over 10 years. Duncan was appointed as a director of the company on 17 January 2018.
Name and age	**John McCormick (73)**
Business address	Cnr Lyttelton Road and Leyden Avenue, Clubview, Centurion, 0157
Qualification	BComm (Economics), MBA (Finance)
Position	Executive director
Experience	Initially educated at Michaelhouse and Wits University, John completed his studies with an MBA from Stanford University in 1970. He commenced his career in the USA at real estate company WM Lyon Development. In 1973 he returned to South Africa and joined Kirsh Industries and began working with Natie Kirsh, initially to do the feasibility for the take-over of a major property company. Thereafter he held various senior positions at Metro Cash and Carry, Southern Sun Hotels and finally World Furnishers as CFO and head of development where he was responsible for the expansion of the group chain of furniture stores. It was here that he saw the dire need for full-service retail to previously under-developed rural areas setting in motion his departure from the corporate world. In 1983 he founded McCormick Property Development which business he has been instrumental in to the present day. John was appointed as a director of the company on 17 January 2018.
Name and age	**Gregory Victor Charles Azzopardi (Greg) (57)**
Business address	1st Floor, 9 Old Main Road, Kloof, Kwa-Zulu Natal, 3610.
Qualification	BA, LLB (UKZN), BBA (Newport USA).
Position	Independent non-executive director
Experience	Greg was admitted as an attorney of the High Court of South Africa in 1988 after having served articles at the firm Shepstone & Wylie of Durban where he subsequently practiced. He also practiced as an attorney with Deneys Reitz of Durban, whereafter he joined Prefcor Limited, later McCarthy Retail Limited. At Prefcor/McCarthy he initially looked after legal and company secretarial matters, whereupon he was appointed to lead the Group Real Estate team. Thereupon he was appointed as a GM retail store operations. After a year with a property company he was appointed as Group Property Director for the Mr Price Group Limited, which position he held for a month short of nineteen years, leading the Group Real Estate team and driving significant retail space growth. He has recently joined Rokwil (Pty) Ltd, a private commercial property development company as a developer. Greg has served in various office bearing positions for the South African Council of Shopping Centres (SACSC), culminating in two consecutive terms as National President. Greg was appointed as a director of the company on 17 January 2018.

Name and age	**Peter Joel Katzenellenbogen (Peter) (72)**
Business address	Transaction Capital House, 230 Jan Smuts Avenue, Dunkeld West, Johannesburg, 2196
Qualification	BComm (Acc) (Cum Laude), CA(SA)
Position	Independent non-executive director
Experience	Peter completed his articles at audit firm Fisher Hoffman Levenberg where he became a partner in 1974. He spent a total of 39 years at the firm. After several name changes of the firm, Peter left PKF (Jhb) Inc in 2006 where he had been appointed managing partner in 2000. He was also the national chairman of PKF in South Africa and represented the Africa region on the PKF International board. During his tenure at PKF he was involved in the audits of numerous listed companies, was the reporting accountant to several listings on the JSE and in his capacity as audit partner on listed companies attended audit committee and board meetings. In late 2006 he joined Transaction Capital (Pty) Ltd as financial director and became company secretary when the company listed in 2012. In 2014 he stood down from this position and is currently the financial director of an unlisted company and consults to Transaction Capital Ltd. Peter was appointed as a director of the company on 17 January 2018.
Name and age	**Elias Phatudi Maponya (Phatudi) (52)**
Business address	Maponya Investment Holdings, No 1 Gateside Avenue, Off Cedar Road, Dainfern
Qualification	BProc, LLB, H Dip Company Law
Position	Independent non-executive director
Experience	Phatudi is an admitted Attorney of the high court of South Africa since 1995. He served his articles of Clerkship with a firm Friedland & Hart in Pretoria. He is the founder of Maponya Properties Holdings which owns and manages a substantial property portfolio in Gauteng, Limpopo, North West and Northern Cape. He is also the founder of and currently a senior partner in the Corporate and Commercial Department of Maponya Incorporated where he practices as an attorney. He has served as the chairman of Philane Occupational Health Care and also Nation's Capital, and advisory firm rendering services to the private and public sectors. The company has advised the government on the privatisation of Roshcon, an Eskom subsidiary, as well as Aventura Holiday Resorts, Phatudi has fulfilled a number of other roles including having been a member of the Vista University audit committee; the chairman of The Police Support Mechanism Trust; a part time member of the Competition Tribunal; chairman of Noah Innovation- stock broking firm registered with the JSE and executive chairman of North West Transport Investments Proprietary Limited. Phatudi was appointed as a director of the company on 17 January 2018.

All of the directors are South African nationals

2.2 **Directors of major subsidiaries**

2.2.1 The company has 10 subsidiaries, further details of which are set out in **Annexure 2**. On completion of the developments referred to in **Annexure 10**, Arlyn Investments, Katale Square and Moonspan Investments will become wholly-owned subsidiaries of the company.

2.2.2 None of the subsidiaries listed in **Annexure 2** constitute a major subsidiary.

2.3 **Exemplar advisors and company secretary**

2.3.1 The names and business addresses of the company's advisors (including auditors, attorneys, bankers, transfer secretaries and sponsors) are set out in the "Corporate Information" section of this prospectus.

2.3.2 Ananda Booysen fulfils the role of company secretary whose business address is set out in the "Corporate Information" section.

2.3.3 40 000 Exemplar shares have been issued to Ananda Booysen in terms of the employee share scheme, further details of which are set out in **Annexure 23**.

2.3.4 The company's advisors do not have any interests in Exemplar shares.

2.4 **Additional information related to the directors**

2.4.1 **Annexure 3** contains the following information:

2.4.1.1 directors' emoluments;

2.4.1.2 borrowing powers of the group exercisable by the directors;

2.4.1.3 interests in shares and transactions;

2.4.1.4 interests of directors and promoters; and

2.4.1.5 directors' declarations.

2.4.2 **Annexure 4** contains details of directors' and other directorships and partnerships in the previous five years.

2.4.3 The salient terms of the service contracts of the executive directors are set out in **Annexure 5.**

2.4.4 The provisions of the MOI with regard to the following are set out in **Annexure 6**:

2.4.4.1 terms of office of directors;

2.4.4.2 qualification of directors;

2.4.4.3 remuneration of directors;

2.4.4.4 any power enabling the directors to vote on remuneration to themselves or any member of the board;

2.4.4.5 the borrowing powers exercisable by the directors and how such borrowing powers can be varied; and

2.4.4.6 retirement or non-retirement of directors under an age limit.

2.5 **Asset and property management**

The asset and property management function of the group is undertaken internally by its executive management, further details of whom is set out in paragraph 2.1 above.

3. HISTORY, STATE OF AFFAIRS AND PROSPECTS OF THE GROUP

3.1 **History and nature of business**

Exemplar was incorporated as a public company on 17 January 2018. The company's financial year end is the last day of February. Exemplar holds, either directly or indirectly, a portfolio of 20 income generating properties and has secured a further three shopping centre development properties scheduled to be completed between April 2019 and October 2019. Further details of the group structure, subsidiaries and the property portfolio are set out in **Annexure 1**, **Annexure 2** and **Annexure 7**, respectively.

Exemplar is a focused fund specialising in owning, internally managing and growing a portfolio of shopping malls typically in under-serviced, peri-urban township and rural areas of South Africa. The current property portfolio was acquired in a sequence of transactions prior to the company's listing from, amongst others, the JMFT.

All the properties were developed by MPD, a privately owned property developer with a 35 year history in the sector, during which time a total of 62 such developments have been completed. MPD is wholly-owned by the JMFT. The JMFT will be the controlling shareholder of Exemplar on listing.

3.2 Investment and growth strategy

The company intends to grow its property portfolio through the acquisition of high quality assets consistent with the metrics of the existing portfolio. MPD has a strong pipeline of secured development opportunities and will continue to develop property consistent with the nature of the properties in Exemplar's portfolio. Should MPD conclude to dispose of a particular property to be developed in the future, it will offer such property to the company on a "right of first refusal" basis, in which event the merits of such proposed acquisition will be considered by the board. In the interest of transparency and to ensure arms-length transactions, John and Jason McCormick will recuse themselves from any meetings regarding related-party acquisitions.

The three new shopping centre development properties, being Katale Square, Mabopane Plaza and Riba Cross Mall, further details of which are set out in **Annexure 7**, are in the process of being completed by MPD. They are housed in three separate companies. Exemplar has undertaken to acquire the three development companies subject to MPD completing the development properties housed therein to an agreed specification and furthermore subject to a two year rental guarantee. The purchase price for each of the Katale Square, Mabopane Plaza and Riba Cross Mall developments has been agreed to by the parties and will be settled by way of a combination of cash and Exemplar shares on completion of each development, being 1 April 2019, 1 September 2019 and 1 October 2019, respectively.

3.3 Prospects

Based on the forecast statement of comprehensive income, further details of which are set out in **Annexure 14**, the Exemplar board is confident that it will deliver a distribution per share of 61.37 cents per share for the nine months ending 28 February 2019.

The property and asset management function of the Exemplar group is internalised and the Exemplar group have vast experience in their chosen market. It is of the opinion that there are several redevelopment opportunities which could be the subject of future acquisitions. In addition, it is intended that MPD will offer to Exemplar its current and future development pipeline of retail projects currently in excess of 500 000 m^2 of GLA, all focused on undersupplied rural and peri-urban township markets.

3.4 The property portfolio

As at the last practicable date, the group has a direct or indirect interest in 23 investment properties, none of which, on its own, could be described as its principal property. The property portfolio is valued at R5.5 billion, with a GLA of 365 235 m^2. Details of the properties are set out in **Annexure 7**.

3.4.1 *Analysis of the property portfolio*

An analysis of the property portfolio in respect of sectoral, geographic, tenant, vacancy and lease expiry profiles as at the last practicable date is provided in the tables below.

3.4.1.1 ***Sectoral profile***

	By GLA (%)	By GR* (%)
Retail	100.0	100.0
Total	**100.0**	**100.0**

**GR: Gross Rentals*

3.4.1.2 ***Geographic profile***

	By GLA (%)	By GR* (%)
Gauteng	36.9	41.7
Kwazulu-Natal	16.2	15.3
Mpumalanga	24.4	23.5
Limpopo	18.8	15.9
Eastern Cape	3.7	3.6
Total	**100.0**	**100.0**

**GR: Gross Rentals*

3.4.1.3 ***Tenant profile***

	By GLA (%)
A	85.1
B	2.8
C	12.1
Total	**100.0**

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*, Shoprite, Pick n Pay, Superspar, Game, Truworths Group, Foschini Group, Mr. Price Group, Pepkor, ABSA, FNB, Standard Bank, Nedbank, KFC, Famous Brands, McDonalds, OK Furniture, JD Group, Liquor City, Roots Butchery, Cashbuild, Builders Superstore.

B. Smaller international and national tenants, smaller listed tenants, major franchisees and medium to large professional firms. These include, *inter alia*, Studio 88, Webbers, Legit, Beaver Canoe, Rage, Fish and Chips Co.

C. Local tenants and sole proprietors, including hair salons, doctors and pharmacists. This comprises approximately 400 tenants, predominantly each having a small GLA footprint.

3.4.1.4 ***Lease expiry profile***

	Total GLA (%)	Total GR* (%)
Vacant	3.1	–
Monthly	0.3	0.3
February 2019	18.4	20.7
February 2020	11.5	12.8
February 2021	17.5	20.5
February 2022	10.8	10.7
February 2023	14.8	16.0
After February 2023	23.6	19.0
Total	**100.0**	**100.0**

**GR: Gross Rentals*

3.4.1.5 ***Vacancy profile***

The vacancy profile indicated below reflects the vacancy percentage in terms of current GLA by sector.

Sector	By GLA (%)
Retail	3.1
Portfolio vacancy	**3.1**

3.4.1.6 ***Rental per square metre and rental escalation***

The weighted average rental escalation by GLA in the property portfolio as at the last practicable date is presented in the table below.

Sector	%
Retail	6.8
Total	**6.8**

The weighted average rental per square metre in the property portfolio as at the last practicable date is presented in the table below.

Sector	**R/m²**
Retail	125.96
Total	**125.96**

3.4.1.7 The average annualised property yield of the properties based on the independent valuations and the forecast net property income (further details of which are set out in **Annexure 8** and **Annexure 14**) for the nine months ending 28 February 2019 is 8.6%.

3.5 **Valuation reports**

3.5.1 The properties were valued by Peter Parfitt of Quadrant Properties, who is an independent external registered professional valuer in terms of the Property Valuers Profession Act, No 47 of 2000.

3.5.2 Detailed valuation reports have been prepared in respect of each of the properties and are available for inspection in terms of paragraph 32. The summary of the valuation report in respect of the property portfolio has been included in **Annexure 8**.

3.6 **Material changes**

Save for the acquisitions set out in **Annexure 12**,

3.6.1 there have been no other material changes in the financial or trading position of the group since its incorporation (and therefore, necessarily, in the last three years); and

3.6.2 there have been no other changes in the business or trading objects of the company and its major subsidiaries for the period from the date of incorporation of the company to the last practicable date (and therefore, necessarily, in the last three years).

3.7 **Material commitments, lease payments and contingent liabilities**

Save as disclosed in **Annexure 19**, the company has no material commitments, lease payments and contingent liabilities.

3.8 **Turnover, profit/loss and dividend history**

In terms of Regulation 59(3)(g) and 79 of the Companies Act, particulars of the gross turnover, the profits and losses (before tax and after tax) and the dividends paid by the company for the three preceding financial periods must be set out in the prospectus. As the company was only incorporated on 17 January 2018, it does not have financial information available for the three preceding periods. In particular, there is no information relating to the gross turnover, the profits and losses (before tax and after tax) and dividends paid by the company.

4. SHARE CAPITAL OF THE COMPANY

4.1 The authorised and issued share capital of the company as at the last practicable date was as follows:

	Number of shares	**R'000**
Authorised share capital		
Ordinary shares of no par value	5 000 000 000	–
Issued share capital		
Stated capital – ordinary shares of no par value	305 871 896	3 007 955
Total	305 871 896	3 007 955

4.2 Save as disclsoed in paragraph 4 of **Annexure 9**, there will be no changes to the authorised and issued share capital of the company as a result of the listing and, as the company was incorporated on 17 January 2018, no shares have been offered to the public in the last three years.

4.3 **Annexure 9** contains the following salient information relating to the authorised and issued share capital:

4.3.1 authorisations;

4.3.2 rights attaching to shares;

4.3.3 options and preferential rights in respect of shares;

4.3.4 alterations to share capital;

4.3.5 issues and repurchases of shares in the preceding 3 years; and

4.3.6 statement as to listing on stock exchange.

4.4 **Founder of the Exemplar group**

The Exemplar group was founded by John McCormick. John's full name, age, business addresses, qualifications, capacities and position is set out in paragraph 2.1 above.

4.5 **Major and controlling shareholders**

4.5.1 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 Exemplar as at 1 June 2018.

Name of shareholder	Number of shares controlled Directly	Indirectly	Associate	Total	Percentage of issued shares
JMFT*	138 409 603	97 896 426	–	236 306 029	77.26%
Thorntree Shopping Centre Proprietary Limited	24 006 372	–	–	24 006 372	7.85%
Edendale Mall Proprietary Limited	16 452 386	–	–	16 452 386	5.38%

* John and Jason McCormick are beneficiaries of JMFT.

4.5.2 The information set out in paragraph 4.5.1 is not expected to change as a result of the listing.

4.5.3 As at the last practicable date, JMFT is the company's controlling shareholder. It is anticipated that, following the listing JMFT will remain the controlling shareholder.

5. OPTIONS AND PREFERENTIAL RIGHTS IN RESPECT OF SHARES

5.1 The company is not party to any contract or arrangement (or proposed contract or arrangement), whereby an option or preferential right of any kind is (or is proposed to be) given to any person to subscribe for any shares in the company or any subsidiary of the company.

5.2 There are no preferential conversion and/or exchange rights in respect of any shares of the company.

6. COMMISSIONS PAID OR PAYABLE IN RESPECT OF UNDERWRITING

6.1 No amounts have been paid, or accrued as payable, since the date of incorporation of the company to the date of this prospectus, as commission to any person including commission so paid or payable to any sub-underwriter or a promoter or director, or agreeing to procure, subscriptions for any securities of Exemplar.

6.2 No other commissions, discounts or brokerages have been paid nor have any other special terms been granted in connection with the issue or sale of any shares in the share capital of the company, for the period from the date of incorporation of the company to the date of this prospectus.

6.3 The company is not subject to any royalty agreements or management agreements and no royalties are payable by the company.

7. MATERIAL CONTRACTS

7.1 Other than the service contracts as set out in **Annexure 5**, the company has not entered into any contracts relating to the directors' and managerial remuneration, secretarial and technical fees and restraint payments.

7.2 Save for the service contracts as set out in **Annexure 5**, the material contracts as set out in **Annexure 10** and the loan agreements as set out in **Annexure 11**, the company has not entered into any other material contract, being a contract entered into otherwise than in the ordinary course of business, within the two years prior to the date of this prospectus or at any time containing an obligation or settlement that is material to the company at the date of this prospectus.

8. INTERESTS OF DIRECTORS AND PROMOTERS

Details of the directors' and promoters' interests in the company are set out in paragraph 4 of **Annexure 3** to this prospectus.

9. LOANS AND BORROWINGS

9.1 Material borrowings to the group

9.1.1 Details of material borrowings advanced to the group as at the last practicable date are set out in **Annexure 11**.

9.1.2 None of the material borrowings listed in **Annexure 11** have any redemption or conversion rights attaching to them.

9.1.3 The company has no loan capital outstanding.

9.1.4 The group has not entered into any other material inter-company financial or other transactions.

9.1.5 As at the last practicable date, the group has not undertaken any off-balance sheet financing.

9.2 Material loans advanced by the group

9.2.1 Save for the inter-company loans set out in **Annexure 2**, no material loans were made by the Exemplar group as at the last practicable date.

9.2.2 No loans have been made or security furnished by the group for the benefit of any director, manager or associate of any director or manager of the group.

10. SHARES ISSUED OR TO BE ISSUED OTHERWISE THAN FOR CASH

Save as disclosed in **Annexure 9** and **Annexure 12** and otherwise in consideration for the acquisition of assets in respect of acquisitions that were not material, no other shares were issued or agreed to be issued by the company or any of its subsidiaries since incorporation of the company otherwise than for cash.

11. PROPERTIES, ASSETS AND BUSINESS UNDERTAKINGS ACQUIRED OR TO BE ACQUIRED

11.1 Other than as disclosed in **Annexure 12**, no other material immovable properties and/or fixed assets and/or business undertakings have been acquired by the group within the past three years or are in the process of being or are proposed to be acquired by the group (or which the group has an option to acquire).

11.2 Details relating to the vendors of material properties ("**acquisition properties**") purchased by the group in the preceding three years or proposed to be purchased are set out in paragraph 25 and **Annexure 12**. Such details include the consideration payable and details of the shares to be issued by the company in discharge thereof.

12. CONSIDERATIONS RELATING TO EXEMPLAR BEING APPROVED AS A REIT

The JSE has granted Exemplar a listing of all its issued ordinary shares in the "Retail REITs" sector of the JSE, in terms of the FTSE classification "8672 – Retail REITs".

With effect from 1 April 2013 a unified system was created for taxing REITs.

The legislation has been drafted in line with international norms on the basis that the objective of a REIT is to provide investors with a steady rental stream whilst also providing capital growth that flows from the investment in the underlying property.

In order to qualify as a REIT for tax purposes, the entity must be a South African tax resident and its securities must be listed on the JSE as securities in a REIT.

By being able to claim a deduction in respect of these qualifying distributions, the tax liability of a REIT is expected to be minimal.

The consequence of being able to claim a deduction in respect of qualifying distributions is that the dividends distributed by a REIT to resident shareholders will be subject to normal tax and will not be exempt. However, no additional dividends tax will be payable in respect of these distributions which are subject to income tax. With effect from 1 January 2014, dividends that are distributed by a REIT to foreign shareholders are subject to dividends withholdings tax.

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

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

Proceeds from assets disposed of as part of a scheme of profit making or which were held as trading stock must still be included in the gross income of the REIT and, subject to available deductions, including the deduction of qualifying distributions, may be subject to tax in the hands of the REIT.

A REIT or controlled company cannot claim allowances in respect of immovable property in terms of sections 11(g), 13, 13*bis*, 13*quat*, 13*quin* or 13*sex* of the Income Tax Act.

The aggregate amount of the deductions that can be claimed by a REIT in respect of a qualifying distribution may not exceed the taxable income for that year of assessment of that REIT or the relevant controlled company, before taking into account –

- any deduction of an amount as envisaged in section 25BB of the Income Tax Act;
- any assessed loss brought forward in terms of section 20 of the Income Tax Act; and
- the amount of taxable capital gain included in taxable income in terms of section 26A of the Income Tax Act.

Both the acquisition and disposal of shares in a REIT are exempt from the payment of securities transfer tax.

13. AMOUNTS PAID OR PAYABLE TO PROMOTERS

Details of the promoters' interests in the company are set out in paragraph 4 of **Annexure 3** to this prospectus.

14. ISSUE EXPENSES

There have been no preliminary expenses incurred by the group. The issue expenses (excluding VAT) relating to the listing which have been incurred or that are expected to be incurred by the group are presented in the table below.

Expense	Recipient	R
Corporate advisory and sponsor fees	Java Capital	4 500 000
Tax advisor fees	Java Capital Tax & Legal Proprietary Limited	1 000 000
Independent reporting accountants' fees	Grant Thornton	1 600 000
Independent property valuer fees	Quadrant	390 000
Competition Commission fees	Werksmans Incorporated	100 000
Legal advisor fees	Werksmans Incorporated	2 150 000
Transfer secretarial fees	Computershare	25 000
JSE inital listing fees	JSE	488 444
JSE new listing document fees	JSE	76 515
JSE additional listing document fees (property company)	JSE	46 203
JSE ruling fees	JSE	13 947
JSE approval of MOI	JSE	15 342
JSE approval of property valuer	JSE	4 649
Application for REIT status	JSE	37 277
JSE approval of share purchase plan	JSE	15 342
JSE approval of amendments to share purchase plan	JSE	16 186
Press announcements, printing and marketing	INCE	153 823
Lead facility arranger fees	ABSA	3 420 000
Legal advisor to lenders	White & Case	1 000 000
Break fees	Nedbank	1 864 172
Marketing fees	Hitchcock Michalski	112 730
Contingency costs*		2 970 370
Total		20 000 000

** This is to take into account any unforeseen issue expenses as a result of the listing. This will fall away if no additional costs are incurred as a result of the listing i.e. the total issue expenses incurred as a result of the listing will be R17 029 630.*

SECTION TWO – INFORMATION ABOUT OFFERED SECURITIES

As the company is not, at this point, offering any shares or other securities it is recorded that this prospectus will not deal with the purpose for the raising of capital, any minimum subscription for shares, the time or date of any offer and/or any particulars of any offer. This prospectus does not constitute an invitation or offer to subscribe for or purchase shares in the company.

15. ADEQUACY OF CAPITAL

15.1 The directors of the company are of the opinion that the issued capital of the group is adequate for the purposes of the business of the group, for at least the next 12 months from the date of issue of this prospectus.

15.2 The directors of the company are of the opinion that the working capital available to the Exemplar 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 prospectus.

15.3 The directors of the company are of the opinion that no further shares need be issued under an offer as at the date of this prospectus for the company to have sufficient issued capital.

16. REPORT BY DIRECTORS AS TO MATERIAL CHANGES

Save for the acquisitions set out in **Annexure 12**, there have been no other material changes in the assets or liabilities of the company or any subsidiary as at the date of incorporation of the company, being the latest reported period, and the date of this prospectus.

17. STATEMENT AS TO LISTING ON STOCK EXCHANGE

Application has been made, and the JSE has granted Exemplar approval for the listing of up to 305 871 896 shares in the "Retail" REIT's sector on the Main Board of the JSE under the abbreviated names: "Exemplar", JSE share code: "EXP" and ISIN: ZAE000257549. It is anticipated that the listing will be effective as from the commencement of trade of the JSE on Tuesday, 12 June 2018.

18. REPORT BY THE AUDITOR OF EXEMPLAR

In terms of Regulation 79 of the Companies Act, the auditor is required to prepare a report on the profits and losses, dividends and assets and liabilities of Exemplar. In this regard **Annexure 13** sets out the auditor's report in respect of the financial information.

SECTION FOUR – ADDITIONAL MATERIAL INFORMATION

19. **FORECAST STATEMENTS OF COMPREHENSIVE INCOME**

19.1 The forecast statements of comprehensive income of the Exemplar group ("**forecasts**") for the nine months ending 28 February 2019 and the year ending 29 February 2020 are presented in **Annexure 14**.

19.2 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' report on the forecasts which is presented in **Annexure 15**.

19.3 The forecasts have been prepared in compliance with IFRS and in accordance with the group's accounting policies as set out in **Annexure 21**.

20. **CONSOLIDATED *PRO FORMA* STATEMENT OF FINANCIAL POSITION**

20.1 The consolidated *pro forma* statement of financial position of the Exemplar group is presented in **Annexure 16**.

20.2 The consolidated *pro forma* statement of financial position, including the assumptions on which they are based and the financial information from which they are prepared, are the responsibility of the directors. The independent reporting accountants' report on the consolidated *pro forma* statement of financial position of the group is presented in **Annexure 17**.

20.3 The independent reporting accountants' review conclusion on the value and existence of assets and liabilities acquired by the Exemplar group is set out in **Annexure 18**.

21. **HISTORICAL FINANCIAL INFORMATION**

21.1 The reviewed combined interim financial information of the Exemplar group for the six months ended 31 August 2017 and the audited combined financial information of the Exemplar group for the years ended 28 February 2015, 29 February 2016 and 28 February 2017 are presented in **Annexure 19**.

21.2 The auditors' report in terms of Regulation 79 of the Companies Regulations is presented in **Annexure 13**.

21.3 The compilation, contents and presentation of all the historical financial information is the responsibility of the directors. The independent reporting accountant's reports on the historical financial information of Exemplar is presented in **Annexure 20A** and **Annexure 20B**.

22. **DIVIDEND AND DISTRIBUTIONS**

22.1 The company did not declare any dividends for the period from the date of incorporation of the company to date of the prospectus.

22.2 The company's first distribution period after listing will be for the period from 1 June 2018 to 31 August 2018. Thereafter, the company intends making semi-annual distributions, which are expected to be declared for the periods ended 28 February and 31 August.

22.3 Any dividend distributions remaining unclaimed for a period of three years from the declaration date thereof may be forfeited by resolution of the directors for the benefit of the group.

22.4 There are no arrangements in terms of which future dividends are waived or agreed to be waived.

23. **RELATIONSHIP INFORMATION**

23.1 Other than the directors' interests in transactions, details of which are set out in paragraph 3.2 of **Annexure 3**, the directors of Exemplar, the directors of its subsidiaries and the promoters, did not have any beneficial interests, direct or indirect, in relation to any property held or property to be acquired by the group nor are they contracted to become a tenant of any part of the property of the group.

23.2 Other than in respect of the directors' interests in transactions, details of which are set out in paragraph 3.2 of **Annexure 3**, there is no relationship between any parties mentioned in paragraph 2 of the prospectus and another person that may conflict with a duty to the group.

23.3 Save as disclosed in paragraph 4 of **Annexure 3**, the directors do not have any beneficial interest, direct or indirect, in any securities to be issued by the company in order to finance the acquisition of any properties in the property portfolio.

23.4 Save as disclosed in respect of the acquisitions set out in **Annexure 12**, the vendors did not have any beneficial interest, direct or indirect, in any securities to be issued by the company in order to finance the acquisition of any properties.

23.5 Other than the directors' interests in transactions, details of which are set out in paragraph 3.2 of **Annexure 3**, the directors of Exemplar, the directors of its subsidiaries and the promoters did not have any material beneficial interest in the acquisition or disposal of any properties of the company for the period from the date of incorporation of the company to the date of the valuation of such properties being 30 November 2017.

24. PROPERTIES, ASSETS AND BUSINESS UNDERTAKINGS DISPOSED OF OR TO BE DISPOSED OF

No other material immovable properties and/or fixed assets and/or business undertakings have been disposed of in the three years preceding the last practicable date or are intended to be disposed of within six months of listing on the JSE.

25. VENDORS

25.1 Details relating to the vendors of material properties ("**acquisition properties**") purchased by the group since the date of incorporation of the company or proposed to be purchased are set out in **Annexure 12**.

25.2 The vendors of the acquisition properties have not guaranteed the book debts of the letting enterprises acquired or to be acquired by the group. The agreements entered into governing the acquisition of the acquisition properties contain warranties which are usual for transactions of this nature.

25.3 The agreements entered into between the company and each of the vendors of the acquisition properties do not preclude the vendors of the acquisition properties from carrying on business in competition with the company nor do the agreements impose any other restrictions on the vendors of the acquisition properties and therefore no payment in cash or otherwise has been made in this regard.

25.4 There are no liabilities for accrued taxation that will be settled in terms of agreements with vendors of the acquisition properties.

25.5 Save as disclosed in respect of the acquisitions set out in **Annexure 12**, Exemplar has not purchased any securities in any company.

25.6 Other than the directors' interests in transactions, details of which are set out in paragraph 3.2 of **Annexure 3**, no promoter or director (or any partnership, syndicate or other association in which a promoter or director had an interest) had any beneficial interest, direct or indirect in any transaction relating to any of the assets detailed in **Annexure 12**.

25.7 No cash or securities have been paid or any benefit given within the three preceding years of this prospectus or is proposed to be paid or given to any promoter (not being a director).

25.8 The majority of the assets referred to **Annexure 12**, being 54.8% of the property portfolio by value have been transferred into the name of the group. The properties known as Chris Hani Crossing, Modjadji Plaza, Blouberg Mall, Edendale Mall, Olievenhout Plaza, Thorntree Shopping Centre, Diepkloof Plaza, Kwagga Plaza and Jane Furse Plaza, further details of which are set out in **Annexure 7**, are in the process of being transferred. All risks and rewards of ownership in respect of these assets will transfer to Exemplar on 1 June 2018 (being the effective date). These assets comprise 45.2% of the property portfolio by value. The assets referred to in **Annexure 12** have not been ceded or pledged to any party. However, the assets referred to in **Annexure 12** have been provided as security for borrowings as set out in **Annexure 11**.

25.9 Exemplar made an offer to all vendors of the assets detailed in **Annexure 12** to acquire the entire shareholding in the underlying subsidiaries. In certain instances some of the vendors declined the offer and as such resulted in Exemplar not owning 100% of the underlying subsidiary. In this regard, please refer to the group structure in **Annexure 1**.

26. GOVERNMENT PROTECTION AND INVESTMENT ENCOURAGEMENT LAW

There is no government protection or any investment encouragement law pertaining to any of the businesses operated by the group.

27. EXCHANGE CONTROL REGULATIONS

The following summary is intended as a guide and is, therefore, not comprehensive. If you are in any doubt hereto, please consult your professional advisor. Please note that Exemplar is listing by way of introduction and no shares are being issued in terms of a private placement.

27.1 Emigrants from the common monetary area

27.1.1 A former resident of the common monetary area who has emigrated from South Africa may use blocked Rand to purchase shares in terms of a private placement.

27.1.2 All payments in respect of subscriptions for placement shares by emigrants using blocked Rand must be made through an authorised dealer in foreign exchange.

27.1.3 Statements issued to dematerialised shareholders will be restrictively endorsed as "NON-RESIDENT".

27.1.4 If applicable, refund monies in respect of unsuccessful applications, emanating from blocked Rand accounts, will be returned to the authorised dealer administering such blocked Rand accounts for the credit of such applicant's blocked Rand account.

27.1.5 No residents of the common monetary area may, either directly or indirectly, be permitted to receive an allocation as employees of any offshore subsidiaries.

27.2 Applicants resident outside the common monetary area

27.2.1 A person who is not resident in the common monetary area should obtain advice as to whether any government and/or legal consent is required and/or whether any other formality must be observed to enable an application to be made in terms of the private placement.

27.2.2 This prospectus is accordingly not a placement in any area or jurisdiction in which it is illegal to make such a placement. In such circumstances this prospectus is provided for information purposes only. Statements issued to dematerialised shareholders will be restrictively endorsed as "NON-RESIDENT".

28. CORPORATE GOVERNANCE

The board has outlined the corporate governance statement set out in **Annexure 22**.

29. LITIGATION STATEMENT

There are no legal or arbitration proceedings, including any proceedings that are pending or threatened, of which Exemplar is aware, that may have or have had in the recent past, being the previous 12 months, a material effect on the group's financial position.

30. DIRECTORS' RESPONSIBILITY STATEMENT

The directors, whose names are given in paragraph 2.2.1 of this prospectus, collectively and individually, accept full responsibility for the accuracy of the information given herein and certify that, to the best of their knowledge and belief, no facts have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this prospectus contains all information required by law and the Listings Requirements.

31. CONSENTS

Each of the corporate advisor, sponsor, independent reporting accountants and auditors, the attorneys, independent property valuer, transfer secretaries and company secretary have consented in writing to act in the capacities stated and to their names appearing in this prospectus and have not withdrawn their consent prior to the publication of this prospectus.

The independent reporting accountants and the independent property valuer have consented to the inclusion of their reports in the form and context in which they are included in the prospectus, which consents have not been withdrawn prior to the publication of this prospectus.

32. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the company's registered office and from the company's JSE sponsor during business hours from date of issue of the prospectus up to and including Tuesday, 12 June 2018:

32.1 the signed prospectus;

32.2 the MOI of the company its subsidiaries;

32.3 the material contracts referred to in paragraph 7 and **Annexure 10**;

32.4 the summary valuation report prepared by the independent property valuer as set out in **Annexure 8**;

32.5 the detailed valuation reports prepared by the independent property valuer;

32.6 the service contracts of directors as set out in **Annexure 5**;

32.7 the letters of consent referred to in paragraph 31 above;

32.8 the signed reports by the independent reporting accountants and auditors, extracts of which are set out in **Annexure 13**, **Annexure 15**, **Annexure 17**, **Annexure 18**, **Annexure 20A** and **Annexure 20B**;

32.9 the reviewed statements of financial positions in respect of the underlying entities used in the consolidated *pro forma* statement of financial position of the Exemplar group;

32.10 the audited and reviewed financial statements of the Exemplar group for the years ended 28 February 2015, 29 February 2016 and 28 February 2017 and the six months ended 31 August 2017; and

32.11 the written resolutions of the company.

SECTION FIVE – INAPPLICABLE OR IMMATERIAL MATTERS

The following paragraphs in the Companies Regulations dealing with the requirements for a prospectus are not applicable or immaterial to this prospectus –

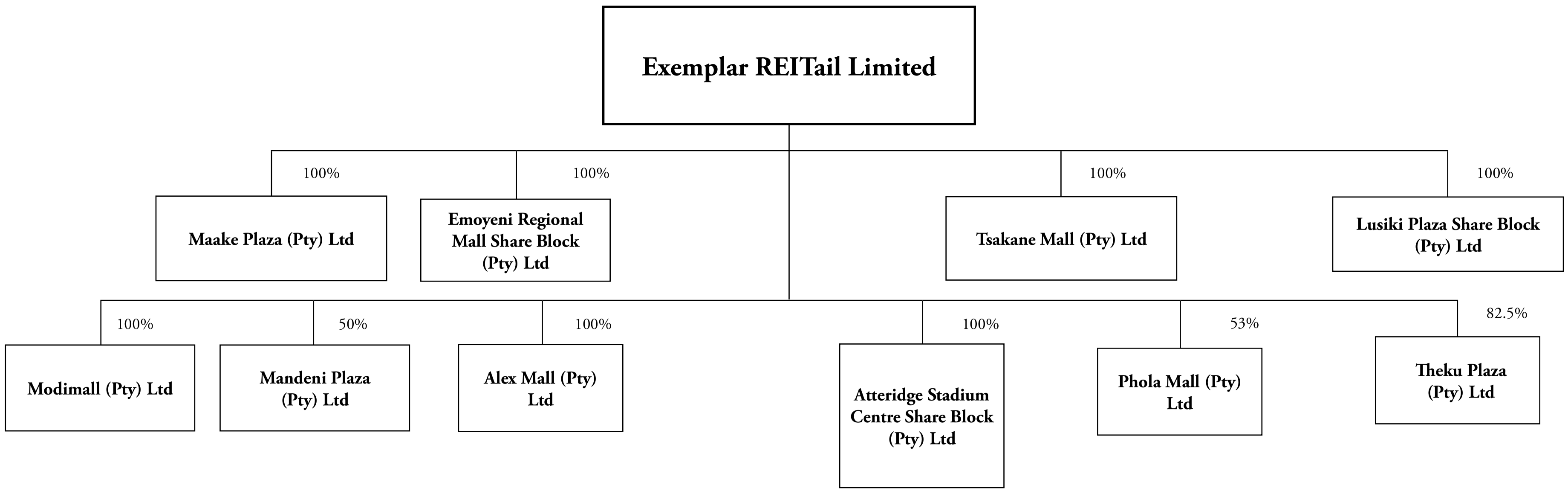
Paragraph	Reason
Regulation 57(2)	The company is not a foreign company.
Regulation 70	No securities being offered.
Regulation 71	No securities being offered.
Regulation 72	No securities being offered.
Regulation 73	No securities being offered.
Regulation 77	No proceeds being raised pursuant to an issue to be applied for an acquisition of a business undertaking.
Regulation 78	No proceeds being raised pursuant to an issue to be applied for an acquisition of a subsidiary.
Regulation 80	The company is not a mining company.

Signed in Centurion by Jason McCormick on his behalf and on behalf of all of the directors of the company on 10 May 2018 in terms of powers of attorney granted by them.

Jason McCormick
CEO

GROUP STRUCTURE

Set out below is the Exemplar group structure as at 1 June 2018:



Exemplar holds the following properties (land and buildings) directly:

- Chris Hani Crossing
- Modjadji Plaza
- Blouberg Mall
- Edendale Mall
- Olievenhout Plaza
- Thorntree Shopping Centre
- Diepkloof Plaza
- Jane Furse Plaza
- Kwagga Plaza

Exemplar has an interest in Acornhoek Plaza in terms of a share block scheme. The property is held by the share block company known as Acornhoek Plaza Share Block Proprietary Limited.

Arlyn Investments, Katale Square and Moonspan Investments will become wholly-owned subsidiaries of Exemplar following the completion of the Riba Cross development, Mabopane development and Marapyane development.

DETAILS OF SUBSIDIARIES

The following table contains a list, as at the date of this prospectus, of the subsidiary undertakings of the company.

	Name of subsidiary and nature of business	Date and place of incorporation	Registration No.	Issued share capital (R)	% held	Inter-company loan owing to/ (by) Exemplar as at 1 June 2018	Date of becoming a subsidiary
1.	Alex Mall Proprietary Limited Property holding company	31 March 2014 South Africa	2014/065933/07	2 000	100	R36.2 mil	1 June 2018
2.	Atteridge Stadium Centre Share Block Proprietary Limited Property holding company	31 May 2007 South Africa	2007/016049/07	100	100	Nil	1 June 2018
3.	Emoyeni Regional Mall Share Block Proprietary Limited Property holding company	13 March 2007 South Africa	2007/008088/07	100	100	R52.0 mil	1 June 2018
4.	Lusiki Plaza Share Block Proprietary Limited Property holding company	13 February 2008 South Africa	2008/003665/07	100	100	R36.9 mil	1 June 2018
5.	Maake Plaza Proprietary Limited Property holding company	14 March 1994 South Africa	1994/001886/07	700	100	Nil	1 June 2018
6.	Mandeni Plaza Proprietary Limited Property holding company	24 August 2005 South Africa	2005/029931/07	100	50	R25.6 mil	1 June 2018
7.	Modimall Proprietary Limited Property holding company	26 April 2006 South Africa	2006/012707/07	665	100	R78.6 mil	1 June 2018
8.	Phola Mall Proprietary Limited Property holding company	3 April 2012 South Africa	2012/064726/07	10 000	53	R2.7 mil	1 June 2018
9.	Theku Plaza Proprietary Limited Property holding company	28 September 2007 South Africa	2007/028033/07	2 000	82.5	Nil	1 June 2018
10.	Tskane Mall Proprietary Limited Property holding company	16 July 2004 South Africa	2004/019957/07	100	100	R4.2 mil	1 June 2018

All subsidiaries are incorporated in South Africa and are not listed on any stock exchange.

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

INFORMATION ON THE DIRECTORS, MANAGEMENT AND MATERIAL THIRD PARTIES

1. DIRECTORS' EMOLUMENTS

1.1 The directors were not paid any fees for the period from the date of incorporation of the company to the listing date.

1.2 The emoluments of the directors anticipated to be paid for the period from the listing date to 28 February 2019 are set out in the table below:

Director	Basic salaries R	Directors' fees R	Bonuses and other performance payments R	Total R
Executive directors				
Jason McCormick*	3 000 000	–	–	3 000 000
Duncan Church	3 000 000	–	–	3 000 000
John McCormick*	3 000 000	–	–	3 000 000
Non-executive directors				
Frank Berkeley	–	400 000	–	400 000
Gregory Azzopardi	–	300 000	–	300 000
Peter Katzenellenbogen	–	300 000	–	300 000
Phatudi Maponya	–	300 000	–	300 000
Total	9 000 000	1 300 000	–	10 300 000

**As Jason is the Managing Director of MPD and John is a director of MPD and each play an integral part in its business, a portion of Jason's and John's salaries will be recovered from MPD on a pro rata basis of their time apportionment between the two businesses. MPD is a development business and, as noted in paragraph 3.1 of the prospectus, should MPD conclude to dispose of a particular property to be developed in the future, it will offer such property to the company on a "right of first refusal" basis, in which event the merits of such proposed acquisition will be considered by the board. In the interest of transparency and to ensure arms length transactions, John and Jason will recuse themselves from any meetings regarding related-party acquisitions. Jason's involvement in MPD will ensure that this relationship is for Exemplar's advantage and is in essence an oversight role so as to ensure that the development properties are of sufficient quality and standards to be congruent with the assets comprising the Exemplar property portfolio.*

1.3 Save for the tables above, the directors of the company did not receive any emoluments in the form of:

1.3.1 fees for services as a director;

1.3.2 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;

1.3.3 basic salaries;

1.3.4 bonuses and performance-related payments;

1.3.5 sums paid by way of expense allowance;

1.3.6 any other material benefits received;

1.3.7 contributions paid under any pension scheme; or

1.3.8 any commission, gain or profit-sharing arrangements.

1.4 No share options or any other right has been given to a director of the company in respect of providing a right to subscribe for shares in the company.

1.5 Save as disclosed in **Annexure 23**, no shares have been issued and allotted in terms of a share purchase or share option scheme for any of the employees.

1.6 Save as disclosed in paragraph 1.2 above, all of the directors of Exemplar will be remunerated by Exemplar. 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.

1.7 The company has not paid any other fees or incurred any fees that are payable to a third party in *lieu* of directors' fees.

1.8 The remuneration received by the directors will not be varied as a consequence of any transactions.

1.9 The business of the group, or any part thereof, is not managed or proposed to be managed by any third party under contract or arrangement.

2. BORROWING POWERS

2.1 The borrowing powers of the group exercisable by the directors are unlimited. The borrowing powers of the group may not be varied unless a special resolution has been passed by shareholders with the support of 75% of voting rights exercised.

2.2 The borrowing powers have not been exceeded during the period from the date of incorporation of the company to the last practicable date. There is no exchange control or other restriction on the borrowing powers of the group. Further information related to the borrowing powers of directors are set out in **Annexure 6**.

3. DIRECTORS' INTERESTS

3.1 Directors' interests in Exemplar shares

3.1.1 John McCormick and Jason McCormick are beneficiaries of JMFT which is a 77.26% shareholder of Exemplar. Further details of JMFT's shareholding is set out in paragraph 4.5.1 of the prospectus.

3.1.2 Set out below are the names of directors of the company and major subsidiaries that, directly or indirectly, are beneficially interested in Exemplar shares in issue at the last practicable date. No directors have resigned from the company since the date of incorporation of the company.

Directors	**Beneficially held**				
	Directly	**Indirectly**	**Associate**	**Total**	**%**
Duncan Church	–	3 500 000	–	3 500 000	1.14%

3.1.3 Save as set out in paragraphs 3.1.1 and 3.1.2 above, there have been no changes to the directors' interests since the date of incorporation of the company to the date of this prospectus.

3.1.4 The information set out in paragraphs 3.1.1 to 3.1.3 above is not expected to change as a result of the listing.

3.2 Directors' interests in transactions

Save as disclosed in paragraph 3.1 above and **Annexure 12**, none of the directors of the company, has or had any material beneficial interest, direct or indirect, in transactions that were effected by the group during the current financial year or immediately preceding financial year or during any earlier financial year and which remain in any respect outstanding or underperformed.

4. INTERESTS OF DIRECTORS AND PROMOTERS

4.1 No amount has been paid, or is accrued as payable, between the date of incorporation of the company and the last practicable date, or is proposed to be paid to any promoter or to any partnership, syndicate or other association of which such promoter is or was a member and no other benefit has been given or is proposed to be given to such promoter, partnership, syndicate or other association within the said period.

4.2 Other than the directors' interests in transactions, details of which are set out in paragraph 3.2 above and as disclosed in **Annexure 12** neither the directors nor the promoters of the company have received any material beneficial interest, direct or indirect, in the promotion of the company and its properties during the period between the date of incorporation of the company and the date of this prospectus. This includes a partnership, company, syndicate or other association.

4.3 No amount has been paid, or has been agreed to be paid, within the period from the date of incorporation of the company to the date of this prospectus, to any director of the company or to any company in which such director is beneficially interested, directly or indirectly, or of which he is a director ("**the associate company**") or to any partnership, syndicate or other association of which he is a member ("**the associate entity**"), in cash, securities or otherwise, by any person, either to induce him to become, or to qualify him as a director or otherwise for services rendered by him or by the associate company or the associate entity in connection with the promotion or formation of the group.

5. DIRECTORS' DECLARATIONS

None of the directors have:

5.1 been a director of a company that has been put into liquidation or been placed under business rescue proceedings or had an administrator or other executor appointed during the period when he was (or within the preceding 12 months had been) one of its directors, or alternate directors or equivalent position;

5.2 either themselves or any company of which he was a director or an alternate director or officer at the time of the offence, been convicted in any jurisdiction of any criminal offence, or an offence under legislation relating to the Companies Act;

5.3 been removed from an office of trust, on grounds of misconduct, involving dishonesty;

5.4 been disqualified by a court from acting as a director of a company, or from acting in management or conduct of the affairs of any company;

5.5 been convicted of an offence resulting from dishonesty, fraud, theft, perjury, misrepresentation or embezzlement;

5.6 been adjudged bankrupt or sequestrated in any jurisdiction;

5.7 been a party to a scheme of arrangement or made any other form of compromise with his creditors;

5.8 been found guilty in disciplinary proceedings, by an employer or regulatory body, due to dishonest activities;

5.9 had any court grant an order declaring him to be a delinquent or placed such director under probation in terms of sections 162 of the Companies Act and/or 47 of the Close Corporations Act, 1984 (Act No. 69 of 1984) of South Africa;

5.10 been barred from entry into any profession or occupation;

5.11 been convicted in any jurisdiction of any criminal offence, or an offence under legislation relating to the Companies Act;

5.12 has received any official public criticisms by any statutory or regulatory authorities (including recognised professional bodies);

5.13 entered into any compulsory liquidations, administrations or partnership voluntary arrangements of any partnerships where such person is or was a partner at the time of or within the 12 months preceding such event;

5.14 entered into receiverships of any asset(s) of such person or of a partnership of which the person is or was a partner at the time of, or within the 12 months preceding, such event; or

5.15 been involved in any offence involving dishonesty committed by such person.

CURRENT AND PAST DIRECTORSHIPS

The table below lists the companies and partnerships of which each director of the company is currently a director or partner as well as the companies and partnerships of which each director of the company was a director or partner over the five years preceding this prospectus:

Directors of the company

Director	Current directorships and partnerships	Directorships and partnerships held in the last five years
Jason McCormick	Exemplar REITail Limited, Filamane Investments Proprietary Limited, Mamelodi Mall Share Block Proprietary Limited, Katale Square Proprietary Limited, Mandeni Plaza Proprietary Limited, Emoyeni Regional Mall Share Block Proprietary Limited, Chris Hani Crossing Proprietary Limited, Theku Plaza Proprietary Limited, Olievenhout Plaza Proprietary Limited, Mall of Mogale Share Block Proprietary Limited, Paisleyville Investments Proprietary Limited, Lusiki Plaza Share Block Proprietary Limited, Ascension Mall Share Block Proprietary Limited, Trendville Investments Proprietary Limited, Ezakheni Plaza Proprietary Limited, Thorntree Shopping Centre Proprietary Limited, Strongwood Investments Proprietary Limited, Hinmoss Investments Proprietary Limited, Lymeside Investments Proprietary Limited, Moonspan Investments Proprietary Limited, Crablight Investments Proprietary Limited, Acornhoek Plaza Share Block Proprietary Limited, Kwagga Plaza Share Block Proprietary Limited, Jane Furse Plaza Share Block Proprietary Limited, Edendale Mall Proprietary Limited, Modimall Proprietary Limited, Kwagga Retail Crossing Proprietary Limited, Blouberg Mall Proprietary Limited, Atteridge Stadium Centre Share Block Proprietary Limited, Mahlakung Shopping Centre Proprietary Limited, McCormick Media Proprietary Limited, Kings Crossing Proprietary Limited, Phola Mall Proprietary Limited, Hopelight Investments Proprietary Limited, Alex Mall Proprietary Limited, Capital Mall Proprietary Limited, Andostep Investments Proprietary Limited	SA Council of Shopping Centres NPC,
Duncan Church	Exemplar REITail Limited, Kenhove Investments Share Block Proprietary Limited, Garfane Investments Proprietary Limited, African Wellness Safaris Proprietary Limited, Goodman Family Proprietary Limited	Fairway Close Huiseienaarsvereniging NPC, Nett Rand Accountants and Auditors Inc, Grant Thornton Johannesburg Proprietary Limited, Grant Thornton (JHB) Inc, Grant Thornton Corporate Finance (JHB) Proprietary Limited, Grant Thornton Advisory Services Proprietary Limited, Grant Thornton Infrastructure Advisory Services Proprietary Limited, Grant Thornton South Africa Proprietary Limited

Director	Current directorships and partnerships	Directorships and partnerships held in the last five years
John McCormick	Exemplar REITail Limited, Filamane Investments Proprietary Limited, Mamelodi Mall Share Block Proprietary Limited, Katale Square Proprietary Limited, Mandeni Plaza Proprietary Limited, Emoyeni Regional Mall Share Block Proprietary Limited, Chris Hani Crossing Proprietary Limited, Theku Plaza Proprietary Limited, Olievenhout Plaza Proprietary Limited, Mall of Mogale Share Block Proprietary Limited, Paisleyville Investments Proprietary Limited, Lusiki Plaza Share Block Proprietary Limited, Ascension Mall Share Block Proprietary Limited, Trendville Investments Proprietary Limited, Ezakheni Plaza Proprietary Limited, Thorntree Shopping Centre Proprietary Limited, Strongwood Investments Proprietary Limited, Hinmoss Investments Proprietary Limited, Lymeside Investments Proprietary Limited, Moonspan Investments Proprietary Limited, Crablight Investments Proprietary Limited, Acornhoek Plaza Share Block Proprietary Limited, Kwagga Plaza Share Block Proprietary Limited, Jane Furse Plaza Share Block Proprietary Limited, Edendale Mall Proprietary Limited, Modimall Proprietary Limited, Kwagga Retail Crossing Proprietary Limited, Blouberg Mall Proprietary Limited, Atteridge Stadium Centre Share Block Proprietary Limited, Mahlakung Shopping Centre Proprietary Limited, Kings Crossing Proprietary Limited, Phola Mall Proprietary Limited, Hopelight Investments Proprietary Limited, Alex Mall Proprietary Limited, Capital Mall Proprietary Limited, Andostep Investments Proprietary Limited, Blouberg Plaza Proprietary Limited, Bochum Plaza Proprietary Limited, Brown Trout Lodge Proprietary Limited, Diepkloof Plaza Proprietary Limited, Gija Plaza Proprietary Limited, GlenMickin Estates Proprietary Limited, GlenMickin Farms Proprietary Limited, Jean Junction Proprietary Limited, Kabokweni Plaza Share Block Proprietary Limited, Kuhumelela Mall Proprietary Limited, Lama Inkutso Wilderness Reserve Proprietary Limited, Maake Plaza Proprietary Limited, McCormick Capital Proprietary Limited, McCormick Property Development Proprietary Limited, Mkhuhlu Plaza Proprietary Limited, Modjadji Plaza Proprietary Limited, Nquthu Plaza Share Block Proprietary Limited, Quarrylight Investments Proprietary Limited, Soshanguve Boulevard Proprietary Limited, Soshanguve Plaza Proprietary Limited, Tollnook Investments Proprietary Limited, Tsakane Mall Proprietary Limited, Venda Plaza Proprietary Limited, Vryheid Plaza Proprietary Limited	None
Gregory Azzopardi	Exemplar REITail Limited	South African Council of Shopping Centres Proprietary Limited

Director	Current directorships and partnerships	Directorships and partnerships held in the last five years
Frank Berkeley	Exemplar REITail Limited, Afro Oceanic Investments Proprietary Limited, Onyx Developments Proprietary Limited, 252 Roggebaai Proprietary Limited, Onyx Apartments Proprietary Limited, Kathrich Investments Proprietary Limited, K2017416329 (South Africa) Proprietary Limited, Campuskey Proprietary Limited	Sycom Property Fund Managers Limited, Acucap Properties Limited
Peter Katzenellenbogen	Exemplar REITail Limited, Dinnypet Proprietary Limited, Famkat Holdings Proprietary Limited, Gallo Manor Wendywood Community Protection NPC, Dunwes Capital Proprietary Limited, Azaray Investments Proprietary Limited, Ledwell Investments Proprietary Limited, Upperway Investments Proprietary Limited, Everglen Capital Partners Proprietary Limited, Everglen Capital (SA) Proprietary Limited, Quartley Investments Proprietary Limited	TC Corporate Support Proprietary Limited, Transaction Capital Business Partners Proprietary Limited, TC Executive Holdings Proprietary Limited, TC Treasury Proprietary Limited, Bayport Securitisation (RF) Limited, Red Sky Finance Proprietary Limited, Ellehove Investments Proprietary Limited, Bayport Financial Services Proprietary Limited, Zenthyme Investments Proprietary Limited, Summit Micro Finance Proprietary Limited
Phatudi Maponya	Exemplar REITail Limited, La Vie De Luc Mineral Water Proprietary Limited, Yeo 21 Investment Proprietary Limited, Yeo 71 Investments Proprietary Limited, Maponya (Johannesburg) Inc, Padcro Properties Proprietary Limited, Fastpulse Trading 419 Proprietary Limited, Festival Bay Trading 42 Proprietary Limited, Natural Echo Investments 10 Proprietary Limited, Micromatica 903 Proprietary Limited, Maponya Investments Consultants Proprietary Limited, Earthchem Services Proprietary Limited, Before the Wind Investments 147 Proprietary Limited, Chestnut Hill Investments 287 Proprietary Limited, Northern Ocean Investments 10 Proprietary Limited, Pacific Coast Investments 120 Proprietary Limited, Columbia Falls Properties 80 Proprietary Limited, Rietvlei Property Investment Proprietary Limited, Mawetse (SA) Mining Corporation Proprietary Limited, Electrox Properties Proprietary Limited, Global Road Binders Proprietary Limited, Venti Mineral Resources Proprietary Limited, Vbetsa Gauteng Proprietary Limited, Niveus Invest11 Proprietary Limited, Red Rosette 1 Proprietary Limited, Dr Richard Maponya Institute for Skills and Entrepreneurship Development NPC, Protea Small Plant and Equipment Proprietary Limited, Fountain Beverage Bottling Proprietary Limited, Entire Housing Finance Proprietary Limited, Yeo 74 Investments Proprietary Limited, Maponya (Pietersburg) Inc, Q-Health Medical Services Proprietary Limited, Mahogony Rose Investments 50 Proprietary Limited, Maponya Investment Holdings Proprietary Limited, Micromatica Management Services Proprietary Limited, Cold Creek Investments 131 Proprietary Limited, Chestnut Hill Investments 284 Proprietary Limited, Clifton Dunes Investments 451 Proprietary Limited, Columbia Falls Properties 114 Proprietary Limited, Ash Afrique Technologies Proprietary Limited, Maponya Forensics Proprietary Limited, Sekontiri Property Investments Proprietary Limited, Bengaglo Proprietary Limited	None

SERVICE CONTRACTS

The salient features of the current service contracts are:

1. **Service contract entered into between Jason McCormick and Exemplar effective 1 June 2018**

1.1 **Commencement date and termination**

1.1.1 Jason is employed as the CEO of the company with effect from 1 June 2018.

1.1.2 The service contract between Jason and the company can be terminated by either party giving one calendar month's written notice of termination, which notice of termination must be given by no later than the first day of the month.

1.2 **Duties and responsibilities**

1.2.1 Jason is the CEO of the company and reports directly to the board of directors of the company. He is responsible for the management of the company and will bear ultimate responsibility for all management functions.

1.3 **Remuneration**

1.3.1 Jason is paid an annual cost to company of R3 000 000. 50% of Jason's annual cost to company will be recoverable from McCormick Property Development Proprietary Limited.

1.3.2 His annual remuneration package will increase annually and is based on performance and in the sole discretion of the company.

1.4 **Long term incentive**

1.4.1 Jason is entitled to participate in the Exemplar share purchase plan.

1.5 **Restraint of trade**

1.5.1 Jason is restrained from competing with the company or any related company at any time during his employment with the company.

1.5.2 Jason shall not, at any time during his employment and for a period of six months thereafter, be interested or engaged, whether directly or indirectly, and whether as proprietor, partner, shareholder, member, director, employer, employee, agent, consultant or otherwise, in any firm, business or undertaking which carries on any activity, either solely or in conjunction with any other party, in competition with the business carried on by the company or related company, unless otherwise agreed to by the company in writing.

2. **Service contract entered into between Duncan Church and Exemplar effective 1 June 2018**

2.1 **Commencement date and termination**

2.1.1 Duncan is employed as the CFO of the company with effect from 1 June 2018.

2.1.2 The service contract between Duncan and the company can be terminated by either party giving one calendar month's written notice of termination, which notice of termination must be given by no later than the first day of the month.

2.2 **Duties and responsibilities**

2.2.1 Duncan is the CFO of the company and reports directly to the board of directors of the company. He performs the duties of a financial director.

2.3 **Remuneration**

2.3.1 Duncan is paid an annual cost to company of R3 000 000.

2.3.2 His annual remuneration package will increase annually and is based on performance and in the sole discretion of the company.

2.4 **Long term incentive**

2.4.1 Duncan is entitled to participate in the Exemplar share purchase plan.

2.5 **Restraint of trade**

2.5.1 Duncan is restrained from competing with the company or any related company at any time during his employment with the company.

2.5.2 Duncan shall not, at any time during his employment and for a period of six months thereafter, be interested or engaged, whether directly or indirectly, and whether as proprietor, partner, shareholder, member, director, employer, employee, agent, consultant or otherwise, in any firm, business or undertaking which carries on any activity, either solely or in conjunction with any other party, in competition with the business carried on by the company or related company, unless otherwise agreed to by the company in writing.

3. **Service contract entered into between John McCormick and Exemplar effective 1 June 2018**

3.1 **Commencement date and termination**

3.1.1 John is employed as an executive director of the company with effect from 1 June 2018.

3.1.2 The service contract between John and the company can be terminated by either party giving one calendar month's written notice of termination, which notice of termination must be given by no later than the first day of the month.

3.2 **Duties and responsibilities**

3.2.1 John is an executive director of the company and reports directly to the board of directors of the company. He performs the duties of an executive director.

3.3 **Remuneration**

3.3.1 John is paid an annual cost to company of R3 000 000. 50% of John's annual cost to company will be recoverable from McCormick Property Development Proprietary Limited.

3.3.2 His annual remuneration package will increase annually and is based on performance and in the sole discretion of the company.

3.4 **Long term incentive**

3.4.1 John is entitled to participate in the Exemplar share purchase plan.

3.5 **Restraint of trade**

3.5.1 John is restrained from competing with the company or any related company at any time during his employment with the company.

3.5.2 John shall not, at any time during his employment and for a period of six months thereafter, be interested or engaged, whether directly or indirectly, and whether as proprietor, partner, shareholder, member, director, employer, employee, agent, consultant or otherwise, in any firm, business or undertaking which carries on any activity, either solely or in conjunction with any other party, in competition with the business carried on by the company or related company, unless otherwise agreed to by the company in writing.

EXTRACTS FROM THE MOI

The MOI of the company contains, *inter alia*, provisions with the effect of providing for the appointment, qualification, remuneration and borrowing powers, interests of directors and dividends as set out in the extracts below:

"4 **POWERS OF THE COMPANY**

4.1 The Company has all of the legal powers and capacity contemplated in the Act, and no provision contained in this MOI should, unless such provision expressly provides to the contrary, be interpreted or construed as negating, limiting, or restricting those powers in any way whatsoever.

4.2 The legal powers and capacity of the Company are not subject to any restrictions, limitations or qualifications, as contemplated in section 19(1)(b)(ii) of the Act.

4.3 This MOI does not contain any restrictive conditions applicable to the Company as contemplated in section 15(2)(b) or (c) of the Act."

"6 **ISSUE OF SHARES AND VARIATION OF RIGHTS**

6.1 The Company is authorised to issue 5 000 000 000 (five billion) Ordinary no par value Shares of the same class, each of which ranks *pari passu* (which shall have the meaning ascribed thereto in paragraph 3.29 of the JSE Listings Requirements or any amendment or substitute paragraph in the JSE Listings Requirements) in respect of all rights and entitles the Ordinary Shareholder to –

6.1.1 attend, participate in, speak at and vote on any matter to be decided by the Shareholders and to 1 (one) vote in the case of a vote by means of a poll;

6.1.2 participate proportionally in any distribution made by the Company and which is not made to the holders of another class of Shares in accordance with the preference and rights of such class of Shares (and except for the payment in lieu of a capitalisation share as contemplated in section 47(1)(c) of the Act and any consideration payable by the Company for any of its own Shares or for any shares of another company within the same group as contemplated in paragraph a(iii)(aa) and a(iii)(bb) of the definition of "distribution" in the Act); and

6.1.3 receive proportionally the net assets of the Company upon its liquidation; and

6.1.4 any other rights attaching to the Ordinary Shares in terms of the Act or any other law.

6.2 The Board shall not have the power to –

6.2.1 create any class of Shares;

6.2.2 increase or decrease the number of authorised Shares of any class of the Company's Shares;

6.2.3 consolidate and reduce the number of the Company's issued and authorised Shares of any class;

6.2.4 subdivide its Shares of any class by increasing the number of its issued and authorised Shares of that class without an increase of its capital;

6.2.5 convert one class of Shares into one or more other classes, save where a right of conversion attaches to the class of Shares created;

6.2.6 reclassify any classified Shares that have been authorised but not issued;

6.2.7 classify any unclassified Shares that have been authorised but not issued; or

6.2.8 vary any preference rights, limitations or other terms attaching to any class of shares,

and such powers shall only be capable of being exercised by the Shareholders by way of a special resolution adopted by the Shareholders and (to the extent required) an amendment to the MOI.

6.3 The Company has the power, subject to the authority of a special resolution as contemplated in clause 6.2, to subdivide its Shares of any class. To the extent competent at law, such subdivision may be effected through a mere splitting of, and consequential increase in, the authorised and issued Shares of the relevant class, and without an issue of new shares.

6.4 Each Share issued by the Company has associated with it an irrevocable right of the Shareholder to vote on any proposal to amend the preferences, rights, limitations and other terms associated with that Share. The variation of any preferences, rights, limitations and other terms associated with any class of Shares as set out in this MOI may be enacted only by an amendment of this MOI approved by special resolution adopted by the Ordinary Shareholders. If any amendment of the MOI relates to the variation of any preferences, rights, limitation or any other terms attaching to any other class of Shares already in issue, that amendment must not be implemented without a special resolution, taken by the holders of Shares of that class at a separate meeting. In such instances, the holders of such Shares will be allowed to vote at the meeting of Ordinary Shareholders subject to clause 20.11. No resolution of Shareholders in respect of such amendment shall be proposed or passed, unless a special resolution of the holders of the Shares of that class approve the amendment.

6.5 The authorisation and classification of Shares, the creation of any class of Shares, the conversion of one class of Shares into one or more other classes, the consolidation of Securities, the sub-division of Securities, the change of the name of the Company, the increase of the number of authorised Securities, and, subject to clause 6.4, the variation of any preferences, rights, limitations and other terms associated with each class of Shares as set out in this MOI may be changed only by an amendment of this MOI by special resolution of the Shareholders and in accordance with the JSE Listings Requirements, to the extent required, save if such an amendment is ordered by a court in terms of sections 16(1)(a) and 16(4) of the Act.

6.6 No Shares may be authorised in respect of which the preferences, rights, limitations or any other terms of any class of Shares may be varied and no such resolution may be proposed to Shareholders for rights to include such variation in response to any objectively ascertainable external fact or facts as provided for in sections 37(6) and 37(7) of the Act. The powers of the Board are limited accordingly.

6.7 The Company may only issue Shares which are fully paid up and freely transferable and only within the classes and to the extent that those Shares have been authorised by or in terms of this MOI.

6.8 The Board may not issue unissued Ordinary Shares unless such Ordinary Shares have first been offered to existing Ordinary Shareholders in proportion to their shareholding (on such terms and in accordance with such procedures as the Board may determine), unless the relevant issue of Ordinary Shares –

6.8.1 is a capitalisation issue in accordance with clause 13; or

6.8.2 is for the acquisition of assets, is a vendor consideration placing related to an acquisition of assets, or is an issue for the purposes of an amalgamation or merger; or

6.8.3 is an issue pursuant to options or conversion rights; or

6.8.4 is an issue in terms of an approved share incentive scheme; or

6.8.5 is an issue of shares for cash (as contemplated in the JSE Listings Requirements), which has been approved by the Shareholders by ordinary resolution, either by way of a general authority (which may be either conditional or unconditional) to issue Shares in its discretion or a specific authority in respect of any particular issue of Shares, in accordance with the JSE Listings Requirements, provided that, if such approval is in the form of a general authority to the Directors, it shall be valid only until the next annual general meeting of the Company or for 15 months from the date of the passing of the ordinary resolution, whichever is the earlier, and it may be varied or revoked by any general meeting of the Shareholders prior to such annual general meeting; or

6.8.6 otherwise falls within a category in respect of which it is not, in terms of the JSE Listings Requirements, a requirement for the relevant Shares to be so offered to existing Ordinary Shareholders; or

6.8.7 is otherwise undertaken in accordance with an authority approved by Ordinary Shareholders in general meeting.

6.9 Subject to clause 6.10, if pursuant to any corporate action or event including any capitalisation issue or rights issue a Shareholder would, but for the provisions of this clause 6.9, become entitled to a fraction of a Share ("Fractional Entitlements"), such Fractional Entitlements shall be dealt with in accordance with the JSE Listings Requirements.

6.10 If no Shares of the Company are listed on the JSE at the time a Fractional Entitlement arises (and, accordingly, the JSE Listings Requirements have ceased to apply to the Company), the Board shall, subject to any contrary provisions in any Shareholders' resolution which may be required to authorise the corporate action or event in question, be entitled to –

6.10.1 round off the number of Shares to be received by a Shareholder to the nearest whole number; or

6.10.2 sell the Shares resulting from the aggregation of those fractions, on such terms and conditions as the Board deems fit, for the benefit of the relevant Shareholders, and any Director shall be empowered to sign any instrument of transfer or other instrument necessary to give effect to the provisions of this clause 6.10.

6.11 Subject to the JSE Listings Requirements, the provisions of clauses 17 and 33.6 to 33.11 (inclusive) shall apply, mutatis mutandis to any amounts that become payable to Shareholders in terms of clauses 6.9 or 6.10.

6.12 The Directors may exclude any Shareholders or category of Shareholders from an offer contemplated in clause 6.8 if and to the extent that they consider it necessary or expedient to do so because of (i) legal impediments, or (ii) compliance with the laws (including any registration or filing requirements), or (iii) the requirements of any regulatory body, in each case of any territory outside of South Africa, that may be applicable to the offer.

6.13 The Board may, subject to clauses 6.8 and 6.17, issue Shares at any time, but only –

6.13.1 within the classes and to the extent that those Shares have been authorised by or in terms of this MOI; and

6.13.2 to the extent that the authority of the Board to deal with the authorised but unissued share in the capital of the Company has not been specifically limited by an ordinary resolution adopted by the Shareholders.

6.14 Alterations of share capital, authorised shares and rights attaching to a class/es of Shares, all issues of Shares for cash and all issues of options and convertible securities granted or issued for cash must, in addition to the aforegoing provisions, be undertaken in accordance with the JSE Listings Requirements.

6.15 All Securities of the Company for which a listing is sought on the JSE and all Securities of the same class as Securities of the Company which are listed on the JSE must, notwithstanding the provisions of section 40(5) of the Act, but unless otherwise required by the Act, only be issued after the Company has received the consideration approved by the Company for the issuance of such Securities.

6.16 Subject to sections 40(5) to 40(7) of the Act, when the Company has received the consideration approved by the Board for the issuance of any Shares –

6.16.1 those Shares are fully paid up; and

6.16.2 the Company must issue those Shares and cause the name of the holder to be entered onto the Company's Securities Register in accordance with sections 49 to 56 of the Act.

6.17 Notwithstanding anything to the contrary contained in this MOI, any issue of Shares, Securities convertible into Shares, or rights exercisable for Shares in a transaction, or a series of integrated transactions shall, if and to the extent that this may be required in terms of section 41(3) of the Act, require the approval of the Shareholders by special resolution if the voting power of the class of Shares that are issued or are issuable as a result of the transaction or series of integrated transactions will be equal to or exceed 30% of the voting power of all the Shares of that class held by Shareholders immediately before that transaction or series of integrated transactions.

6.18 Except to the extent that any such right is specifically included as one of the rights, preferences or other terms upon which any class of Shares is issued or as may otherwise be provided in this MOI (including clause 6.8), no Shareholder shall have any pre-emptive or other similar preferential right to be offered or to subscribe for any additional Shares issued by the Company."

"20 **VOTES OF SHAREHOLDERS**

"20.1 Subject to any special rights or restrictions as to voting attached to any shares by or in accordance with this MOI, at a meeting of the Company –

20.1.1 every Ordinary Shareholder present and entitled to exercise voting rights shall be entitled to 1 (one) vote on a show of hands, irrespective of the number of voting rights that Ordinary Shareholder would otherwise be entitled to exercise;

20.1.2 on a poll, an Ordinary Shareholder who is present in person or represented by proxy shall be entitled to 1 (one) vote in respect of each Share he holds. No objection shall be raised to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairperson of the meeting, whose decision shall be final and conclusive;"

"21 **SHAREHOLDER RIGHTS, PROXIES AND REPRESENTATIVES**

"21.1 Any Shareholder may at any time appoint any natural person (or two or more natural persons concurrently), including a natural person who is not a Shareholder, as a proxy to –

21.1.1 participate in, and speak and vote at, a Shareholders meeting on behalf of that Shareholder; or

21.1.2 give or withhold written consent on behalf of that Shareholder to a decision contemplated in section 60 of the Act,

provided that a Shareholder may appoint more than 1 (one) proxy to exercise voting rights attached to different Securities held by the Shareholder."

"22 **SHAREHOLDERS RESOLUTIONS**

22.1 For an ordinary resolution to be approved it must be supported by more than 50% (fifty percent) of the voting rights of Shareholders exercised on the resolution by all Shareholders present in person, or represented by proxy, as provided in section 65(7) of the Act. Notwithstanding the aforegoing, to the extent that the JSE Listings Requirements require the support of a higher percentage of voting rights to be exercised in respect of any ordinary resolution, the Company shall not implement such ordinary resolution unless such ordinary resolution is supported by the higher percentage of voting rights of Shareholders required to be exercised on that resolution in terms of the JSE Listings Requirements.

22.2 For a special resolution to be approved it must be supported by the holders of at least 75% (seventy five percent) of the voting rights exercised on the resolution by all Shareholders present in person, or represented by proxy, as provided in section 65(9) of the Act.

22.3 No matters, except:

22.3.1 those matters set out in section 65(11) of the Act;

22.3.2 any other matter required by the Act or this MOI to be resolved by means of a special resolution; or

22.3.3 for so long as the Company's Securities are listed on the JSE, any other matter required by the JSE Listings Requirements to be resolved by means of a special resolution in terms of the JSE Listings Requirements,

require a special resolution adopted at a Shareholders meeting of the Company.

22.4 In the event that any Shareholder abstains from voting in respect of any resolution, such Shareholder will, for the purposes of determining the number of votes exercised in respect of that resolution, be deemed not to have exercised a vote in respect thereof (i.e. that Shareholder's votes will neither be included in the aggregate number of votes cast nor in the total number of votes exercised in favour of or against that resolution)."

"24 **COMPOSITION AND POWERS OF THE BOARD OF DIRECTORS**

24.1 In addition to the minimum number of Directors, if any, that the Company must have to satisfy any requirement in terms of the Act to appoint an audit committee, or a social and ethics committee, the Board must comprise at least 4 (four) Directors and not more than 15 (fifteen) Directors. The Shareholders shall be entitled by ordinary resolution to amend such maximum number of Directors as they from time to time shall consider appropriate.

24.2 Subject to clauses 24.3 and 24.4 all Directors shall be elected by an ordinary resolution of the Shareholders at a general or annual general meeting of the Company and no appointment of a Director in accordance with a resolution passed in terms of section 60 of the Act shall be valid.

24.3 Subject to the requirements of the Act, the chairman of the Board or the chief executive officer shall be entitled, subject to the written approval of the majority of the Directors, to appoint any person as a Director in terms of section 66(4)(a)(i) of the Act, provided that such appointment must be approved by the Shareholders at the next Shareholders meeting or annual general meeting.

24.4 The authority of the Board to fill a vacancy on the Board on a temporary basis, as set out in section 68(3) of the Act is not limited or restricted by this MOI provided that any Directors so appointed must resign at the next annual general meeting of the Company and may make themselves available for election by the Shareholders at such annual general meeting of the Company.

24.5 Accordingly, the Board shall have the power at any time and from time to time to appoint any person as a Director, either to fill a casual vacancy or as an addition to the Board.

24.6 Until 1 (one) or more Directors have been so elected, each incorporator of the Company shall, in terms of section 67(1) of the Act, serve as a Director of the Company.

24.7 In any election of Directors –

24.7.1 the election is to be conducted as a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy or to confirm an additional appointment, with the series of votes continuing until all vacancies on the Board have been filled or all additional appointments have been confirmed; and

24.7.2 in each vote to fill a vacancy –

24.7.2.1 each vote entitled to be exercised may be exercised once; and

24.7.2.2 the vacancy is filled or the additional appointment confirmed only if a majority of the votes exercised support the candidate,

provided only that, in the event that the Company only has 1 (one) Shareholder, the provisions of this clause 24.7 will not apply and the election of Directors shall take place in such manner as the Shareholder shall determine.

24.8 Subject to 24.3, 24.4 and 24.5, the Company shall only have elected Directors and there shall be no appointed or *ex officio* Directors as contemplated in section 66(4) of the Act.

24.9 Apart from satisfying the qualification and eligibility requirements set out in section 69 of the Act, a person need not satisfy any eligibility requirements or qualifications to become or remain a Director or a Prescribed Officer of the Company.

24.10 A Director shall cease to hold office as such if:

24.10.1 he becomes insolvent, or assigns his estate for the benefit of his creditors, or suspends payment or files a petition for the liquidation of his affairs, or compounds generally with his creditors;

24.10.2 he becomes of unsound mind;

24.10.3 in the case of an executive Director who is an employee of the Company, his employment relationship with the Company is terminated for whatsoever reason, including but not limited to, resignation, retirement, misconduct or otherwise;

24.10.4 he is prohibited from being, is removed as or is disqualified from acting as a director of a company in terms of the Act;

24.10.5 he is required to do so in terms of the JSE Listings Requirements;

24.10.6 he absents himself from meetings of the Board for 6 (six) consecutive months without the leave of the other Directors and is not represented at such meetings during such 6 (six) months by an alternate Director, and the Directors resolve that his office shall be vacated, provided that the Directors shall have the power to grant any Director leave of absence for an indefinite period;

24.10.7 he has given 1 (one) month's (or with the permission of the Directors, a lesser period) notice in writing of his intention to resign;

24.10.8 he is removed in accordance with clause 24.11; or

24.10.9 the Board resolved to remove him in accordance with section 71(3) of the Act.

24.11 The Company may by ordinary resolution in accordance with clause 24.10.8 and section 71(2) of the Act, remove any Director before the expiration of his period of office and by an ordinary resolution elect another person in his stead. The person so elected shall hold office until the next annual general meeting of the Company and shall then retire and be eligible for re–election.

24.12 No Director shall be appointed for life or for an indefinite period and the Directors shall rotate in accordance with the following provisions –

24.12.1 at each annual general meeting referred to in clause 18.4, 1/3 (one third) of the Directors then in office, or if their number is not three or a multiple of three, the number nearest to 1/3, but not less than 1/3, shall retire from office, provided also that at least 1/3 (one third) of the non-executive Directors then in office, or if their number is not three or a multiple of three, the number nearest to 1/3, but not less than 1/3, shall retire from office;

24.12.2 the Directors to retire in every year are, firstly those who have been appointed to fill a casual vacancy or an additional appointment to the Board, and secondly those who have been longest in office since their last election, but as between persons who were elected as Directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot. Notwithstanding the aforegoing, if at the date of any annual general meeting, any:

24.12.2.1 Director will have held office for a period of 3 (three) years since his last election or appointment;

24.12.2.2 non-executive Director will have held office for an aggregate period of 9 (nine) years since his first election or appointment,

then such Director shall retire at such annual general meeting, either as one of the Directors to retire in pursuance to the aforegoing or additionally thereto;

24.12.3 a retiring Director may be re-elected, provided he is eligible for election. If elected or re-elected he shall be deemed not to have vacated his office;

24.12.4 a retiring Director shall act as Director throughout the annual general meeting at which he retires;

24.12.5 the Company, at the annual general meeting at which a Director retires in the above manner, or at any other general meeting, may fill the vacancy by electing a person thereto, provided that the Company shall not be entitled to fill the vacancy by means of a resolution passed in accordance with the provisions of section 60 of the Act as set out in clause 23; and

24.12.6 if at any meeting at which an election of Directors ought to take place the offices of the retiring Directors are not filled, unless it is expressly resolved not to fill such vacancies, the meeting shall stand adjourned and the further provisions of this MOI, including clauses 18.13 to 18.14.1 (inclusive) will apply mutatis mutandis to such adjournment, and if at such adjourned meeting the vacancies are not filled, the retiring Directors, or such of them as have not had their offices filled, shall be deemed to have been re–elected at such adjourned meeting.

24.13 The Board shall, through its nomination committee (if so constituted in terms of clause 29.1), provide the Shareholders with a recommendation in the notice of the meeting at which the re-election of a retiring Director is proposed, as to which retiring Directors are eligible for re-election, taking into account that Director's past performance and contribution. Any Shareholder shall have the right to nominate Directors.

24.14 The Board has the power to exercise all of the powers and perform any of the functions of the Company, as set out in section 66(1) of the Act, and the powers of the Board in this regard are only limited and restricted as contemplated in this clause 1.

24.15 The Directors may at any time and from time to time by power of attorney appoint any person or persons to be the attorney or attorneys and agent(s) of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors in terms of this MOI) and for such period and subject to such conditions as the Directors may from time to time think fit. Any such appointment may, if the Directors think fit, be made in favour of any company, the Shareholders, directors, nominees or managers of any company or firm, or otherwise in favour of any fluctuating body of persons, whether nominated directly or indirectly by the Directors. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorneys and agents as the Directors think fit. Any such attorneys or agents as aforesaid may be authorised by the Directors to sub–delegate all or any of the powers, authorities and discretions for the time being vested in them.

24.16 Save as otherwise expressly provided herein, all cheques, promissory notes, bills of exchange and other negotiable or transferable instruments, and all documents to be executed by the Company, shall be signed, drawn, accepted, endorsed or executed, as the case may be, in such manner as the Directors shall from time to time determine.

24.17 All acts performed by the Directors or by a committee of Directors or by any person acting as a Director or a member of a committee shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of the Directors or persons acting as aforesaid, or that any of them were disqualified from or had vacated office, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of such committee.

24.18 If the number of Directors falls below the minimum number fixed in accordance with this MOI, the remaining Directors must as soon as possible and in any event not later than three months from the date that the number falls below such minimum, fill the vacancy/ies, provided that such Director/s are elected by the Shareholders at the next annual general meeting or call a general meeting for the purpose of filling the vacancy/ies.

24.19 The failure by the Company to have the minimum number of Directors during the said three month period does not limit or negate the authority of the board of Directors or invalidate anything done by the board of Directors while their number is below the minimum number fixed in accordance with this MOI.

24.20 The Directors in office may act notwithstanding any vacancy in their body, but if after the expiry of the three month period contemplated in clause 24.18 above and for so long as their number is reduced below the minimum number fixed in accordance with this MOI, they may act only for the purpose of filling vacancies in their body in terms of section 68(3) of the Act or of summoning general meetings of the Company for that purpose provided that if there is no Director able or willing to act, then any Shareholder may convene a general meeting for that purpose, but not for any other purpose.

24.21 A Director may hold any other office or place of profit under the Company (except that of auditor or Company Secretary) or any subsidiary of the Company in conjunction with the office of Director, provided that the appointment, duration and remuneration (in addition to the remuneration to which he may be entitled as a Director) in respect of such other office must be determined by a disinterested quorum of Directors.

24.22 A Director of the Company may be employed in any other capacity in the company or as a director or employee of a company controlled by, or itself a major subsidiary of, the Company and, in such event, his appointment and remuneration in respect of such other office must be determined by a disinterested quorum of Directors.

24.23 Each Director and each alternate Director, Prescribed Officer and member of any committee of the Board (whether or not such latter persons are also members of the Board) shall, subject to the exemptions contained in section 75(2) of the Act and the qualifications contained in section 75(3) of the Act, comply with all of the provisions of section 75 of the Act in the event that they (or any person who is a related person to them) have a personal financial interest in any matter to be considered by the Board.

24.24 A Director may not vote on any resolution pertaining to any matter in which he has a personal financial interest as contemplated in section 75 of the Act. However, notwithstanding his interest in any matter, such Director may be counted for the purposes of determining a quorum for a Board meeting.

24.25 The Board may authorise the payment of such donations by the Company to such religious, charitable, public or other bodies, clubs, funds, associations or persons as may seem desirable in the interests of the Company, provided that any donations to any political parties or associations shall require prior approval of Shareholders in a general or annual general meeting."

"27 **DIRECTORS' COMPENSATION AND FINANCIAL ASSISTANCE**

27.1 The Company may pay remuneration to the Directors for their services as Directors in accordance with a special resolution approved by the Company's Shareholders within the previous 2 (two) years, as set out in section 66(8) and (9) of the Act, and the power of the Company in this regard is not limited or restricted by this MOI.

27.2 Any Director who –

27.2.1 serves on any executive or other committee;

27.2.2 devotes special attention to the business of the Company;

27.2.3 goes or resides outside South Africa for the purpose of the Company; or

27.2.4 otherwise performs or binds himself to perform services which, in the opinion of the Directors, are outside the scope of the ordinary duties of a Director,

may be paid such extra remuneration or allowances in addition to or in substitution of the remuneration to which he may be entitled as a Director, as a disinterested quorum of the Directors may from time to time determine.

27.3 The Directors may also be paid all their travelling and other expenses necessarily incurred by them in connection with –

27.3.1 the business of the Company; and

27.3.2 attending meetings of the Directors or of committees of the Directors of the Company.

27.4 The Board may, as contemplated in and subject to the requirements of section 45 of the Act, authorise the Company to provide financial assistance to a Director, Prescribed Officer or other person referred to in section 45(2) of the Act, and the power of the Board in this regard is not limited or restricted by this MOI."

"29 **BORROWING POWERS**

29.1 Subject to this MOI the Directors may from time to time exercise all of the powers of the Company to –

29.1.1 borrow for the purposes of the Company such sums as they think fit; and

29.1.2 secure the payment or repayment of any such sums, or any other sum, as they think fit, whether by the creation and issue of Securities, mortgage or charge upon all or any of the property or assets of the Company.

29.2 For the purposes of clause 29.1, at the time that any new borrowing is authorised by the Company –

29.2.1 the total consolidated liabilities as reflected in the Company's latest published interim or annual consolidated IFRS financial statements;

29.2.2 less any capital repayments made on those liabilities after the balance sheet date;

29.2.3 plus the nominal value of the new debt;

shall not be more than 60% of the total consolidated assets as reflected in the Company's latest audited or reviewed consolidated IFRS financial statements or *pro forma* consolidated balance sheet."

"33.1 Subject to the provisions of the Act, and particularly section 46 of the Act, the Company may make a proposed distribution if such distribution –

33.1.1 is pursuant to an existing legal obligation of the Company, or a court order; or

33.1.2 is authorised by resolution of the Board,

and is effected in compliance with the JSE Listings Requirements.

33.2 Distributions may be declared either free of or subject to the deduction of income tax and any other tax or duty in respect of which the Company may be chargeable.

33.3 No distribution shall bear interest against the Company, except as otherwise provided under the conditions of issue of the Shares in respect of which such distribution is payable.

33.4 The Directors may from time to time declare and pay to the Shareholders such interim distributions as the Directors consider to be appropriate.

33.5 All unclaimed monies due to Shareholders will be held by or on behalf of the Company in trust for the benefit of the Shareholder concerned until claimed, provided that, subject to the provisions of the Prescription Act, 68 of 1969, as amended from time to time and any other applicable laws of prescription, monies unclaimed for a period of 3 (three) years from the date on which they were declared (or such longer period as may be required under the laws of prescription) may be declared forfeited by the Directors for the benefit of the Company. The Directors may at any time annul such forfeiture upon such conditions (if any) as they think fit."

“39 **WINDING UP**

39.1 If the Company be wound up, the assets remaining after payment of the debts and liabilities of the Company and the costs of the liquidation shall be distributed among the Ordinary Shareholders in proportion to the number of Ordinary Shares respectively held by each of them,

provided that the provisions of this clause shall be subject to the rights of the holders of Shares (if any) issued upon special conditions.

39.2 In a winding–up, any part of the assets of the Company, including any shares or securities of other companies may, with the sanction of a special resolution of the Company, be paid to the Shareholders of the Company in specie, or may, with the same sanction, be vested in trustees for the benefit of such Shareholders, and the liquidation of the Company may be closed and the Company dissolved.”

DETAILS OF THE PROPERTY PORTFOLIO

The table below sets out the details of the properties within the property portfolio.

No	Property Name and % ownership	Physical address and province	Sector	GLA(m^2)[3]	Purchase consideration[2] and valuation of % owned[1] (R)	Effective date of acquisition	Weighted average rental per square metre (R/m^2)	Vacancy (% of rentable area of % owned)
1.	Acornhoek Plaza (43.98%)	Corner R40 and Thulamahashe Rd, Acornhoek District of Mapulaneng, Mpumalanga	Retail	11 585	185 140 223	1 June 2018	126	0.9%
2.	Alex Mall (100%)	Intersection of London Road (M54) and N3 in Alexandra Far East Bank, Gauteng	Retail	29 565	502 000 000	1 June 2018	132	3.3%
3.	Atteridge Stadium (100%)	Corner Hlahla and Ramokgopa Streets Atteridgeville Township, Gauteng	Retail	4 797	91 000 000	1 June 2018	157	0.0%
4.	Blouberg Mall (100%)	Corner of Bochum and Endermark Roads Bochum A, Limpopo	Retail	13 333	205 000 000	1 June 2018	127	0.0%
5.	Chris Hani Crossing (50%)	Cnr Bierman & Brickfield Roads Vosloorus, Gauteng	Retail	20 273	465 000 000	1 June 2018	159	0.0%
6.	Diepkloof Plaza (100%)	Cnr Patrick Rd & Immink Drive Zone 3 Diepkloof, Gauteng	Retail	15 778	272 000 000	1 June 2018	137	0.0%
7.	Edendale Mall (100%)	Corner Moses Mabhida and Mount Partridge Roads Plessislaer, Kwazulu-Natal	Retail	31 822	369 000 000	1 June 2018	108	11.1%
8.	Emoyeni Regional Mall (100%)	Corner Mvula Street and D1723 Emoyeni Ext. 33, Nelspruit, Mpumalanga	Retail	26 591	337 000 000	1 June 2018	111	5.9%
9.	Jane Furse Plaza (29.83%)	Jane Furse/ Groblersdal Road, Limpopo	Retail	5 644	107 984 600	1 June 2018	153	0.0%
10.	Kwagga Plaza[4] (43.51%)	Moloto Road, Kwaggafontein, Mpumalanga	Retail	15 026	283 698 892[4]	1 June 2018	128	0.0%
11.	Lusiki Plaza (100%)	Off the R61 main road Lusikisiki, Eastern Cape	Retail	13 597	172 000 000	1 June 2018	119	9.8%

No	Property Name and % ownership	Physical address and province	Sector	GLA(m^2)[3]	Purchase consideration[2] and valuation of % owned[1] (R)	Effective date of acquisition	Weighted average rental per square metre (R/m^2)	Vacancy (% of rentable area of % owned)
12.	Maake Plaza (30%)	Intersection between Road P17/3 (R36) and Road D4075 or main Tzaneen/ Lydenburg Road, Limpopo	Retail	4 725	62 100 000	1 June 2018	118	1.7%
13.	Mandeni Plaza (100%)	16882 Thokoza Road Sundumbili Kwazulu-Natal	Retail	12 152	158 000 000	1 June 2018	119	1.9%
14.	Modimall[5] (100%)	Cnr Thabo Mbeki Drive and Limpopo Street, Modi Molle (Nylstroom), Limpopo	Retail	24 492	254 500 000[5]	1 June 2018	111	3.6%
15.	Modjadji Plaza (70%)	Duiwelskloof Road and Main Road Ga-Kgapane – 1A, Limpopo	Retail	6 864	99 400 000	1 June 2018	135	0.0%
16.	Olievenhout Plaza (100%)	Cnr R55 and Jakalasi Street, Olievenhoutbosch, Noordwyk, Gauteng	Retail	17 111	267 000 000	1 June 2018	128	2.0%
17.	Phola Mall (100%)	Located on Moloto Road Kwamhlanga, Mpumalanga	Retail	27 877	418 000 000	1 June 2018	120	1.0%
18.	Theku Plaza (100%)	Madadeni Road, oSizweni, Newcastle Township Kwazulu- Natal	Retail	15 250	193 000 000	1 June 2018	114	2.9%
19.	Thorntree Shopping Centre (100%)	Corner Umphafa Street and Hebron Road Soshanguve, Gautemg	Retail	16 372	264 000 000	1 June 2018	128	0.6%
20.	Tsakane Mall (50%)	Corner Modjadji and Malandela Streets Tsakane, Gauteng		19 677	385 000 000	1 June 2018	135	0.0%
21.	Katale Square[6] (100%)	Rust de Winter, Mpumalanga	Retail	8 020	110 000 000	1 April 2019	114	0.0%
22.	Mabopane Plaza[7] (100%)	Lucas Mangope Drive Mabopane, Gauteng	Retail	11 271	177 000 000	1 September 2019	133	0.0%
23.	Riba Cross Mall[8] (100%)	R37 Mpumalanga, Limpopo	Retail	13 314	168 600 000	1 October 2019	109	0.0%
	TOTAL			**365 235**	**5 546 423 715**		**125**	**2.7%**

Notes:

1. The properties were valued at 30 November 2017 by Peter Parfitt of Quadrant properties, who is an independent external registered professional valuer in terms of the Property Valuers Profession Act, No 47 of 2000.
2. The properties were acquired at their fair value. The number of shares issued in terms of the agreements referred to in **Annexure 10** were determined having regard to the fair value of the property held by the relevant property holding company.
3. Rentable area is reflected as GLA.
4. This property is in the process of being redeveloped. The valuation as at 30 November 2017 is the present value of the completed development. The development is expected to be completed on 1 December 2018. The valuation of the property in its current state is R391 200 000.
5. This property is in the process of being redeveloped. The valuation as at 30 November 2017 is the present value of the completed development. The development is expected to be completed on 1 October 2018. The valuation of the property in its current state is R185 000 000.
6. This property is in the process of being developed. The valuation as at 30 November 2017 is the present value of the completed development. The development is expected to be completed on 1 April 2019.
7. This property is in the process of being developed. The valuation as at 30 November 2017 is the present value of the completed development. The development is expected to be completed on 1 September 2019.
8. This property is in the process of being developed. The valuation as at 30 November 2017 is the present value of the completed development. The development is expected to be completed on 1 October 2019.

INDEPENDENT PROPERTY VALUER'S SUMMARY VALUATION REPORT ON THE PROPERTY PORTFOLIO

"11 May 2018

The Directors
Exemplar REITail Limited
Cnr Lyttelton Avenue and Leyden Road
Clubview
Centurion

Dear Sirs

RE: INDEPENDENT PROPERTY VALUERS' REPORT OF THE PROPERTY PORTFOLIO BELONGING TO EXEMPLAR REITAIL LIMITED ("EXEMPLAR") AS DETAILED IN THE SUMMARY SCHEDULE ATTACHED AND FOR WHICH THERE ARE DETAILED INDIVIDUAL VALUATION REPORTS HELD BY EXEMPLAR

In accordance with your instruction of 4 October 2017, I confirm that I have visited and inspected the 23 properties listed in the attached schedule ("**the properties**") during October/ November 2017 (Section 13.23 (a) (iii)) and have received all necessary details required to perform a valuation, in order to provide you with my opinion of the properties' market values as at 30 November 2017. Please note that the Mabopane Plaza valuation is as at 31 August 2019, the Marapyana Plaza valuation is at 1 April 2019 and the Riba Cross Mall valuation is 30 September 2019, as this is when these centres will be opening.

1. INTRODUCTION

The valuation of the properties has been carried out by the valuer who has carefully considered all aspects of all the properties. These properties each have a detailed valuation report which has been given to the directors of Exemplar. The detailed reports include commentary on the current economy, nature of the properties, locality, tenancy, risk profile, forward rent and earning capability and exposure to future expenses and property risk.

All these aspects have been considered in the individual valuation reports of the properties. The reports have further addressed the income capability and expenditure for each property and tenant. Historic expenditure profiles as well as future expenditure increases have also been considered. The value indicates the fair market value for each property which is detailed in the attached report and for which there is a summarised schedule attached. There are 24 properties in total comprising the portfolio. All essential aspects of information of the properties have been summarised in the attached schedule.

2. BASIS OF VALUATION

The valuation is based on market value.

Market value is "The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion." (IVS 7th edition).

Furthermore the principals of fair value measurement have been applied in the determination of value which is defined as "The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date." (IFRS 13)

Note that the values and calculation methodology have been sensitivity tested by way of quantitative analysis by analysing the capitalisation rates, discount rates, rental growth potential, expenditure increase, risk consideration and other inputs in various discounted cash flow models.

3. VALUE CALCULATION

The calculation of the market value of these properties has been based on discounted cash flows. This is an accurate value calculation basis which considers future streams of annuity income for larger commercial properties that are traded in the South African market. This is due to there being strong supporting evidence of market rental rates, escalations, appropriate expenses and therefore accurate net revenue potential determination. This method also relies on capitalisation rates which are frequently reported in the market. This rate may also be determined by simple analysis of sales in the market (Section 13.23 (d)).

Properties traded in the current market reflect a future yield rate relationship between revenue and capital value. This rate is an accurate determinant of the capitalisation rate.

The discounted cash flow value has then been calculated for each property with reference to fair value reporting in order to ensure that the reported value is consistent with the current market.

The considerations for the valuations are as follows:

3.1 calculating the forward cash flow of all contractual and other income derived from the properties;

3.2 calculating the forward contractual and other expenditure as well as provisions for various expenses in order to provide for void or future capital expenditure to which the property may be exposed;

3.3 the current area vacancy as a percentage of the properties is approximately 2.986%. In order to apply a conservative approach, I have deducted approximately 1.235% of the net income as a provision for rental that may not be collected as a consequence of vacancy, tenant failure or tenant refitting during the course of the coming year. This has penalised the property value in perpetuity. Management should be able to improve on this aspect in future indicating good internal growth from the properties themselves if managed well. The current vacancy is lower than the market average (weighted at approximately 3.5%) for this nature of property grade. The void provision used in the valuation is therefore adequate.

3.4 I have deducted R4 532 772.94 in respect of income lost due to time delays, before new tenants occupy premises. (Section 13.23 (f) (i));

3.5 I have deducted R2 905 575.00 in respect of capital cost due to renovations, tenant installation or refurbishments currently taking place. (Section 13.23 (f) (ii));

3.6 generally the rentals are market related. The portfolio comprises of a newer generation of retail centres, which have had time to settle into strong trading patterns. Rentals have therefore been established and also are in a stable phase. There are no leases with rentals that are higher than market. The rental levels are consistent with other similar retail buildings levels and are not excessive. This has been determined by comparing similar buildings in comparable areas to the properties valued, in terms of rental per square metre. The rental rate has also been checked against various published indices including the South African Property Owners Association (SAPOA) index. There are no properties that are over-rented, or that cannot be re-rented at the same or higher rental rate should such property become vacant. There is therefore minimal potential for rental reversion. This is provided that the economy remains in a slow, flat or marginal recovery pattern as currently being experienced. This is also provided that there are no major economic fluctuations which may upset the economy. Current RSA growth rate forecast of approximately 1.4% for 2018 – or more positive based on current political change. (Section 13.23 (f) (iii));

3.7 discounting the net income derived from the properties for a period of 5 years in advance, calculated from 1 December 2017;

3.8 the valuation has considered published market statistics regarding rental rates and expenditure for the different types of properties. It has also considered numerous other portfolios of similar properties in order to benchmark and determine if any properties are over rented or have excessive expenditure; and

3.9 various provisions for capital contingencies were deducted from the calculated value of all the properties. This amount totals R41 900 214.97, or 0.546% of the total portfolio value.

4. SPARE LAND

Alex Mall, Chris Hani Crossing, Jane Furse Plaza, Modimall and Theku Plaza have spare land for which a nominal value has been attached but may be used for the expansion of any one of these retail centres, or sold off as residential development. This has added approximately R 16 100 000.00 in additional value. (Section 13.26)

5. **BRIEF DESCRIPTION**

The portfolio comprises of 23 retail properties, which includes 3 properties in the process of being developed.

There are 7 small regional shopping centres which are between 25 000 sqm and 50 000 sqm. These are Acornhork Plaza, Alex Mall, Chris Hani Crossing, Edendale Mall, Kwagga Plaza and Phola Mall.

There is one convenience shopping centre, being Atteridgeville Stadium Centre.

The portfolio comprises of 13 community shopping centres which are between 12 000sqm and 25 000sqm. These are Blouberg Mall, Diepkloof Plaza, Emoyeni Regional Mall, Jane Furse Plaza, Lusiki Plaza, Maake Plaza, Mandeni Plaza, Modimall, Olievenhout Plaza, Theku Plaza and Thorntree Shopping Centre.

The portfolio comprises of 4 neighbourhood shopping centre which sizes are between 5 000 sqm and 12 000 sqm. These shopping centres are Modjadji Plaza, Mabopane Plaza, Marapyane Plaza and Riba Cross Mall.

6. **QUALIFICATIONS**

Qualifications are usually detailed as a consequence of:

Leases under negotiation that have not yet been formalised; leases of a large nature where the premises are difficult to re-let; specialised properties; large exposure to a single tenant; potential tenant failure due to over-rent; expenses required for major repairs; maintenance or other exposure to maintain the lettability of the building; contingent expropriations or servitudes that may be enforced; poor lease recordals whereby the lease may be disputed or rendered invalid and high vacancy rates or early lease terminations by traders.

I have, to the best of my knowledge, considered all of these aspects in the valuation of the properties. There are no properties that are prejudiced in value by the influence of the above factors.

I am however not responsible for the competent daily management of these properties that will ensure that this status is maintained, or for the change of any laws, services by local authority or economic circumstances that may adversely impact on the integrity of the buildings or the tenant profile, or legal dispute which may result in any cash flow hiatus. (Section 13.23 (e)).

7. **OPTIONS OR BENEFIT/ DETRIMENT OF CONTRACTUAL ARRANGEMENTS**

To my knowledge there are no contractual arrangements on the properties other than the leases as detailed in the report that have a major benefit or are detrimental to the fundamental value base of the properties. (Section 13.23 (g)).

To the best of my knowledge, there are no options in favour of any parties for any purchase arrangement on any of the properties. (Section 13.23 (h)).

8. **INTRA-GROUP OR RELATED PARTY LEASES (SECTION 13.23 (A) (XI))**

Having inspected all the tenant schedules and leases it is noted that there are no intra-group or related party leases.

9. **CURRENT STATE OF DEVELOPMENT**

There are 5 properties which are currently being developed. These have been valued as complete on the future target completion date. The value is then discounted at 8% per annum to calculate the present value of the shopping centres as at 1 December 2017. The shopping centres which are under development are; Kwagga Plaza (30% addition only), Modimall (20% addition only), Mabopane Plaza, Marapyane Plaza and Riba Cross Mall (Section 13.24, 13.25 and 13.26).

10. **EXTERNAL PROPERTY**

None of the properties are situated outside the Republic of South Africa. (Section 13.28).

11. **RENTALS USED IN VALUATIONS**

Note that all these properties are rented out to traders in arm's length leases. The current annual rental and future annual rentals have been calculated in a monthly discounted cash flow schedule. It is noted that there are no rental reversions due to current overrents and that the rentals for all the properties increase on average by approximately 8.33% compounding per annum.

12. **OTHER GENERAL MATTERS AND VALUATION SUMMARY (SECTIONS 13.30 AND 13.31)**

A full valuation report is available on a property by property basis detailing tenancy, town planning, valuer's commentary, expenditure and other details. This has been given to the directors of Exemplar.

13. ALTERNATIVE USE FOR A PROPERTY (13.27)

The properties have all been valued in accordance with their existing use which represents their best use and market value. No alternative uses for the properties have been considered in determination of their value. There is further use or spare development capacity at all the centres.

14. OTHER COMMENTS

Our valuation excludes any amounts of Value-added Tax, transfer duty, or securities transfer duty.

15. CAVEATS

15.1 Source of information and verification (Section 13.23 (a) (xiii))

Information on the properties regarding rental income, recoveries, turnovers and other income detail has been provided to me by the current owners and their managing agents.

I have received copies of all of the leases of the existing properties where such leases are the major tenant or tenants comprising anything higher than 5% occupancy of the property. The leases have been read to check against management detail records, in order to ensure that management has correctly captured tenant information as per the contractual agreements. This has been done to test management information accuracy against the underlying lease agreements.

I have further compared expenditures to market norms of similar properties. This has also been compared to historic expenditure levels of the properties themselves. Historical contractual expenditures and municipal utility services were compared to the past performance of the properties in order to assess potential expenditure going forward.

Expenses used are therefore an accurate reflection of actual as well as contingent expenses as well as provisioning for occasional capital expense. The municipal values on the properties are generally market related and reasonable with little potential for rates to increase dramatically.

15.2 Full disclosure

This valuation has been prepared on the basis that full disclosure of all revenue and expenditure information and factors that may affect the valuation have been made to myself.

I have to the best of my ability researched the market as well as taken the steps detailed in paragraph 15.3 below.

15.3 Leases (Section 13.23 (a) (ix))

Our valuation has been based on a review of actual tenants' leases (which includes material terms such as repair obligations, escalations, break options etc.) and other pertinent details which have been supplied to us by the managing agents and by Exemplar. These have been detailed in the tenant schedules attached to each individual valuation report.

All recovery details in respect of the existing leases e.g. utility cost and other recoveries as provided for in the leases have been disclosed by way of the monthly tenant invoices and summary schedule supplied to us. Option terms and other lease information have been supplied to us by the owners and managing agents and we are familiar with such documents.

15.4 Lessee's credibility

In arriving at our valuation, cognizance has been taken of the lessee's security and credit rating. In some cases this has influenced the capitalisation rate by way of a risk consideration.

15.5 Mortgage bonds, loans, etc.

The properties have been valued as if wholly-owned with no account being taken of any outstanding monies due in respect of mortgage bonds, loans and other charges. No deductions have been made in our valuation for costs of acquisition.

The valuation is detailed in a completed state and no deductions have been made for retention or any other set-off or deduction for any purposes which may be made at the discretion of any purchaser when purchasing the properties.

15.6 Calculation of areas

All areas quoted within the detailed valuation reports are those stated in the information furnished by the managers and verified where plans were available. To the extent that plans were not available, reliance was placed on the information submitted by the managing agents and lease information. Retail tenants generally check the accuracy of the size of their premises leases when signing a lease agreement. There is therefore a reasonable good check and balance to the lease stated size whenever a lease is concluded.

Updated plans were not available for all the properties in respect of internal configuration. The properties generally appear to have the stated square meterage as per lease, which could only be more accurately determined if remeasured by a professional.

15.7 Structural condition

The properties have been valued in their existing state. I have not carried out any structural surveys, nor inspected those areas that are unexposed or inaccessible, neither have I arranged for the testing of any electrical or other services.

The properties appear to be a newer generation of well-constructed, attractive and well maintained developments.

15.8 Contamination

The valuation assumes that a formal environmental assessment is not required and further that none of the properties are environmentally impaired or contaminated, unless otherwise stated in our report.

15.9 Town planning (Section 13.23 (a) (vi) and (vii))

Full town planning details and title deed conditions have been noted in the detailed valuation reports including conditions and restrictions and the properties have been checked against such conditions. This is to ensure that they comply with town planning regulations and title deeds. There do not appear to be any infringements of local authority regulations by any of the properties.

The valuation has further assumed that the improvements have been erected in accordance with the relevant Building and Town Planning Regulations and on inspection it would appear that the improvements are in accordance with the relevant town planning regulations for these properties.

There is no contravention of any statutory regulation, or town planning local authority regulation or contravention of title deed relating to any of the properties which infringement could decrease the value of the properties as stated as at current date of local authority legislation.

Certificates of occupation are available on all completed building.

16. **MARKET VALUE**

I am of the opinion that the aggregate market value of all the properties for a 100% shareholding as at 30 November 2017 is R7 442 000 000.00 (excluding VAT). The value attributed to the Exemplar owned percentage is R5 546 423 715.00 (excluding VAT). A summary of the individual valuations and details of each of the properties is attached.

To the best of our knowledge and belief there have been no material changes in circumstances between the date of the valuation and the date of the valuation report which would affect the valuation.

I have more than 30 years' experience in the valuation of all nature of property and I am qualified to express an opinion on the fair market value of the properties.

I trust that I have carried out all instructions to your satisfaction and thank you for the opportunity of undertaking this valuation on your behalf.

Yours faithfully,

Peter Parfitt
Quadrant Properties (Pty) Ltd
Dunkeld Court
16 North Road, corner Jan Smuts Avenue
Dunkeld West, 2196
Professional Associated Valuer
Dip. Val. MIV(SA) (RICS)
Registered Professional Property Valuer (no. 2712/2)
(Registered without restriction in terms of the Property Valuers Act, No. 47 of 2000)"

REF NO	PROPERTY NAME	PHYSICAL ADDRESS	TITLE DEED NUMBER	LEGAL DESCRIPTION	% OWNERSHIP	VALUERS INSPECTION DATE	LAND AREA (SQM)	LETTABLE AREA GLA (SQM)	DESCRIPTION USE NATURE OF PROPERTY	BUILDING GRADE	ZONING	CONTRAVENTION OF STATUTORY OR TOWN PLANNING AND TITLE DEED CONDITIONS IF ANY	OWNERSHIP NATURE/ FREEHOLD OR LEASEHOLD TENURE
001	Acornhoek Plaza	Corner R40 and Thulamahashe Rd, Acornhoek District of Mapulaneng	T9370/ 2012	Portion 50 of the farm Greenvalley 213KU	43.98%	October 2017	73 242	25 186	Small Regional Shopping Centre	B	General business	Nil	Leasehold
002	Alex Mall	Intersection of London Road (M54) and M3 in Alexandra Far East Bank	T22926/ 2016	Erf 8049 Far East Bank Ext 4 (Consolidated from erven 7461 and 2979)	100%	October 2017	79 107	29 301	Small Regional Shopping Centre	B	General business	Nil	Freehold
003	Atteridge Stadium	Corner Hlahla and Ramokgopa Streets Atteridgeville Township	T69433/ 2011	Erf 16364 Atteridgeville	100%	October 2017	12 432	4 797	Small Neighbourhood Shopping Centre	B	General business	Nil	Freehold
004	Blouberg Mall	Corner of Bochum and Endemark Roads Bochum A, Limpopo	TG2319/ 2012	Erf 1177 Bochum A Ext 3	100%	October 2017	34 024	13 333	Community Shopping Centre	B	General business	Nil	Freehold
005	Chris Hani Crossing	Cnr Bierman & Brickfield Roads Vosloorus	T31041/ 2012 T35489/ 2009	Erf 14669 Vosloorus Ext 1	50%	October 2017	112 935	39 716	Small Regional Shopping Centre	B	Special for retail	Nil	Freehold
006	Diepkloof Plaza	Cnr Patrick Rd & Immink Drive Zone 3 Diepkloof	T23686/ 2012 T23687/ 2012	Portion 1 of Erf 25161 and Remainder of Erf 25161 Diepkloof	100%	October 2017	42 851	15 446	Community Shopping Centre	B	Business 1	Nil	Leasehold
007	Edendale Mall	Corner Moses Mabhida and Mount Partridge Roads Plessislaer	T41752/ 2010	Portion 3 of Erf 441 Plessis-Laer	100%	October 2017	101 483	31 227	Small Regional Shopping Centre	B	Business retail	Nil	Freehold
008	Emoyeni Regional Mall	Corner Mvula Street and D1723 Emoyeni Ext. 33, Nelspruit	T9544/ 2015	Erf 357 Emoyeni-MP	100%	October 2017	65 898	23 718	Community Shopping Centre	B	General business	Nil	Freehold
009	Jane Furse Plaza	Jane Furse/ Groblersdal Road Limpopo	T64794/ 1996PTA	Portion 7 (a portion of Portion 3) of the farm Vergelegen 819 KS	29.83%	October 2017	75 000	18 894	Community Shopping Centre	B	Special for retail	Nil	Freehold

REF NO	PROPERTY NAME	PHYSICAL ADDRESS	TITLE DEED NUMBER	LEGAL DESCRIPTION	% OWNERSHIP	VALUERS INSPECTION DATE	LAND AREA (SQM)	LETTABLE AREA GLA (SQM)	DESCRIPTION USE NATURE OF PROPERTY	BUILDING GRADE	ZONING	CONTRAVENTION OF STATUTORY OR TOWN PLANNING AND TITLE DEED CONDITIONS IF ANY	OWNERSHIP NATURE/ FREEHOLD OR LEASEHOLD TENURE
010	Kwagga Plaza	Moloto Road, Kwaggafontein	T39644/ 2004	Portion 12 (a portion of Portion 3) of the farm Kwaggafontein 216JR	43.51%	October 2017	67 332	34 310	Small Regional Shopping Centre	B	General Business	Nil	Freehold
011	Lusiki Plaza	Off the R61 main road Lusikisiki	T356/ 2013	Erf 2810 Lusikisiki	100%	October 2017	32 187	13 597	Community Shopping Centre	B	General Business	Nil	Freehold
012	Maake Plaza	Intersection between Road P17/3 (R36) and Road D4075 or main Tzaneen/ Lydenburg Road Limpopo	T41008/ 1987	Portion of the Farm Rita 668LT	30%	October 2017	80 404	15 132	Community Shopping Centre	B	Special for retail	Nil	Leasehold
013	Mandeni Plaza	16882 Thokoza Road Sundumbili Kwazulu Natal	T6173/ 2000	Portion of the farm Reserve 21, Registration Division 16882FU (Lease 1)	100%	October 2017	32 001	12 014	Community Shopping Centre	B	General Business	Nil	Freehold
014	Modimall	Cnr Thabo Mbeki Drive and Limpopo Street, Modi Molle (Nylstroom)	"T83044/ 2013PTA	Erf 3302 Nylstroom Ext 22 and Erf 3303 Nylstroom Ext 35	100%	October 2017	86 216	24 437	Community Shopping Centre	B	Business 1	Nil	Freehold
015	Modjadji Plaza	Duiwelskloof Road and Main Road Ga-Kgapane – 1A Limpopo	"T8790/ 2014	Erf 20 Ga-Kgapane-IA	70%	October 2017	22 238	9 712	Neighbourhood Shopping Centre	B	Business	Nil	Freehold
016	Olievenhout Plaza	Cnr R55 and Jakalasi Street, Olievenhoutbosch, Noordwyk	T85069/ 2014	Erf 12852 Olievenhoutbos Ext 38	100%	October 2017	57 198	16 314	Community Shopping Centre	B	Business and retail	Nil	Freehold
017	Phola Mall	Located on Moloto Road Kwamhlanga, Mpumalanga	T11180/ 2016	Portion 12 of the farm Engeldoringoog No. 651 JR	53%	October 2017	100 000	26 722	Small Regional Shopping Centre	B	Mixed used business	Nil	Freehold
018	Theku Plaza	Madadeni Road, Osisweni, Newcastle Township Kwazulu-Natal	T23376/ 2011	Portion 121 of the farm Blauwbosch Laagte A No. 8892 HT	82.5%	October 2017	53 649	14 513	Community Shopping Centre	B	General Business	Nil	Freehold

REF NO	PROPERTY NAME	PHYSICAL ADDRESS	TITLE DEED NUMBER	LEGAL DESCRIPTION	% OWNERSHIP	VALUERS INSPECTION DATE	LAND AREA (SQM)	LETTABLE AREA GLA (SQM)	DESCRIPTION USE NATURE OF PROPERTY	BUILDING GRADE	ZONING	CONTRAVENTION OF STATUTORY OR TOWN PLANNING AND TITLE DEED CONDITIONS IF ANY	OWNERSHIP NATURE/ FREEHOLD OR LEASEHOLD TENURE
019	Thorntree Shopping Centre	Corner Umphafa Street and Hebron Road Soshanguve	T41878/ 2016	Erf 741 Soshanguve-VV	100%	October 2017	38 444	16 372	Community Shopping Centre	B	Business and retail	Nil	Freehold
020	Tsakane Mall	Corner Modjadji and Malandela Streets Tsakane	T23365/ 2007	Portion 1 of Erf 7940 Tsakane	50%	October 2017	96 521	32 114	B Grade Small Regional Shopping Centre	B	Business 1	Nil	Freehold
021	Mabopane Plaza	Lucas Mangope Drive Mabopane	TG2813/ 2000; T3972/ 2013	Erven 1907 and 1908 Mabopane-X	100%	October 2017	29 873	11 271	Small Neighbourhood Shopping Centre	B	General Business	Nil	Freehold
022	Marapyane Plaza	Rust de Winter, Mpumalanga	T15500/ 1978BP; T27899/ 1978BP	A portion of Portion 5 (a portion of Portion 1) of the farm Schilpadfontein 692 KR and a portion of Portion 6 (a portion of Portion 1) of the farm Schilpadfontein 692 KR, to be subdivided and consolidated measuring approximately 5.4045 in extent.	100%	October 2017	54 045	8 020	Small Neighbourhood Shopping Centre	B	General Business	Nil	Freehold
23	Riba Cross Mall	R37 Mpumalanga	TE13569/ 1996	Portion 1 of the Farm Derde Gelid 278 KT	100%	October 2017	47 664	12 336	Small Neighbourhood Shopping Centre	B	General Business	Nil	Freehold

REF NO	PROPERTY NAME	AGE OF BUILDING	VACANCY LEVELS PERPETUAL VOID PROVISION	CURRENT VACANCY (%)	PROPERTY IN THE PROCESS OF DEVELOPMENT	PLANNING CONSENT	DATE OF COMPLETION AND CURRENT LETTING %	COST TO COMPLETE THE PROJECT	CURRENT MARKET VALUE IN EXISTING STATE	MARKET VALUE AT CURRENT PRICE ON DEVELOPMENT COMPLETION	MARKET VALUE AT CURRENT PRICE ON DEVELOPMENT COMPLETION AND LETTING COMPLETION	RENTALS USED IN VALUATION – ANNUAL SUMMARY	MARKET VALUE AS AT 1 December 2017
001	Acornhoek Plaza Share	24 years	0.05%	0.00%	No	N/A	N/A	N/A	N/A	N/A	N/A	A 5 year projection of rental, total revenue and total expenses per year is in the detailed property report as well as a bar chart detailing the above	R185 140 223
002	Alex Mall	1 year	0.25%	1.48%	No	N/A	N/A	N/A	N/A	N/A	N/A	A 5 year projection of rental, total revenue and total expenses per year is in the detailed property report as well as a bar chart detailing the above	R502 000 000
003	Atteridge Stadium Centre	6 years	0.03%	0.00%	No	N/A	N/A	N/A	N/A	N/A	N/A	A 5 year projection of rental, total revenue and total expenses per year is in the detailed property report as well as a bar chart detailing the above	R91 000 0000
004	Blouberg Mall	5 years	0.05%	0.00%	No	N/A	N/A	N/A	N/A	N/A	N/A	A 5 year projection of rental, total revenue and total expenses per year is in the detailed property report as well as a bar chart detailing the above	R205 000 000
005	Chris Hani Crossing	7 years	0.08%	0.00%	No	N/A	N/A	N/A	N/A	N/A	N/A	A 5 year projection of rental, total revenue and total expenses per year is in the detailed property report as well as a bar chart detailing the above	R465 000 000

REF NO	PROPERTY NAME	AGE OF BUILDING	VACANCY LEVELS PERPETUAL VOID PROVISION	CURRENT VACANCY (%)	PROPERTY IN THE PROCESS OF DEVELOPMENT	PLANNING CONSENT	DATE OF COMPLETION AND CURRENT LETTING %	COST TO COMPLETE THE PROJECT	CURRENT MARKET VALUE IN EXISTING STATE	MARKET VALUE AT CURRENT PRICE ON DEVELOPMENT COMPLETION	MARKET VALUE AT CURRENT PRICE ON DEVELOPMENT COMPLETION AND LETTING COMPLETION	RENTALS USED IN VALUATION – ANNUAL SUMMARY	MARKET VALUE AS AT 1 December 2017
006	Diepkloof Plaza	5 years	0.03%	0.00%	No	N/A	N/A	N/A	N/A	N/A	N/A	A 5 year projection of rental, total revenue and total expenses per year is in the detailed property report as well as a bar chart detailing the above	R272 000 000
007	Edendale Mall	6 years	3.00%	13.29%	No	N/A	N/A	N/A	N/A	N/A	N/A	A 5 year projection of rental, total revenue and total expenses per year is in the detailed property report as well as a bar chart detailing the above	R369 000 000
008	Emoyeni Regional Mall	2 years	1.40%	7.78%	No	N/A	N/A	N/A	N/A	N/A	N/A	A 5 year projection of rental, total revenue and total expenses per year is in the detailed property report as well as a bar chart detailing the above	R337 000 000
009	Jane Furse Plaza	21 years	0.50%	0.80%	No	N/A	N/A	N/A	N/A	N/A	N/A	A 5 year projection of rental, total revenue and total expenses per year is in the detailed property report as well as a bar chart detailing the above	R107 984 600

REF NO	PROPERTY NAME	AGE OF BUILDING	VACANCY LEVELS PERPETUAL VOID PROVISION	CURRENT VACANCY (%)	PROPERTY IN THE PROCESS OF DEVELOPMENT	PLANNING CONSENT	DATE OF COMPLETION AND CURRENT LETTING %	COST TO COMPLETE THE PROJECT	CURRENT MARKET VALUE IN EXISTING STATE	MARKET VALUE AT CURRENT PRICE ON DEVELOPMENT COMPLETION	MARKET VALUE AT CURRENT PRICE ON DEVELOPMENT COMPLETION AND LETTING COMPLETION	RENTALS USED IN VALUATION – ANNUAL SUMMARY	MARKET VALUE AS AT 1 December 2017
010	Kwagga Plaza	23 years	1.50%	1.10%	Property is an existing project onto which a further 11 919 sqm is being added. New addition opening 1 December 2018	Consent is existing and some additional development rights have been secured. Nil onerous conditions attached to such consent.	To be completed -December 2018. 70% currently let	R95 000 000	R391 200 000	R709 527 429		A 5 year projection of rental, total revenue and total expenses per year is in the detailed property report as well as a bar chart detailing the above	R283 698 892
011	Lusiki Plaza	3 years	1.50%	9.75%	No	N/A	N/A	N/A	N/A	N/A	N/A	A 5 year projection of rental, total revenue and total expenses per year is in the detailed property report as well as a bar chart detailing the above	R172 000 000
012	Maake Plaza	9 years	0.25%	1.83%	No	N/A	N/A	N/A	N/A	N/A	N/A	A 5 year projection of rental, total revenue and total expenses per year is in the detailed property report as well as a bar chart detailing the above	R62 100 000
013	Mandeni Plaza	4 years	1.50%	5.27%	No	N/A	N/A	N/A	N/A	N/A	N/A	A 5 year projection of rental, total revenue and total expenses per year is in the detailed property report as well as a bar chart detailing the above	R158 000 000

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014	Modimall	4 years	2.00%	7.55%	Property is an existing project onto which a further 6 683 sqm is being added. New addition opening 1 December 2018	Consent is existing and some additional development rights have been secured. Nil onerous conditions attached to such consent.	To be complete 1 October 2018. 75% currently let	R55 000 000	R185 000 000	R274 718 828		A 5 year projection of rental, total revenue and total expenses per year is in the detailed property report as well as a bar chart detailing the above	R254 500 000
015	Modjadji Plaza	6 years	0.25%	0.00%	No	N/A	N/A	N/A	N/A	N/A	N/A	A 5 year projection of rental, total revenue and total expenses per year is in the detailed property report as well as a bar chart detailing the above	R99 400 000
016	Olievenhout Plaza	5 years	0.03%	1.10%	No	N/A	N/A	N/A	N/A	N/A	N/A	A 5 year projection of rental, total revenue and total expenses per year is in the detailed property report as well as a bar chart detailing the above	R267 000 000
017	Phola Mall	1 year	0.03%	0.00%	No	N/A	N/A	N/A	N/A	N/A	N/A	A 5 year projection of rental, total revenue and total expenses per year is in the detailed property report as well as a bar chart detailing the above	R418 000 000

REF NO	PROPERTY NAME	AGE OF BUILDING	VACANCY LEVELS PERPETUAL VOID PROVISION	CURRENT VACANCY (%)	PROPERTY IN THE PROCESS OF DEVELOPMENT	PLANNING CONSENT	DATE OF COMPLETION AND CURRENT LETTING %	COST TO COMPLETE THE PROJECT	CURRENT MARKET VALUE IN EXISTING STATE	MARKET VALUE AT CURRENT PRICE ON DEVELOPMENT COMPLETION	MARKET VALUE AT CURRENT PRICE ON DEVELOPMENT COMPLETION AND LETTING COMPLETION	RENTALS USED IN VALUATION – ANNUAL SUMMARY	MARKET VALUE AS AT 1 December 2017
018	Theku Plaza	4 years	1.00%	2.02%	No	N/A	N/A	N/A	N/A	N/A	N/A	A 5 year projection of rental, total revenue and total expenses per year is in the detailed property report as well as a bar chart detailing the above	R193 000 000
019	Thorntree Shopping Centre	8 years	0.25%	1.01%	No	N/A	N/A	N/A	N/A	N/A	N/A	A 5 year projection of rental, total revenue and total expenses per year is in the detailed property report as well as a bar chart detailing the above	R264 000 000
020	Tsakane Mall	11 years	1.00%	0.00%	No	N/A	N/A	N/A	N/A	N/A	N/A	A 5 year projection of rental, total revenue and total expenses per year is in the detailed property report as well as a bar chart detailing the above	R385 000 000
021	Mabopane Plaza	Under development	2.00%	0.00%	To be complete 1 September 2019. Value indicated is the current value being the discounted future value on opening date.	Rezoning has been secured. Nil onerous conditions attached to such rights	To be complete 1 September 2019. 20% currently let.	R102 000 000	Nil	R135 000 000	R177 000 000	A 5 year projection of rental, total revenue and total expenses per year is in the detailed property report as well as a bar chart detailing the above	R177 000 000

REF NO	PROPERTY NAME	AGE OF BUILDING	VACANCY LEVELS PERPETUAL VOID PROVISION	CURRENT VACANCY (%)	PROPERTY IN THE PROCESS OF DEVELOPMENT	PLANNING CONSENT	DATE OF COMPLETION AND CURRENT LETTING %	COST TO COMPLETE THE PROJECT	CURRENT MARKET VALUE IN EXISTING STATE	MARKET VALUE AT CURRENT PRICE ON DEVELOPMENT COMPLETION	MARKET VALUE AT CURRENT PRICE ON DEVELOPMENT COMPLETION AND LETTING COMPLETION	RENTALS USED IN VALUATION – ANNUAL SUMMARY	MARKET VALUE AS AT 1 December 2017
022	Marapyane Plaza	Under development	2.00%	0.00%	To be complete 1 April 2019. Value indicated is the current value being the discounted future value on opening date.	Rezoning has been secured. Nil onerous conditions attached to such rights	To be complete 1 April 2019. 20% currently let.	R73 000 000	Nil	R87 000 000	R110 000 000	A 5 year projection of rental, total revenue and total expenses per year is in the detailed property report as well as a bar chart detailing the above	R110 000 000
023	Riba Cross Mall	Under development	2.00%	15.00%	To be complete 1 October 2019. Value indicated is the current value being the discounted future value on opening date.	Rezoning has been secured. Nil onerous conditions attached to such rights	To be complete 1 October 2019. 10% currently let	R115 000 000		R140 000 000	R168 600 000	A 5 year projection of rental, total revenue and total expenses per year is in the detailed property report as well as a bar chart detailing the above	R168 600 000
												TOTAL	**R5 546 423 715**

CAPITAL STRUCTURE

1. **AUTHORISATIONS**

1.1 The following resolutions were adopted by shareholders on 10 May 2018:

"1. **SPECIAL RESOLUTION 1: APPROVAL TO ISSUE SHARES IN TERMS OF SECTION 41(1) OF THE COMPANIES ACT**

It is resolved as a special resolution that, in accordance with section 41(1) of the Companies Act and subject to the JSE Listings Requirements, the issue by the Company of shares to any director, future director, prescribed officer or future prescribed officer of the Company, or to a person related or inter-related to the Company, or to a person related or inter related to a director or prescribed officer of the Company, or to any nominee of such person, in terms of any private placement, offer, bookbuild or similar capital raising, at the same price and at the same terms as those upon which shares are issued to other investors in terms of such capital raising, be and is hereby approved."

This resolution requires the approval of at least 75% of the voting rights of shareholders exercised on the resolution.

"2. **SPECIAL RESOLUTION 2: GENERAL REPURCHASE OF SHARES**

It is resolved as a special resolution that, the Company and/or any of its subsidiaries be and is/are hereby authorised by way of a general authority to acquire, from time to time, ordinary shares issued by the Company, on such terms and conditions as the board may deem fit, in terms of the Company's memorandum of incorporation ("**MOI**"), section 48 of the Companies Act and the Listings Requirements ("**JSE Listings Requirements**") issued by the JSE Limited ("**JSE**"), as amended from time to time, provided that –

2.1 such acquisitions shall be implemented through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty (reported trades are prohibited);

2.2 such general authority shall be valid only until the next annual general meeting of the Company or the variation or revocation of such general authority by special resolution at any subsequent general meeting of the Company, provided that it shall not extend beyond 15 months from the date of the adoption of this resolution;

2.3 such repurchase may not be made at a price greater than 10% above the weighted average of the market value for the shares for the 5 business days immediately preceding the date on which the repurchase is affected. The JSE shall be consulted for a ruling if the Company's securities have not traded in such five-day period;

2.4 when the Company has cumulatively repurchased 3% of the initial number (the number of that class of shares in issue at the time that general authority from Shareholders is granted) of the relevant class of shares, and for each 3% in aggregate of the initial number of that class acquired thereafter, an announcement must be made giving the details required in terms of the JSE Listings Requirements in respect of such repurchase;

2.5 the Company has been given authority by the MOI;

2.6 no repurchases of shares shall be effected during a prohibited period as contemplated in the JSE Listings Requirements, unless a repurchase programme is in place, where dates and quantities of shares to be traded during the prohibited period are fixed (not subject to any variation) and full details of the programme have been disclosed to the JSE in writing prior to the commencement of the prohibited period, as required. The Company must instruct an independent, uninfluenced third party, which makes its investment decisions in relation to the Company's shares, to execute the repurchase programme submitted to the JSE prior to the commencement of the prohibited period;

2.7 the Company only appoints one agent to effect any repurchase(s) on its behalf at any one time;

2.8 the aggregate of such acquisitions may not, in any one financial year, exceed 20% of the Company's issued share capital of that class as at the beginning of the financial year;

2.9 a resolution has been passed by the Board confirming that the Board has authorised the general repurchase, that the Company passed the solvency and liquidity test and that since the test was done there have been no material changes to the financial position of the Company and the Exemplar group;

2.10 any such general repurchases are subject to exchange control regulations and approval at that point in time; and

2.11 the aggregate of such acquisitions held by subsidiaries of the Company may not exceed 10% of the Company's issued share capital at any one time."

This resolution requires the approval of at least 75% of the voting rights of shareholders exercised on the resolution.

"3. **SPECIAL RESOLUTION 3: APPROVAL OF NON-EXECUTIVE DIRECTORS' REMUNERATION**

It is resolved as a special resolution that the following remuneration of non-executive directors of the Company for their services as directors of the Company (in terms of the provisions of section 66(9) of the Companies Act), be and is hereby approved for a period of two years from the passing of this resolution or until its renewal, whichever is earliest, –

Position	**Fee per annum**
Chairperson of the board	R400 000
Non-executive director	R300 000

This resolution requires the approval of at least 75% of the voting rights of shareholders exercised on the resolution.

"4. **SPECIAL RESOLUTION 4: FINANCIAL ASSISTANCE IN TERMS OF SECTIONS 44 AND 45 OF THE COMPANIES ACT**

It is resolved as a special resolution that –

4.1 the Company is authorised to grant financial assistance within the meaning of section 44 of the Companies Act, by way of a loan, guarantee, the provision of security or otherwise to any person for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the Company or a related or inter-related company, or for the purchase of any securities of the Company or a related or inter-related company, on such terms and conditions as the directors of the Company or any one or more persons authorised by the directors of the Company may determine. This special resolution shall remain valid for the maximum period permissible under the Companies Act;

4.2 the Company is authorised to grant direct or indirect financial assistance within the meaning of section 45 of the Companies Act, to a director or prescribed officer of the Company or of a related or inter-related company, or to a related or inter-related company or corporation, or to a member of a related or inter related corporation, or to a person related to any such company, corporation, director, prescribed officer or member, on such terms and conditions as the directors of the Company or any one or more persons authorised by the directors of the Company may determine. This special resolution shall remain valid for the maximum period permissible under the Companies Act.

The financial assistance referred to in 4.1 and 4.2 may be provided at any time during the period commencing on the date of the adoption of this resolution and ending two years after such date; provided that the board of directors of the Company –

4.3 acknowledges that it has applied the solvency and liquidity test set out in section 4 of the Companies Act, and has reasonably concluded that the Company will satisfy the solvency and liquidity test immediately after providing the such financial assistance; and

4.4 is satisfied that the terms under which the Company will provide such financial assistance are fair and reasonable to the Company; and

4.5 is satisfied that all conditions and restrictions set out in the constitutional documents of the Company regarding the provision of such financial assistance, have been, or will be, satisfied."

This resolution requires the approval of at least 75% of the voting rights of shareholders exercised on the resolution.

“5. **ORDINARY RESOLUTION 1: APPROVAL OF THE EXEMPLAR REITAIL SHARE PURCHASE PLAN**

It is resolved as an ordinary resolution that, subject to approval by the requisite majority of shareholders of the Company (as required by the JSE Listings Requirements), and in accordance with Schedule 14 of the JSE Listings Requirements, the Company hereby approves the adoption of the Exemplar REITail share purchase plan (“Share Scheme”), and all actions required to be taken by the Company in terms of the Share Scheme, a copy of which Share Scheme is attached to these resolutions as **Annexure 1**.”

This resolution requires the approval of at least 75% of the voting rights of shareholders exercised on the resolution, in accordance with Schedule 14 of the JSE Listings Requirements.

“6. **ORDINARY RESOLUTION 2: AUDITORS’ REMUNERATION**

It is resolved as an ordinary resolution that, the remuneration of the auditors of the Company, being Grant Thornton Johannesburg, shall be determined by the board of directors of the Company.”

In order for this resolution to be adopted, the support of more than 50% of the total number of votes exercised by shareholders on the resolution is required.

“7. **ORDINARY RESOLUTION 3: GENERAL AUTHORITY**

It is resolved as an ordinary resolution that, any director of the Company or any other person to whom a director has delegated his/her authority to do so, be and is hereby authorised to sign all such documentation and do all such things as may be necessary for or incidental to the implementation of the resolutions contained herein; and if and to the extent that any director has already signed all or any of the documents necessary for the implementation of the resolutions prior to the passing of the resolutions in this document, such and anything already done in good faith in relation thereto be and are hereby approved of and ratified by the Company to the extent permissible in law.”

In order for this resolution to be adopted, the support of more than 50% of the total number of votes exercised by shareholders on the resolution is required.

1.2 The following resolution will be proposed to shareholders on 5 June 2018:

“1. **ORDINARY RESOLUTION: GENERAL AUTHORITY TO ISSUE ORDINARY SHARES FOR CASH**

It is resolved as an ordinary resolution that, the directors of the Company be and are hereby authorised, once the listing has taken place (and without thereby limiting those authorities which they may already have during the period up to listing) by way of a general authority, to allot and issue ordinary shares in the capital of the Company for cash, including within the scope of such authority the ability to issue options and securities that are convertible into ordinary shares, subject to the limitations as set out in the MOI and the provisions of the Companies Act and the JSE Listings Requirements on the following basis –

1.1 the shares which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such shares or rights that are convertible into a class of shares already in issue;

1.2 there will be no restrictions in regard to the persons to whom the shares may be issued, provided that such shares are to be issued to public shareholders (as defined by the JSE Listing Requirements) and not to related parties (as defined by the JSE Listing requirements);

1.3 the total aggregate number of ordinary shares which may be issued for cash in terms of this authority may not exceed 91 761 568, being 30% of 305 871 896 ordinary shares (being the aggregate number of ordinary shares in issue as at the date of this resolution);

1.4 in the event of sub-division or consolidation prior to this authority lapsing, the existing authority shall be adjusted accordingly to represent the same allocation ratio;

1.5 this authority shall be valid until the Company’s next annual general meeting or for 15 months from the date of the passing of the ordinary resolution, whichever is the earlier, provided that it shall not extend beyond 15 months from the date that this authority is given;

1.6 the maximum discount at which the shares may be issued is 10% of the weighted average traded price of those shares over the 30 business days prior to the date that the price of the issue is determined or agreed to between the Company and the party/ies subscribing for the shares. The JSE should be consulted for a ruling if the Company's shares have not traded in such 30 business day period; and

1.7 upon any issue of ordinary shares which, together with prior issues of ordinary shares during the same financial year, will constitute 5% or more of the total number of ordinary shares in issue prior to that issue, the Company shall publish an announcement in terms of section 11.22 of the JSE Listings Requirements, giving full details hereof, including –

1.7.1 the number of ordinary shares issued;

1.7.2 the average discount to weighted average traded price of the ordinary shares over the 30 business days prior to the date that the issue is agreed in writing between the Company and the party/ies subscribing for the shares; and

1.7.3 in respect of the issue of options and convertible securities issued for cash, the effects of the issue on the statement of financial position, net asset value per share, net tangible asset value per share, statement of comprehensive income, earnings per share, headline earnings per share and, if applicable, diluted earnings and headline earnings per share; or

1.7.4 in respect of an issue of shares for cash, an explanation including supporting information (if any), of the intended use of funds.

In order for this resolution to be adopted, the support of more than 75% of the total number of votes exercised by shareholders on the resolution is required, in accordance with section 5.52 of the JSE Listings Requirements.

2. RIGHTS ATTACHING TO SHARES

2.1 Extracts of the company's MOI relating to rights attaching to shares are set out in **Annexure 6**.

2.2 In accordance with the company's MOI, during any vote at any general meeting every person present and entitled to exercise voting rights shall be entitled to 1 vote on a show of hands, irrespective of the number of voting rights that person would otherwise be entitled to exercise or on a poll any person who is present at the meeting, whether as a shareholder or as proxy for a shareholder, has the number of votes determined in accordance with the voting rights associated with the securities held by that shareholder.

2.3 Shareholders are entitled to participate proportionally in any distribution made by the company and to receive proportionally the net assets of the company upon its liquidation.

2.4 Any variation in rights attaching to shares will require the consent of 75% of shareholders in a general meeting in accordance with the company's MOI.

2.5 Only such members that are registered in the company's register on the day when a distribution is declared or on such other day as may be determined by the board as the last date for registration for the distribution, will be entitled to receive the distribution so declared.

3. ALTERATIONS TO AUTHORISED SHARE CAPITAL

3.1 The company was incorporated as a public company on 17 January 2018 with authorised share capital of 5 000 000 000 ordinary shares of no par value.

3.2 There have been no sub-divisions or consolidations of shares during the preceding three years.

3.3 there have been no alterations to the authorised share capital of the company in for the period from the date of incorporation of the company to the last practicable date.

4. ISSUES AND REPURCHASES OF SHARES

4.1 Other than as set out in the table below there have been no other issues, repurchases or offers of securities of the company for the period from the date of incorporation of the company to the last practicable date. As set out in the table below, shares to be issued in terms of a share subscription and in terms of the share purchase plan will be issued on 31 May 2018 and shares to be issued in consideration for the acquisitions set out in **Annexure 10** will be issued on 1 June 2018.

Date (2018)	Nature	Counterparty	Number of shares	Price per share	Reason
17 January	Issue of shares for cash	Nomad Trust	3 500 000	R0.01	Share subscription
9 March	Issue of shares for cash	Tomatron Proprietary Limited	500 000	R0.01	Share subscription
31 May	Issue of shares for cash	Marda Trust	50 000	R10.00	Share subscription
31 May	Issue of shares for cash	Willem Jacobus Weideman Vorster	40 000	R10.00	Share subscription
31 May	Issue of shares for cash	Amanda Ronel Smit	15 000	R10.00	Share subscription
31 May	Issue of shares for cash	Martin Armand Smit	5 000	R10.00	Share subscription
31 May	Issue of shares in terms of the share purchase plan	Adeline van Heerden	25 000	R10.00	Issue of shares in terms of the share purchase plan
31 May	Issue of shares in terms of the share purchase plan	Ananda Booysen	40 000	R10.00	Issue of shares in terms of the share purchase plan
31 May	Issue of shares in terms of the share purchase plan	Angelique van Vreden	35 000	R10.00	Issue of shares in terms of the share purchase plan
31 May	Issue of shares in terms of the share purchase plan	Benedictar Tsegofatso Makhene	20 000	R10.00	Issue of shares in terms of the share purchase plan
31 May	Issue of shares in terms of the share purchase plan	Cara Cronje	20 000	R10.00	Issue of shares in terms of the share purchase plan
31 May	Issue of shares in terms of the share purchase plan	Charmaine Theressa van Rooyen	20 000	R10.00	Issue of shares in terms of the share purchase plan
31 May	Issue of shares in terms of the share purchase plan	Christina Dawson	40 000	R10.00	Issue of shares in terms of the share purchase plan
31 May	Issue of shares in terms of the share purchase plan	Claudia du Toit	30 000	R10.00	Issue of shares in terms of the share purchase plan
31 May	Issue of shares in terms of the share purchase plan	Conrad Walters	250 000	R10.00	Issue of shares in terms of the share purchase plan
31 May	Issue of shares in terms of the share purchase plan	Elmien Gertruida Mostert	20 000	R10.00	Issue of shares in terms of the share purchase plan
31 May	Issue of shares in terms of the share purchase plan	Gayle Anne Crow	35 000	R10.00	Issue of shares in terms of the share purchase plan
31 May	Issue of shares in terms of the share purchase plan	George William Coetzer	50 000	R10.00	Issue of shares in terms of the share purchase plan

Date (2018)	Nature	Counterparty	Number of shares	Price per share	Reason
31 May	Issue of shares in terms of the share purchase plan	Hercules Philip Malan	100 000	R10.00	Issue of shares in terms of the share purchase plan
31 May	Issue of shares in terms of the share purchase plan	Hlayiseka Harry Ubisi	50 000	R10.00	Issue of shares in terms of the share purchase plan
31 May	Issue of shares in terms of the share purchase plan	Jan Pieter Albertus Furstenburg	100 000	R10.00	Issue of shares in terms of the share purchase plan
31 May	Issue of shares in terms of the share purchase plan	Jason McCormick	1 000 000	R10.00	Issue of shares in terms of the share purchase plan
31 May	Issue of shares in terms of the share purchase plan	Jessica de Jager	10 000	R10.00	Issue of shares in terms of the share purchase plan
31 May	Issue of shares in terms of the share purchase plan	Jocelyn Yentl Ramberose	10 000	R10.00	Issue of shares in terms of the share purchase plan
31 May	Issue of shares in terms of the share purchase plan	Julie Campbell	50 000	R10.00	Issue of shares in terms of the share purchase plan
31 May	Issue of shares in terms of the share purchase plan	Laetitia Brierley	50 000	R10.00	Issue of shares in terms of the share purchase plan
31 May	Issue of shares in terms of the share purchase plan	Lekgowa David Pooe	25 000	R10.00	Issue of shares in terms of the share purchase plan
31 May	Issue of shares in terms of the share purchase plan	Lynette Janis Bester	25 000	R10.00	Issue of shares in terms of the share purchase plan
31 May	Issue of shares in terms of the share purchase plan	Marisa Ferreira	30 000	R10.00	Issue of shares in terms of the share purchase plan
31 May	Issue of shares in terms of the share purchase plan	Marlette Warnich Ferreira	100 000	R10.00	Issue of shares in terms of the share purchase plan
31 May	Issue of shares in terms of the share purchase plan	Matthew Mark McCormick	700 000	R10.00	Issue of shares in terms of the share purchase plan
31 May	Issue of shares in terms of the share purchase plan	Melanie Lingenfelder	20 000	R10.00	Issue of shares in terms of the share purchase plan
31 May	Issue of shares in terms of the share purchase plan	Peter Filo	200 000	R10.00	Issue of shares in terms of the share purchase plan

Date (2018)	Nature	Counterparty	Number of shares	Price per share	Reason
31 May	Issue of shares in terms of the share purchase plan	Peter Heinz Wefelmeier	200 000	R10.00	Issue of shares in terms of the share purchase plan
31 May	Issue of shares in terms of the share purchase plan	Ramaesela Sarah Baloyi	20 000	R10.00	Issue of shares in terms of the share purchase plan
31 May	Issue of shares in terms of the share purchase plan	Roelof Willem Adriaan van der Westhuizen	20 000	R10.00	Issue of shares in terms of the share purchase plan
31 May	Issue of shares in terms of the share purchase plan	Sadia Khan	35 000	R10.00	Issue of shares in terms of the share purchase plan
31 May	Issue of shares in terms of the share purchase plan	Sandra Vanessa Lopes Evans	250 000	R10.00	Issue of shares in terms of the share purchase plan
31 May	Issue of shares in terms of the share purchase plan	Sanette Parsons	60 000	R10.00	Issue of shares in terms of the share purchase plan
31 May	Issue of shares in terms of the share purchase plan	Simon Bruce Wilmot Barlow	175 000	R10.00	Issue of shares in terms of the share purchase plan
31 May	Issue of shares in terms of the share purchase plan	Sonia Louise Vorster	300 000	R10.00	Issue of shares in terms of the share purchase plan
31 May	Issue of shares in terms of the share purchase plan	Susarah Gertruida Rossouw	75 000	R10.00	Issue of shares in terms of the share purchase plan
31 May	Issue of shares in terms of the share purchase plan	Teresa Human	30 000	R10.00	Issue of shares in terms of the share purchase plan
31 May	Issue of shares in terms of the share purchase plan	Tertius van Niekerk	25 000	R10.00	Issue of shares in terms of the share purchase plan
31 May	Issue of shares in terms of the share purchase plan	Yolandi Freeman	35 000	R10.00	Issue of shares in terms of the share purchase plan
31 May	Issue of shares in terms of the share purchase plan	Yolandie Cooper	50 000	R10.00	Issue of shares in terms of the share purchase plan
1 June	Asset for share transaction in terms of section 42 of the Income Tax Act	The John McCormick Family Trust	138 409 603	R10.00	Exchange of shares in terms of section 42 of the Income Tax Act – see **Annexure 10**

Date (2018)	Nature	Counterparty	Number of shares	Price per share	Reason
1 June	Asset for share transaction in terms of section 42 of the Income Tax Act	The Isabelo Trust	2 070 710	R10.00	Exchange of shares in terms of section 42 of the Income Tax Act – see **Annexure 10**
1 June	Asset for share transaction in terms of section 42 of the Income Tax Act	The Bekker Trust	2 070 710	R10.00	Exchange of shares in terms of section 42 of the Income Tax Act – see **Annexure 10**
1 June	Asset for share transaction in terms of section 42 of the Income Tax Act	The Saunders Familie Trust	2 070 710	R10.00	Exchange of shares in terms of section 42 of the Income Tax Act – see **Annexure 10**
1 June	Asset for share transaction in terms of section 42 of the Income Tax Act	The Toebes Trust	2 070 710	R10.00	Exchange of shares in terms of section 42 of the Income Tax Act – see **Annexure 10**
1 June	Asset for share transaction in terms of section 42 of the Income Tax Act	Phelindaba Shopping Centre (Pty) Ltd	3 770 791	R10.00	Exchange of shares in terms of section 42 of the Income Tax Act – see **Annexure 10**
1 June	Asset for share transaction in terms of section 42 of the Income Tax Act	Daniel Nakene Family Trust	1 466 196	R10.00	Exchange of shares in terms of section 42 of the Income Tax Act – see **Annexure 10**
1 June	Asset for share transaction in terms of section 42 of the Income Tax Act	Eurosun Properties Pty Ltd	1 794 427	R10.00	Exchange of shares in terms of section 42 of the Income Tax Act – see **Annexure 10**
1 June	Asset for share transaction in terms of section 42 of the Income Tax Act	Johan Fourie Gesinstrust	954 041	R10.00	Exchange of shares in terms of section 42 of the Income Tax Act – see **Annexure 10**
1 June	Asset for share transaction in terms of section 42 of the Income Tax Act	Hlekwa Paulus Mahlangu	1 840 049	R10.00	Exchange of shares in terms of section 42 of the Income Tax Act – see **Annexure 10**
1 June	Asset for share transaction in terms of section 42 of the Income Tax Act	The Moratiwa Tsatsela Masemola Family Trust	1 714 841	R10.00	Exchange of shares in terms of section 42 of the Income Tax Act – see **Annexure 10**

Date (2018)	Nature	Counterparty	Number of shares	Price per share	Reason
1 June	Asset for share transaction in terms of section 42 of the Income Tax Act	The Greater Alexander Chamber of Commerce	843 924	R10.00	Exchange of shares in terms of section 42 of the Income Tax Act – see **Annexure 10**
1 June	Asset for share transaction in terms of section 42 of the Income Tax Act	Olievenhout Plaza Proprietary Limited	12 810 228	R10.00	Exchange of shares in terms of section 42 of the Income Tax Act – see **Annexure 10**
1 June	Asset for share transaction in terms of section 42 of the Income Tax Act	Edendale Mall Proprietary Limited	16 452 386	R10.00	Exchange of shares in terms of section 42 of the Income Tax Act – see **Annexure 10**
1 June	Asset for share transaction in terms of section 42 of the Income Tax Act	Modjadji Plaza Proprietary Limited	7 924 040	R10.00	Exchange of shares in terms of section 42 of the Income Tax Act – see **Annexure 10**
1 June	Asset for share transaction in terms of section 42 of the Income Tax Act	Thorntree Shopping Centre Proprietary Limited	24 006 372	R10.00	Exchange of shares in terms of section 42 of the Income Tax Act – see **Annexure 10**
1 June	Asset for share transaction in terms of section 42 of the Income Tax Act	Chris Hani Crossing Proprietary Limited (wholly-owned by JMFT)	46 164 625	R10.00	Exchange of shares in terms of section 42 of the Income Tax Act – see **Annexure 10**
1 June	Asset for share transaction in terms of section 42 of the Income Tax Act	Diepkloof Plaza Proprietary Limited	16 440 379	R10.00	Exchange of shares in terms of section 42 of the Income Tax Act – see **Annexure 10**
1 June	Asset for share transaction in terms of section 42 of the Income Tax Act	Blouberg Mall Proprietary Limited	14 557 154	R10.00	Exchange of shares in terms of section 42 of the Income Tax Act – see **Annexure 10**

4.2 Save as disclosed in **Annexure 10**, there were no assets acquired or to be acquired out of the proceeds of any issues. All shares which have been issued, were issued at a price equal to the company's net asset value per share, which was considered to represent the fair value for the company's shares.

4.3 The entire authorised but unissued share capital of the company is placed under the control of the directors of the company, who are authorised and empowered to issue, allot and dispose of such share capital.

5. STATEMENT AS TO LISTING ON STOCK EXCHANGE

5.1 The shares of the company are not listed on any other stock exchange.

MATERIAL CONTRACTS

In addition to the loan agreements described in **Annexure 11**, the following are details of material contracts, being (i) contracts entered into otherwise than in the ordinary course of business, within the two years prior to the date of this prospectus or at any time containing an obligation or settlement that is or may be material to the company or its subsidiaries at the last practicable date; and (ii) contracts that are otherwise considered material by the company.

SUMMARY OF MATERIAL AGREEMENTS

Exemplar REITail Limited ("**Company**") is a party to the following material agreements –

1. an asset-for-share exchange agreement as contemplated in section 42 of the Income Tax Act No 58 of 1962 with –

1.1 the trustees for the time being of The John McCormick Family Trust ("**JMFT**"), in terms of which, *inter alia*, JMFT disposed of its 100 ordinary shares in Tsakane Mall Proprietary Limited to the Company in exchange for the allotment and issue by the Company of ordinary shares, the number of which is determined in accordance with the relevant exchange agreement;

1.2 JMFT, in terms of which, *inter alia*, JMFT disposed of its 700 ordinary shares in Maake Plaza Proprietary Limited to the Company in exchange for the allotment and issue by the Company of ordinary shares, the number of which is determined in accordance with the relevant exchange agreement;

1.3 JMFT and Lusiki Plaza Share Block Proprietary Limited **("Lusiki Plaza**"), in terms of which, *inter alia*, JMFT disposed of its 100 ordinary shares in Lusiki Plaza to the Company in exchange for the allotment and issue by the Company of ordinary shares, the number of which is determined in accordance with the relevant exchange agreement;

1.4 JMFT and Emoyeni Regional Mall Share Block Proprietary Limited ("**Emoyeni Mall**") in terms of which, *inter alia*, JMFT disposed of its 100 ordinary shares in Emoyeni Mall to the Company in exchange for the allotment and issue by the Company of ordinary shares, the number of which is determined in accordance with the relevant exchange agreement;

1.5 JMFT, in terms of which, *inter alia*, JMFT disposed of its 90 000 ordinary shares in Alex Mall Proprietary Limited ("**Alex Mall**") to the Company in exchange for the allotment and issue by the Company of ordinary shares, the number of which is determined in accordance with the relevant exchange agreement;

1.6 the trustees for the time being of The Isabelo Trust ("**Isabelo Trust**"), in terms of which, *inter alia*, the Isabelo Trust disposed of its 22 500 ordinary shares in Alex Mall to the Company in exchange for the allotment and issue by the Company of 2 070 710 ordinary shares;

1.7 Galxcoc Properties – Retail Proprietary Limited ("**Galxcoc**"), in terms of which, *inter alia*, Galxcoc disposed of its 20 000 ordinary shares in Alex Mall to the Company in exchange for the allotment and issue by the Company of 843 924 ordinary shares;

1.8 the trustees for the time being of The Bekker Trust ("**Bekker Trust**"), in terms of which, *inter alia*, the Bekker Trust disposed of its 22 500 ordinary shares in Alex Mall to the Company in exchange for the allotment and issue by the Company of 2 070 710 ordinary shares;

1.9 the trustees for the time being of The Saunders Familie Trust ("**Saunders Trust**"), in terms of which, *inter alia*, the Saunders Trust disposed of its 22 500 ordinary shares in Alex Mall to the Company in exchange for the allotment and issue by the Company of 2 070 710 ordinary shares;

1.10 the trustees for the time being of The Toebes Trust ("**Toebes Trust**"), in terms of which, *inter alia*, the Toebes Trust disposed of its 22 500 ordinary shares in Alex Mall to the Company in exchange for the allotment and issue by the Company of 2 070 710 ordinary shares;

1.11 JMFT, in terms of which, *inter alia*, JMFT disposed of its 50 ordinary shares in Modimall Proprietary Limited ("**Modimall**") to the Company in exchange for the allotment and issue by the Company of 1 ordinary share;

1.12 the trustees for the time being of The Johan Fourie Gesintrust ("**Fourie Gesintrust**"), in terms of which, *inter alia*, the Fourie Gesintrust disposed of its 18 ordinary shares in Modimall to the Company in exchange for the allotment and issue by the Company of ordinary shares, the number of which is determined in accordance with the relevant exchange agreement;

1.13 Eurosun Properties Proprietary Limited ("**Eurosun**"), in terms of which, *inter alia*, Eurosun disposed of its 32 ordinary shares in Modimall to the Company in exchange for the allotment and issue by the Company of ordinary shares, the number of which is determined in accordance with the relevant exchange agreement;

1.14 JMFT, in terms of which, *inter alia*, JMFT will dispose of its 385 ordinary shares in Modimall to the Company in exchange for the allotment and issue by the Company of 4 100 125 ordinary shares at an issue price of R10.00 per share to JMFT. Modimall is in the process of being redeveloped (the "**Modimall Redevelopment**"). The shares will be issued on completion of the Modimall Redevelopment (expected to be 1 October 2018) subject to the Company being satisfied that the Modimall Redevelopment has been completed to the specifications detailed in the agreement and all approvals required for the Modimall Redevelopment to be legally tenanted being unconditionally granted or conditionally granted on conditions acceptable to both parties;

1.15 Eurosun, in terms of which, *inter alia*, Eurosun will dispose of its 180 ordinary shares in Modimall to the Company in exchange for the allotment and issue by the Company of 2 214 159 ordinary shares to Eurosun. The shares will be issued on completion of the Modimall Redevelopment (expected to be 1 October 2018) subject to the Company being satisfied that the Modimall Redevelopment has been completed to the specifications detailed in the agreement and all approvals required for the Modimall Redevelopment to be legally tenanted being unconditionally granted or conditionally granted on conditions acceptable to both parties;

1.16 JMFT, in terms of which, *inter alia*, JMFT disposed of its 50 ordinary shares in Mandeni Plaza Proprietary Limited to the Company in exchange for the allotment and issue by the Company of ordinary shares, the number of which is determined in accordance with the relevant exchange agreement;

1.17 JMFT, in terms of which, *inter alia*, JMFT disposed of its 4 000 ordinary shares in Phola Mall Proprietary Limited ("**Phola Mall**") to the Company in exchange for the allotment and issue by the Company of ordinary shares, the number of which is determined in accordance with the relevant exchange agreement;

1.18 Hlekwa Paulus Mahlangu ("**Mahlangu**"), in terms of which, *inter alia*, Mahlangu disposed of his 1 300 ordinary shares in Phola Mall to the Company in exchange for the allotment and issue by the Company of ordinary shares, the number of which is determined in accordance with the relevant exchange agreement;

1.19 JMFT, in terms of which, *inter alia*, JMFT disposed of its 1 300 ordinary shares in Theku Plaza Proprietary Limited ("**Theku Plaza**") to the Company in exchange for the allotment and issue by the Company of ordinary shares, the number of which is determined in accordance with the relevant exchange agreement;

1.20 The Trustees for the time being of the Moratiwa Tsatsela Masemola Family Trust ("**Moratiwa Trust**"), in terms of which, *inter alia*, the Moratiwa Trust disposed of its 350 ordinary shares in Theku Plaza to the Company in exchange for the allotment and issue by the Company of ordinary shares, the number of which is determined in accordance with the relevant exchange agreement;

1.21 Thatho Mosupye, in terms of which, *inter alia*, Thatho Mosupye will dispose of his 35 ordinary shares in Moonspan Investments Proprietary Limited ("**Moonspan Investments**") to the Company in exchange for the allotment and issue by the Company of 156 126 ordinary shares (the "**Mosupye Consideration Shares**") at an issue price of R10.00. Moonspan Investments owns the development known as "Mabopane Plaza" (the "**Mabopane Development**"). The Mosupye Consideration Shares will be issued on completion of the Mabopane Development (expected to be 1 September 2019) subject to the Company being satisfied that the Mabopane Development has been completed to the specifications detailed in the agreement and all approvals required for the Mabopane Development to be legally tenanted being unconditionally granted or conditionally granted on conditions acceptable to both parties;

1.22 JMFT, in terms of which, *inter alia*, JMFT will dispose of its 680 ordinary shares in Moonspan Investments to the Company in exchange for the allotment and issue by the Company of 3 033 296 ordinary shares ("**JMFT Moonspan Consideration Shares**") at an issue price of R10.00 per share. The JMFT Moonspan Consideration Shares will be issued on completion of the Mabopane Development (expected to be 1 September 2019) subject to the Company being satisfied that the Mabopane Development has been completed to the specifications detailed in the agreement and all approvals required for the Mabopane Development to be legally tenanted being unconditionally granted or conditionally granted on conditions acceptable to both parties;

1.23 Khentsa Business Enterprise CC ("**Khentsa CC**"), in terms of which, *inter alia*, Khentsa CC will dispose of its 285 ordinary shares in Moonspan Investments to the Company in exchange for the allotment and issue by the Company of 1 271 308 ordinary shares ("**Khentsa Consideration Shares**") at an issue price of R10.00 per share to Khentsa CC. The Khentsa Consideration Shares will be issued on completion of the development (expected to be 1 September 2019) subject to the Company being satisfied that the Mabopane Development has been completed to the specifications detailed in the agreement and all approvals required for the Mabopane Development to be legally tenanted being unconditionally granted or conditionally granted on conditions acceptable to both parties;

1.24 The Trustees for the time being of the Molai Family Trust ("**Molai Trust**"), in terms of which, *inter alia*, the Molai Trust will dispose of its 20 ordinary shares in Katale Square Proprietary Limited ("**Katale Square**") to the Company in exchange for the allotment and issue by the Company of 283 600 ordinary shares ("**Molai Consideration Shares**") at an issue price of R10.00 per share. Katale Square owns the development known as "Katale Square" (the "**Katale Square Marapyane Development**"). The Molai Consideration Shares will be issued on completion of the Katale Square Development (expected to be 1 April 2019) subject to the Company being satisfied that the Katale Square Development has been completed to the specifications detailed in the agreement and all approvals required for the Katale Square Development to be legally tenanted being unconditionally granted or conditionally granted on conditions acceptable to both parties;

1.25 JMFT, in terms of which, *inter alia*, JMFT will dispose of its 80 ordinary shares in Katale Square to the Company in exchange for the allotment and issue by the Company of 1 134 400 ordinary shares ("**JMFT Katale Consideration Shares**") at an issue price of R10.00 per share to JMFT. The JMFT Katale Consideration Shares will be issued on completion of the Katale Square Development (expected to be 1 April 2019) subject to the Company being satisfied that the Katale Square Development has been completed to the specifications detailed in the agreement and all approvals required for the Katale Square Development to be legally tenanted being unconditionally granted or conditionally granted on conditions acceptable to both parties;

1.26 the Fourie Gesintrust, in terms of which, *inter alia*, the Fourie Gesintrust will dispose of its 150 ordinary shares in Arlyn Investments Proprietary Limited ("**Arlyn Investments**") to the Company in exchange for the allotment and issue by the Company of 433 500 ordinary shares ("**Fourie Gesintrust Consideration Shares**") at an issue price of R10.00 per share to the Fourie Gesintrust. Arlyn Investments owns the development known as "Riba Cross Mall" (the "**Riba Cross Development**"). The Fourie Gesintrust Consideration Shares will be issued on completion of the Riba Cross Development (expected to be 1 October 2019) subject to the Company being satisfied that the Riba Cross Development has been completed to the specifications detailed in the agreement and all approvals required for the Riba Cross Development to be legally tenanted being unconditionally granted or conditionally granted on conditions acceptable to both parties;

1.27 Makotanyane Dimo Moroamoche ("**Moroamoche**"), in terms of which, *inter alia*, Moroamoche will dispose of his 150 ordinary shares in Arlyn Investments to the Company in exchange for the allotment and issue by the Company of 433 500 ordinary shares ("**Moroamoche Consideration Shares**") at an issue price of R10.00 per share to Moroamoche. The Moroamoche Consideration Shares will be issued on completion of the Riba Cross Development (expected to be 1 October 2019) subject to the Company being satisfied that the Riba Cross Development has been completed to the specifications detailed in the agreement and all approvals required for the Riba Cross Development to be legally tenanted being unconditionally granted or conditionally granted on conditions acceptable to both parties;

1.28 JMFT, in terms of which, *inter alia*, JMFT will dispose of its 700 ordinary shares in Arlyn Investments to the Company in exchange for the allotment and issue by the Company of 2 023 000 ordinary shares ("**JMFT Arlyn Investments Consideration Shares**") at an issue price of R10.00 to JMFT. The JMFT Arlyn Investments Consideration Shares will be issued on completion of the Riba Cross Development (expected to be 1 October 2019) subject to the company being satisfied that the Riba Cross Development has been completed to the specifications detailed in the agreement and all approvals required for the Riba Cross Development to be legally tenanted being unconditionally granted or conditionally granted on conditions acceptable to both parties;

1.29 JMFT and Acornhoek Plaza Share Block Proprietary Limited ("**Acornhoek Plaza**"), in terms of which, *inter alia*, JMFT disposed of its 4 398 ordinary shares in Acornhoek Plaza to the Company in exchange for the allotment and issue by the Company of ordinary shares, the number of which is determined in accordance with the relevant exchange agreement;

1.30 JMFT and Atteridge Stadium Centre Share Block Proprietary Limited ("**Atteridge Centre**"), in terms of which, *inter alia*, JMFT disposed of its 49 ordinary shares in Atteridge Centre to the Company in exchange for the allotment and issue by the Company of ordinary shares, the number of which is determined in accordance with the relevant exchange agreement;

1.31 Phelindaba Shopping Centre Proprietary Limited ("**Phelindaba**") and Atteridge Centre, in terms of which, *inter alia*, Phelindaba disposed of its 51 ordinary shares in Atteridge Centre to the Company in exchange for the allotment and issue by the Company of ordinary shares, the number of which is determined in accordance with the relevant exchange agreement;

1.32 JMFT and Jane Furse Plaza Share Block Proprietary Limited ("**Jane Furse Plaza**"), in terms of which, *inter alia*, JMFT disposed of its 29.83% undivided share in Portion 7 (a portion of Portion 3) of the farm Vergelegen 819, Registration Division KS, Northern Province, measuring 6.9000 hectares in extent and held by certificate of registered title T64793/96 to the Company in exchange for the allotment and issue by the Company of ordinary shares, the number of which is determined in accordance with the relevant exchange agreement;

1.33 JMFT and Kwagga Plaza Share Block Proprietary Limited ("**Kwagga Plaza**"), in terms of which, *inter alia*, JMFT disposed of its 39.8725% undivided share of Portion 12 (a portion of portion 3) of the farm Kwaggafontein no. 216 JR, Registration Division, province of Mpumalanga, measuring 6.7332 hectares in extent, held under certificate of registered title T39644/2004 to the Company in exchange for the allotment and issue by the Company of ordinary shares, the number of which is determined in accordance with the relevant exchange agreement;

1.34 the trustees for the time being of the Daniel Nakene Family Trust ("**Nakene Family Trust**") and Kwagga Plaza, in terms of which, *inter alia*, the Nakene Family Trust disposed of its 3.6396% undivided share of Portion 12 (a portion of portion 3) of the farm Kwaggafontein no. 216 JR, Registration Division, province of Mpumalanga, measuring 6.7332 hectares in extent, held under certificate of registered title T39644/2004 to the Company in exchange for the allotment and issue by the Company of ordinary shares, the number of which is determined in accordance with the relevant exchange agreement;

1.35 Modjadji Plaza Proprietary Limited ("**Modjadji Plaza**"), in terms of which, *inter alia*, Modjadji Plaza disposed of –

1.35.1 its 70% undivided share in Erf 20, Ga-Kgapane IA Township, Registration Division LT, Limpopo Province, measuring 2.2283 hectares in extent and held by title deed T93625/2008 ("**Modjadji Plaza Property**");

1.35.2 all of its rights and obligations under the lease agreements in terms of which Modjadji Plaza and Vukile Property Fund Limited ("**Vukile**") let the premises on the Modjadji Plaza Property separately as co-lessors; and

1.35.3 all of its rights and obligations under the co-ownership agreement between Modjadji Plaza and Vukile,

to the Company in exchange for the allotment and issue by the Company of ordinary shares, the number of which is determined in accordance with the relevant exchange agreement;

1.36 Chris Hani Crossing Proprietary Limited ("**Chris Hani**"), in terms of which, *inter alia*, Chris Hani disposed of –

1.36.1 its 50% undivided share in Erf 14669 Vosloorus Extension 31 Township, Registration Division IR, Province of Gauteng, measuring 11.2935 hectares in extent and held under title deed T75073/2006 ("**Chris Hani Property**");

1.36.2 all of its rights and obligations under the lease agreements in terms of which Chris Hani and Redefine Properties Limited ("**Redefine**") let the premises on the Chris Hani Property separately as co-lessors; and

1.36.3 all of its rights and obligations under the co-ownership and joint venture agreement between Chris Hani and Redefine,

to the Company in exchange for the allotment and issue by the Company of ordinary shares, the number of which is determined in accordance with the relevant exchange agreement;

1.37 Blouberg Mall Proprietary Limited ("**Blouberg Mall**"), in terms of which, *inter alia*, Blouberg Mall disposed of –

1.37.1 Erf 1177 Bochum-A Extension 3 Township, Registration Division L.S. Limpopo Province, measuring 3.4024 hectares in extent and held by title deed TG2319/2012, owned by it ("**Blouberg Property**"); and

1.37.2 all of its rights and obligations under the lease agreements in terms of which Blouberg Mall lets the premises on the Blouberg Property as lessor,

to the Company in exchange for the allotment and issue by the Company of ordinary shares, the number of which is determined in accordance with the relevant exchange agreement;

1.38 Olievenhout Plaza Proprietary Limited ("**Olievenhout Plaza**"), in terms of which, *inter alia*, Olievenhout Plaza disposed of –

1.38.1 Erf 12852 Olievenhoutbosch Extension 38 Township, Registration Division J.R. in the province of Gauteng, measuring 5.7198 hectares in extent and held by deed of transfer R21647/2010, owned by it ("**Olievenhout Property**"); and

1.38.2 all of its rights and obligations under the lease agreements in terms of which Olievenhout Plaza lets the premises on the Olievenhout Property as lessor,

to the Company in exchange for the allotment and issue by the Company of ordinary shares, the number of which is determined in accordance with the relevant exchange agreement;

1.39 Edendale Mall Proprietary Limited ("**Edendale Mall**"), in terms of which, *inter alia*, Edendale Mall disposed of –

1.39.1 Portion 3 of Erf 441 Plessis-Laer, Registration Division FT, Province of Kwazulu-Natal, measuring 10.1483 hectares in extent and held by deed of transfer T2010/4175, owned by it ("**Edendale Property**"); and

1.39.2 all of its rights and obligations under the lease agreements in terms of which Edendale Mall lets the premises on the Edendale Property as lessor,

to the Company in exchange for the allotment and issue by the Company of ordinary shares, the number of which is determined in accordance with the relevant exchange agreement;

1.40 Thorntree Shopping Centre Proprietary Limited ("**Thorntree Shopping Centre**"), in terms of which, *inter alia*, Thorntree Shopping Centre disposed of –

1.40.1 Erf 741 Sohanguve VV Township, Registration Division JR, Province of Gauteng, measuring 3.8444 hectares in extent and held under deed of transfer T41878/2016, owned by it ("**Thorntree Property**"); and

1.40.2 all of its rights and obligations under the lease agreements in terms of which Thorntree Shopping Centre lets the premises on the Thorntree Property as lessor,

to the Company in exchange for the allotment and issue by the Company of 24 006 372 ordinary shares; and

1.41 Diepkloof Plaza Proprietary Limited ("**Diepkloof Plaza**"), in terms of which, *inter alia*, Diepkloof Plaza disposed of –

1.41.1 Portion 1 of ERF 25161 Diepkloof Township, Registration Division I.Q., Province of Gauteng, measuring 1,4844 hectares in extent, held by certificate of registered title T23687/2012; and

1.41.2 The Remaining Extent of ERF 25161 Diepkloof Township, Registration Division I.Q, Province of Gauteng, measuring 2,8007 hectares in extent, held by certificate of consolidated title T23686/2012,owned by it ("**Diepkloof Property**"); and

1.41.3 all of its rights and obligations under the lease agreements in terms of which Diepkloof Plaza lets the premises on the Diepkloof Property as lessor,

to the Company in exchange for the allotment and issue by the Company of ordinary shares, the number of which is determined in accordance with the relevant exchange agreement; and

2. a sale of property agreement with –

2.1 Lusiki Plaza in terms of which, *inter alia*, Lusiki Plaza disposed of Erf 2810 Lusikisiki Township, Registration Division RD, Province of the Eastern Cape, measuring 3.2187 hectares in extent and held by certificate of consolidated title T0356/2013 ("**Lusiki Plaza Property**") owned by it, to the Company, for a purchase price equal to the value of the Lusiki Plaza Property as at 30 November 2017 (disregarding the share block arrangement), determined by Peter Parfitt of Quadrant Properties Proprietary Limited, which purchase price will be discharged by –

2.1.1 the Company paying an amount of R102 600 300 to Lusiki Plaza on the signature date of the agreement; and

2.1.2 the balance of the purchase price being left outstanding on loan account;

2.2 Emoyeni Mall in terms of which, *inter alia*, Emoyeni Mall will dispose of Erf 357 Emoyeni-MP Township, Registration Division JT, Province of Mpumalanga, measuring 6.5898 hectares in extent and held certificate of consolidated title T9544/2015 ("**Emoyeni Property**"), owned by it, to the Company, for a purchase price equal to the value of the Emoyeni Property as at 30 November 2017 (disregarding the share block arrangement), determined by Peter Parfitt of Quadrant Properties Proprietary Limited, which purchase price will be discharged by –

2.2.1 the Company paying an amount of R183 221 611 to Emoyeni Mall on the signature date of the agreement; and

2.2.2 the balance of the purchase price being left outstanding on loan account; and

2.3 Atteridge Centre in terms of which, *inter alia*, Atteridge Centre will dispose of Erf 16364, Atteridgeville Township, Registration Division JR, province of Gauteng, measuring 1.2432 hectares in extent, and held under certificate of consolidated title T69443/2011 ("**Atteridge Property**"), owned by it, to the Company, for a purchase price equal to the value of the Atteridge Property as at 30 November 2017 (disregarding the share block arrangement), determined by Peter Parfitt of Quadrant Properties Proprietary Limited, which purchase price will be discharged by –

2.3.1 the Company paying an amount of R17 609 027 to Atteridge Centre on the signature date of the agreement; and

2.3.2 the balance of the purchase price being left outstanding on loan account; and

3. a sale of business agreement with McCormick Property Development Proprietary Limited ("**MPD**"), in terms of which, *inter alia*, MPD disposed of its property management business to the Company for a purchase consideration of R100.

MATERIAL BORROWINGS AND LOANS PAYABLE AND RECEIVABLE

1. MATERIAL LOANS PAYABLE BY THE GROUP

The following material loans were made to the company and its subsidiaries as at the last practicable date.

Lender	Borrower	Facility amount as at 1 June 2018	Origination	Description	Interest rate	Terms and conditions of repayment	Maturity date	Security	If payable within 12 months how repayment to be financed
Rand Merchant Bank	Exemplar	R300 000 000	General funding purposes	36 month property finance loan facility	3 month JIBAR + 159bps	Interest only	31 May 2021	*Pro rata* share of: First Covering Mortgage Bond for R602 400 000 over Erf 8049 Far East Bank Ext 4. First Covering Mortgage Bond for R109 200 000 over Erf 16364 Atteridgeville. First Covering Mortgage Bond for R246 000 000 over Erf 1173 Bochum-A Ext 3. First Covering Mortgage Bond for R558 000 000 over Erf 14669 Vosloorus Ext 1. First Covering Mortgage Bond for R326 400 000 over the leasehold improvements on portion 1 of Erf 25161 and Remainder of Erf 25161 Diepkloof. First Covering Mortgage Bond for R442 800 000 over Portion 3 of Erf 441 Plessislaer. First Covering Mortgage Bond for R404 400 000 over Erf 357 Emoyeni-MP. First Covering Mortgage Bond for R349 352 554 over Portion 12 (a portion of Portion 3) of the farm Kwaggafontein 216JR. First Covering Mortgage Bond for R74 520 000 over Portion of the Farm Rita 668LT. First Covering Mortgage Bond for R206 400 000 over Erf 2810 Lusikisiki.	N/A

Lender	Borrower	Facility amount as at 1 June 2018	Origination	Description	Interest rate	Terms and conditions of repayment	Maturity date	Security	If payable within 12 months how repayment to be financed
								First Covering Mortgage Bond for R132 000 000 over the leasehold improvements on Portion of the farm Reserve 21 Registration Division 16882FU (Lease 1). First Covering Mortgage Bond for R305 400 000 over Erf 3302 Nylstroom Ext 22 and Erf 3303 Nylstroom Ext 35. First Covering Mortgage Bond for R119 280 000 over Erf 20 Ga-Kgapane 1A. First Covering Mortgage Bond for R320 400 000 over Erf 12852 Olievenhoutbosch x38. First Covering Mortgage Bond for R348 000 000 over the leasehold improvements on Portion 12 of the farm Enkeldoringoog No 651 JR. First Covering Mortgage Bond for R109 200 000 over Portion 121 (of 4) of the farm Blauwbosch Laagte A No 8892 HT. First Covering Mortgage Bond for R316 800 000 over Erf 741 Soshanguve-VV. First Covering Mortgage Bond for R462 000 000 over Portion 1 of Erf 7940 Tsakane. A pledge and cession of all the company's shares in its subsidiaries and Acornhoek. A cession of rental income and rights under all leases in respect of the aforementioned properties. A cession of insurance proceeds in respect of the aforementioned properties.	
Standard Bank	Exemplar	R120 000 000	General funding purposes	36 month property finance loan facility	3 month JIBAR + 168bps	Interest only	31 May 2021	As above	N/A

Lender	Borrower	Facility amount as at 1 June 2018	Origination	Description	Interest rate	Terms and conditions of repayment	Maturity date	Security	If payable within 12 months how repayment to be financed
ABSA	Exemplar	R200 000 000	General funding purposes	36 month property finance loan facility	3 month JIBAR + 165bps	Interest only	31 May 2021	As above	N/A
Standard Bank	Exemplar	R250 000 000	General funding purposes	48 month property finance loan facility	3 month JIBAR + 182bps	Interest only	31 May 2022	As above	N/A
Rand Merchant Bank	Exemplar	R180 000 000	General funding purposes	48 month property finance loan facility	3 month JIBAR + 188bps	Interest only	31 May 2022	As above	N/A
ABSA	Exemplar	R250 000 000	General funding purposes	60 month property finance loan facility	3 month JIBAR + 190bps	Interest only	31 May 2023	As above	N/A
Nedbank	Exemplar	R600 000 000	General funding purposes	60 month property finance loan facility	3 month JIBAR + 220bps	Interest only	31 May 2023	As above	N/A
ABSA	Exemplar	R180 000 000	General funding purposes	36 month revolving credit facility	3 month JIBAR + 175bps	Interest only	31 May 2021	As above	N/A
Standard Bank	Exemplar	R200 000 000	General funding purposes	36 month revolving credit facility	Prime - 156bps	Interest only	31 May 2021	As above	N/A

2. **MATERIAL LOANS RECEIVABLE BY THE GROUP**

2.1 There are no interest and/capital redemption payments in arrears.

2.2 Other than those loans to entities in which directors have an interest as disclosed in this prospectus and which may indirectly benefit those directors, there have been no loans furnished to or for the benefit of any director or manager or any associate of any director or manager of the group.

DETAILS OF ACQUISITIONS AND VENDORS

The material immovable properties, subsidiaries and investments acquired by the group for the period from incorporation of the company to the last practicable date and immovable properties, subsidiaries and investments to be acquired are detailed in the table below, together with the names and addresses of the vendors of the immovable properties and/or securities purchased by Exemplar and/or its subsidiaries and the consideration paid to the vendors.

Name and nature of the asset acquired	Entity which acquired the asset	Name of vendor/s	Address of vendor/s	Names of beneficial shareholders of vendor/s	Date of acquisition or proposed acquisition or option by Exemplar and/or its subsidiary	Issue of securities	Cash portion (R)	Other	Loans incurred to finance acquisition	Valuation as 31 November 2018 (% owned by Exemplar)	Goodwill/ Intangible assets paid and manner in which accounted for	Date of acquisition by the vendor (if purchased within preceding 3 years)	Cost of asset to vendor (if purchased within preceding 3 years)	Amount paid for goodwill by vendor
Acornhoek *Shares*	Exemplar	John McCormick Family Trust	See note 1	See note 1	1 June 2018	18 625 208	–	–	N/A	See Annexures 7 and 8	–	N/A	N/A	–
Alex *Shares*	Exemplar	– John McCormick Family Trust	– JMFT see note 1	– See note 1	1 June 2018	17 409 602	36 167 519	–	N/A	See Annexures 7 and 8	–	30 June 2015	R26 907 600 (as per title deed)	–
		– Isabelo Trust	– Isabelo Trust PO Box 84490, Greenside 2034	– N/A – vendors are trusts										
		– Bekker Trust	– Bekker Trust PO Box 78772, Sandton, 2146											
		– Saunders Familie Trust	– Saunders Familie Trust PO Box 36039 Menlo Park 0121											
		– Toebes Trust	– Toebes Trust PO Box 78772, Sandton 2146											
		– Galaxcoc Properties – Retail Proprietary Limited	– The Greater Alexander Chamber of Commerce Alexandra Motswedi Centre, No. 17 Arkwright Avenue, Wynberg, 2090	– Alexandra Chamber of Commerce and Industries NPC										

Name and nature of the asset acquired	Entity which acquired the asset	Name of vendor/s	Address of vendor/s	Names of beneficial shareholders of vendor/s	Date of acquisition or proposed acquisition or option by Exemplar and/or its subsidiary	Issue of securities	Cash portion (R)	Other	Loans incurred to finance acquisition	Valuation as 31 November 2018 (% owned by Exemplar)	Goodwill/ Intangible assets paid and manner in which accounted for	Date of acquisition by the vendor (if purchased within preceding 3 years)	Cost of asset to vendor (if purchased within preceding 3 years)	Amount paid for goodwill by vendor
Atteridge *Shares*	Exemplar	– John McCormick Family Trust – Phelindaba Shopping Centre Proprietary Limited	– See note 1 – Phelindaba Shopping Centre Proprietary Limited No 2 corner Hlahla and Ramokgopa	– See note 1 – Phelindaba Shopping Centre Proprietary Limited ME Sehume; MLQ Mboweni; Z Simango; E Hlatshwayo; SA Etsane; S Mothabela; RL Moraka; SMM Etsane; MN Phoshoko; ML Moeng; M Tshabalala; S Masemola; BS Masemene; FM Sehloho; BD Athole; LL Mtimkulu; ZZ Mashao; GS Dube; ML Mashiele; FJ Mtimkulu; MRR Mathbula; M Mphahlele; MA Schultz; FT Moloant; MC Phoshoko; JM Kekana; E Mnisi; AM Serepa; JK Ngwenyama; DM Ramokgopa; O Mahebula; T Mosupye; P Mothiba; S Molepo; J Madungandaba; SM Leshaba	1 June 2018	7 393 708	–	–	N/A	See Annexures 7 and 8	–	N/A	N/A	–
Blouberg Mall *Investment property*	Exemplar	– John McCormick Family Trust – Dilala Family Trust – Selamo Trust	– See note 1 – Dilala Family Trust PO Box 11496, Bendor Park, 0713 – Selamo Trust PO Box 11971 Bendor Park, 0699	– See note 1 – N/A – vendors are trusts	1 June 2018	14 557 154	–	–	N/A	See Annexures 7 and 8	–	N/A	N/A	–

Name and nature of the asset acquired	Entity which acquired the asset	Name of vendor/s	Address of vendor/s	Names of beneficial shareholders of vendor/s	Date of acquisition or proposed acquisition or option by Exemplar and/or its subsidiary	Issue of securities	Cash portion (R)	Other	Loans incurred to finance acquisition	Valuation as 31 November 2018 (% owned by Exemplar)	Goodwill/ Intangible assets paid and manner in which accounted for	Date of acquisition by the vendor (if purchased within preceding 3 years)	Cost of asset to vendor (if purchased within preceding 3 years)	Amount paid for goodwill by vendor
Chris Hani Crossing *Investment property*	Exemplar	John McCormick Family Trust	See note 1	See note 1	1 June 2018	46 164 625	–	–	N/A	See Annexures 7 and 8	–	N/A	N/A	–
Diepkloof Plaza *Investment property*	Exemplar	– John McCormick Family Trust – Shanduka Properties Proprietary Limited	– See note 1 – Shanduka Properties Proprietary Limited 34 Impala Road, Unit 2, Block A, Chislehurston	– See note 1 – Micawber 799 Proprietary Limited	1 June 2018	16 440 379	–	–	N/A	See Annexures 7 and 8	–	N/A	N/A	–
Edendale Mall *Investment property*	Exemplar	– John McCormick Family Trust – Ziningi Properties Proprietary Limited	– See note 1 – PO Box 12126, Dorpspruit, Pietermaritzburg, KwaZulu Natal, 3206	– See note 1 – June Alexander Family Trust	1 June 2018	16 452 386	–	–	N/A	See Annexures 7 and 8	–	N/A	N/A	–
Emoyeni *Shares*	Exemplar	John McCormick Family Trust	See note 1	See note 1	1 June 2018	15 495 319	–	–	N/A	See Annexures 7 and 8		Erf 353: 30 June 2015 Erf 354 and Erf 356: 30 June 2015	Erf 354 : R120 000 Erf 353 & 356: R2 780 000	–
Jane Furse *Shares*	Exemplar	John McCormick Family Trust	See note 1	See note 1	1 June 2018	10 823 018	–	–	N/A	See Annexures 7 and 8	–	N/A	N/A	–
Kwagga Plaza *Shares*	Exemplar	– John McCormick Family Trust – Daniel Nakene Family Trust	– See note 1 – Daniel Nakene Family Trust PO Box 2453, Bester Park, Bronkhorstspruit, 1020	See note 1 – N/A – vendor is a trust	1 June 2018	25 081 600	37 950 000	–	N/A	See Annexures 7 and 8	–	N/A	N/A	–
Lusiki *Shares*	Exemplar	John McCormick Family Trust	See note 1	See note 1	1 June 2018	7 170 731	–	–	N/A	See Annexures 7 and 8	–	N/A	N/A	–
Maake *Shares*	Exemplar	John McCormick Family Trust	See note 1	See note 1	1 June 2018	9 212 025	–	–	N/A	See Annexures 7 and 8	–	N/A	N/A	–
Mandeni *Shares*	Exemplar	John McCormick Family Trust	See note 1	See note 1	1 June 2018	2 329 882	25 570 402	–	N/A	See Annexures 7 and 8	–	N/A	N/A	–

Name and nature of the asset acquired	Entity which acquired the asset	Name of vendor/s	Address of vendor/s	Names of beneficial shareholders of vendor/s	Date of acquisition or proposed acquisition or option by Exemplar and/or its subsidiary	Issue of securities	Cash portion (R)	Other	Loans incurred to finance acquisition	Valuation as 31 November 2018 (% owned by Exemplar)	Goodwill/ Intangible assets paid and manner in which accounted for	Date of acquisition by the vendor (if purchased within preceding 3 years)	Cost of asset to vendor (if purchased within preceding 3 years)	Amount paid for goodwill by vendor
Modimall *Shares*	Exemplar	– John McCormick Family Trust – Eurosun Properties Proprietary Limited – Johan Fourie Gesinstrust	– See note 1 – Eurosun Properties Proprietary Limited PO Box 2899, Randburg, 2125 – Johan Fourie Gesinstrust 4 Selwyn Crescent, Randhart, Alberton, 1449	– See note 1 – R De Matteis; WC Annandale (Estate) – N/A – vendor is a trust	1 June 2018	9 062 753	32 056 604	–	N/A	See Annexures 7 and 8	–	N/A	N/A	–
Modjadji *Investment property*	Exemplar	John McCormick Family Trust	See note 1	See note 1	1 June 2018	7 924 040	–	–	N/A	See Annexures 7 and 8	–	N/A	N/A	–
Olievenhout Plaza *Investment property*	Exemplar	– John McCormick Family Trust – Nedbank Limited	– See note 1 – Nedbank Head Office – 135 Rivonia Road – Sandton, 2196	– See note 1 – Listed company with numerous shareholders	1 June 2018	12 810 228	–	–	N/A	See Annexures 7 and 8	–	N/A	N/A	–
Phola *Shares*	Exemplar	– John McCormick Family Trust – Hlekwa Paulus Mahlangu	– See note 1 – PO Box 192, eMpumalanga, 458	– See note 1 – N/A – vendor is not a company	1 June 2018	7 774 013	–	–	N/A	See Annexures 7 and 8	–	Long term lease notarially registered on 17 March 2015	N/A	–
Theku Plaza *Shares*	Exemplar	– John McCormick Family Trust – Moratiwa Tsatsela Masemola Family Trust	– See note 1 – PO Box 9030 Centurion, 0043	– See note 1 – N/A – vendor is not a company	1 June 2018	8 084 250	–	–	N/A	See Annexures 7 and 8	–	N/A	N/A	–
Thorntree Shopping Centre *Investment property*	Exemplar	– John McCormick Family Trust – Safdev SSOC Proprietary Limited	– See note 1 – PO Box 78772, Sandton, 2146	– See note 1 – The Saunders Family Trust, The Bekker Trust, The Toebes Trust	1 June 2018	24 006 372	–	–	N/A	See Annexures 7 and 8	–	N/A	N/A	–
Tsakane *Shares*	Exemplar	John McCormick Family Trust	See note 1	See note 1	1 June 2018	34 481 843	4 168 693	–	N/A	See Annexures 7 and **8**	–	N/A	N/A	–

Name and nature of the asset acquired	Entity which acquired the asset	Name of vendor/s	Address of vendor/s	Names of beneficial shareholders of vendor/s	Date of acquisition or proposed acquisition or option by Exemplar and/or its subsidiary	Issue of securities	Cash portion (R)	Other	Loans incurred to finance acquisition	Valuation as 31 November 2018 (% owned by Exemplar)	Goodwill/ Intangible assets paid and manner in which accounted for	Date of acquisition by the vendor (if purchased within preceding 3 years)	Cost of asset to vendor (if purchased within preceding 3 years)	Amount paid for goodwill by vendor
Moonspan Investments *Shares*	Exemplar	– John McCormick Family Trust – Kentsa Business Enterprise CC – Thato Mosupye	– See note 1 – 34 Block N, Mabopane, 0000	– See note 1 – Choene Michael Maswanganye	1 September 2019	4 460 730	–	–	N/A	See Annexures 7 and 8	–	N/A	N/A	–
Katale Square *Shares*	Exemplar	– John McCormick Family Trust – The Molai Family Trust	– See note 1 – PO Box 2401, Skilpadfontein, 0431	– See note 1 – N/A – vendor is not a company	1 April 2019	1 418 000	–	–	N/A	See Annexures 7 and 8	–	N./A	N/A	–
Arlyn Investments *Shares*	Exemplar	– John McCormick Family Trust – Johan Fourie Gesinstrust – Makotanyane Dimo Moroamoche	– See note 1 – 4 Selwyn Crescent, Randhart, Alberton, 1449	– See note 1 – N/A – vendor is not a company	1 October 2019	2 890 000	–	–	N/A	See Annexures 7 and 8	–	N/A	N/A	–

Notes:

1. JMFT's address is Lyttleton Road and Leyden Avenue, Clubview, Centurion, 0157. As JMFT is a trust it does not have shareholders.
2. Arlyn Investments will cede and assign all its rights and obligations under the exchange agreement detailed in **Annexure 10** to Kuhumelela Mall post the listing.

REPORT BY THE AUDITOR IN TERMS OF REGULATION 79 OF THE COMPANIES ACT

The Board of Directors
Exemplar REITail Limited
Lyttelton Road and Leyden Avenue
Clubview
Centurion
0157

11 May 2018

Dear Sirs

AUDITORS REPORT FOR EXEMPLAR REITAIL LIMITED ("EXEMPLAR") IN TERMS OF REGULATION 79 OF THE SOUTH AFRICAN COMPANIES ACT

In terms of Regulation 79 of the Companies Act 71 of 2008 (the "Act"), a company issuing a prospectus in respect of which no annual financial statements were made out by or for the company in respect of any part of the three years ending on a date three months before the issue of the prospectus, is required to state that fact.

Grant Thornton is the appointed auditor of Exemplar. Given that the incorporation date of Exemplar is 17 January 2018 and the first annual financial statements will be for the period ended 28 February 2019, no annual financial statements were made out by or for the company as at the date of signature of this report, in respect of any part of the three years ending on a date three months before the issue of the prospectus.

We hereby consent to the inclusion of this letter in its entirety in the prospectus to be issued on or about 30 May 2018.

Yours faithfully

GRANT THORNTON
Registered Auditors
Practice Number: 903485E

GM Chaitowitz
Partner
Registered Auditor
Chartered Accountant (SA)

FORECAST STATEMENTS OF COMPREHENSIVE INCOME OF EXEMPLAR

Set out below are the forecast statements of comprehensive income of the Exemplar group ("**forecasts**") for the nine months ending 28 February 2019 and the year ending 29 February 2020 ("**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 accountant's report thereon which is attached as **Annexure 15**. The forecasts have been prepared in compliance with IFRS and in accordance with the group's accounting policies as set out in **Annexure 21**.

R'000	**Forecast for the nine months ending 28 February 2019**	**Forecast for the year ending 29 February 2020**
Rental revenue	547 858	807 409
Rental revenue and recoveries	510 088	777 127
Straight-line lease revenue adjustments	37 770	30 282
Property operating expenses	(180 669)	(279 329)
Net rental and related income	**367 189**	**528 080**
Other income	8 309	11 924
Administrative expenses and corporate costs	(23 041)	(32 550)
Profit from operations	**352 457**	**507 454**
Finance income	11 764	20 290
Finance costs	(128 263)	(191 018)
Profit before fair value adjustments	**235 958**	**336 726**
Fair value adjustments	(37 770)	(30 282)
Profit before taxation	**198 188**	**306 444**
Taxation	–	–
Total profit for the year	**198 188**	**306 444**
Total profit attributable to:		
Equity holders of Exemplar	191 585	296 271
Non-controlling interests	6 603	10 173

Reconciliation between earnings and headline earnings

R'000	Forecast for the nine months ending 28 February 2019	Forecast for the year ending 29 February 2020
Profit for the year attributable to shareholders	191 585	296 271
Change in fair values of investment properties	37 770	30 282
Headline earnings	**229 355**	**326 553**
Straight-line lease revenue adjustments	(37 770)	(30 282)
Antecedent adjustment	4 641	3 564
Distributable income	**196 226**	**299 835**
Number of shares in issue	319 739 136	328 507 866
Weighted average number of shares in issue	311 897 484	324 473 501
Basic and diluted earnings per share (cents)	61.43	91.31
Headline earnings per share (cents)	73.54	100.64
Distributable income per share (cents)	61.37	91.27

Analysis of the contractual nature of rental revenue

%	Forecast for the nine months ending 28 February 2019	Forecast for the year ending 29 February 2020
Contracted rental revenue	85.1	66.9
Near-contracted rental revenue	12.0	24.2
Uncontracted rental revenue	1.3	1.1
Contracted revenue linked to a rental guarantee	1.6	7.8
	100.0	**100.0**

Notes and assumptions:

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

1. Exemplar's management forecasts for the nine months ending 28 February 2019 and the year ending 29 February 2020 are based on information derived from lease contracts, historical information and information provided by the property manager and the independent valuers;
2. Exemplar will not acquire or dispose of any properties during the forecast periods, other than as set out in **Annexure 10**;
3. Revenue and recoveries includes rental income, recoveries, and other property related income such as marketing revenue, of which the portion relating to basic rental income amounts to R356.7 million for the nine months ending 28 February 2019 and R539.8 million for the year ending 29 February 2020;
4. Contracted rental income is based on existing lease agreements;
5. Leases expiring during the periods have been forecast on a lease-by-lease basis based on previously contracted terms from which date the lease income is classified as near-contracted rental income. Forecast rates for near-contracted rental income have been considered in light of current market rates;
6. Uncontracted rental income comprises 1.3% of rental income for the nine months ending 28 February 2019 and 1.1% of rental income for the year ending 29 February 2020 and where applicable no vacancy period has been forecast;
7. Contracted revenue linked to a rental guarantee by a vendor comprises 1.6% of rental income for the nine months ending 28 February 2019 and 7.8% of rental income for the year ending 29 February 2020;
8. New leases have been taken into consideration at current market rates in circumstances where discussion with the lessee has proven positive.
9. Turnover rental (rental income based on the actual turnover of the tenant) has been forecast based on management's income budget for each property;
10. The following three properties are currently under development and forecast to be completed and commence trading as indicated below:
    10.1 Marapyane (Katale Square) – 1 April 2019;
    10.2 Mabopane (Moonspan Investments) – 1 September 2019; and
    10.3 Riba Cross (Arlyn Investments) – 1 October 2019
11. Current vacant GLA has been assumed to remain vacant for the entire forecast periods;
12. Property operating expenditure has been forecast on a line-by-line basis for each property based on management's expenditure budget for the property;
13. Administration costs for the forecast periods include staff, overhead and listing costs of Exemplar;
14. Interest income is assumed to be earned at 9% per annum over the forecast period; and
15. Existing interest-bearing liabilities of R1.9 billion bears interest at a weighted average 9.0% per annum.
16. No fair value adjustment is assumed in the forecast period other than an adjustment to counter the effects of the straight-line lease revenue adjustment.

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

1. The date on which the risk and rewards of ownership are assumed to transfer is 1 June 2018 (being the effective date);
2. There will be no unforeseen economic factors that will affect the lessees' ability to meet their commitments in terms of existing lease agreements;
3. Consumption based recoveries are consistent with the valuer's property income statements;
4. Material items of expenditure within the property expenses line item include:
   4.1 R95.2 million in electricity and R23.9 million in rates in respect of the nine months ending 28 February 2019; and
   4.2 R150.6 million in electricity and R35.6 million in rates in respect of the year ending 29 February 2020.
5. No material items of expenditure are expected to increase by more than 15% from historical cost.

The forecasts have been compiled in full compliance with Exemplar's IFRS accounting policies and have been prepared on an aggregated basis for the property portfolios.

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE FORECAST STATEMENTS OF COMPREHENSIVE INCOME OF EXEMPLAR

The Board of Directors
Exemplar REITail Limited
Lyttelton Road and Leyden Avenue
Clubview
Centurion
0157

11 May 2018

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE FORECAST STATEMENT OF COMPREHENSIVE INCOME OF EXEMPLAR REITAIL LIMITED ("EXEMPLAR")

Report on the identified property forecast information

We have undertaken a reasonable assurance engagement in respect of the accompanying property forecast of Exemplar for the periods ending 28 February 2019 and 29 February 2020 set out in **Annexure 14** of the Exemplar prospectus to be issued on or about 30 May 2018 ("**the Prospectus**"), 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 during the forecast periods ("**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 14** of the Prospectus 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 14** of the Prospectus to the forecast information in accordance with paragraphs 13.12 – 13.14 of the JSE Listings Requirements (JSE 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 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 periods ending 28 February 2019 and 29 February 2020.

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 Exemplar'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 periods ending 28 February 2019 and 29 February 2020.

Purpose of the report

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

Report on other legal and regulatory requirements

In accordance with our responsibilities set out in the JSE 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
Registered Auditors
Practice Number: 903485E

Ian Vorster
Partner
Registered Auditor
Chartered Accountant (SA)

CONSOLIDATED *PRO FORMA* STATEMENT OF FINANCIAL POSITION OF EXEMPLAR

Set out below is the consolidated *pro forma* statement of financial position of Exemplar based on the reviewed statement of financial position of the Exemplar Group as at 31 August 2017. The consolidated *pro forma* statement of financial position has been prepared to reflect the financial position of Exemplar after adjusting for the acquisitions set out in **Annexure 10** (collectively, "**the adjustments**"), on the assumption that the adjustments took place on 31 August 2017, and on the basis set out in the notes to the consolidated *pro forma* statement of financial position below.

The consolidated *pro forma* statement of financial position is the responsibility of the directors of Exemplar and has been prepared for illustrative purposes to illustrate the effects of the adjustments on Exemplar's financial position at 31 August 2017. Due to the nature of the consolidated *pro forma* statement of financial position, it may not give a fair reflection of the financial position, changes in equity, results of operations or cash flows of Exemplar after the adjustments.

The independent reporting accountant's report on the consolidated *pro forma* statement of financial position is set out in **Annexure 17**. The independent reporting accountant's report on the value and existence of assets and liabilities to be acquired by the company is set out in **Annexure 18**.

The consolidated *pro forma* financial information has been prepared in terms of IFRS, The Guide on *Pro forma* Financial Information issued by SAICA and the accounting policies of the company set out in **Annexure 21**.

***PRO FORMA* STATEMENT OF FINANCIAL STATEMENT OF FINANCIAL POSITION**

R'000	Before	Alex Mall	Atteridge	Blouberg Mall	Diepkloof Plaza	Edendale Mall	Emoyeni	Kwagga	Mandeni
Note	*Note 1*	*Note 2*	*Note 2*	*Note 2*	*Note 2*	*Note 2*	*Note 2*	*Note 2*	*Note 2*
ASSETS									
Non-current assets	**2 979 011**	**410 616**	**45 437**	**–**	**218 697**	**300 925**	**52 757**	**14 238**	**124 138**
Investment property	2 503 557	487 845	44 244	–	232 028	351 435	51 293	14 060	161 143
Property, plant and equipment	36	226	–	–	–	9 385	–	–	9
Operating lease asset	72 198	4 553	1 193	–	34 273	–	1 464	178	4 753
Investment in associate	403 220	(82 008)	–	–	(47 604)	(59 895)	–	–	(41 767)
Current assets	**116 354**	**12 395**	**934**	**–**	**7 244**	**6 636**	**1 561**	**296**	**2 195**
Trade and other receivables	17 450	4 294	697	–	1 535	2 457	364	208	175
Loans to shareholders	–	–	–	–	–	–	–	–	–
Financial assets	49 750	–	–	–	–	–	–	–	–
Cash and cash equivalents	49 154	8 101	237	–	5 709	4 179	1 197	88	2 020
Total assets	**3 095 365**	**423 011**	**46 371**	**–**	**225 941**	**307 561**	**54 318**	**14 534**	**126 333**

R'000	Before	Alex Mall	Atteridge	Blouberg Mall	Diepkloof Plaza	Edendale Mall	Emoyeni	Kwagga	Mandeni
Note	*Note 1*	*Note 2*	*Note 2*	*Note 2*	*Note 2*	*Note 2*	*Note 2*	*Note 2*	*Note 2*
EQUITY AND LIABILITIES									
Equity	**1 976 127**	**45 834**	**34 808**	**21 970**	**72 742**	**55 312**	**23 058**	**14 278**	**(25 570)**
Stated capital	1 976 127	45 834	34 808	21 970	72 742	55 312	23 058	14 278	(25 570)
Non-controlling interests	**69 812**	–	–	**(21 970)**	–	–	–	–	**16 196**
Non-current liabilities	**893 825**	**369 014**	**8 194**	–	**148 894**	**243 386**	**44 440**	–	**120 162**
Other financial liabilities	608 769	331 553	8 194	–	106 221	214 644	44 440	–	110 746
Operating lease liability	556	–	–	–	–	–	–	–	–
Deferred tax	284 500	37 461	–	–	42 673	28 742	–	–	9 416
Current liabilities	**155 601**	**8 163**	**3 369**	–	**4 305**	**8 863**	**(13 180)**	**256**	**15 545**
Trade and other payables	55 227	8 163	1 550	–	4 305	8 863	557	256	15 545
Loans from shareholders	544	–	–	–	–	–	–	–	–
Other financial liabilities	99 229	–	1 819	–	–	–	(13 737)	–	–
Current tax payable	601	–	–	–	–	–	–	–	–
Total equity and liabilities	**3 095 365**	**423 011**	**46 371**	–	**225 941**	**307 561**	**54 318**	**14 534**	**126 333**
Number of shares in issue	196 498 268	9 126 764	3 770 791	14 557 154	16 440 379	16 452 386	–	1 466 196	–

R'000	Modimall	Modjadji Plaza	Olievenhout Plaza	Theku Plaza	Thorntree Shopping Centre	Chris Hani Crossing	Tsakane	Phola	Sub-total – Restructure and consolidation of group
Note	*Note 2*	*Note 2*	*Note 2*	*Note 2*	*Note 2*	*Note 2*	*Note 2*	*Note 2*	*Note 3*
ASSETS									
Non-current assets	**156 975**	**–**	**–**	**–**	**166 054**	**–**	**–**	**362 785**	**4 831 633**
Investment property	175 796	–	–	–	246 613	–	–	418 106	4 686 120
Property, plant and equipment	–	–	–	–	–	–	–	125	9 781
Operating lease asset	5 104	–	–	–	12 016	–	–	–	135 732
Investment in associate	(23 925)	–	–	–	(92 575)	–	–	(55 446)	–
Current assets	**2 529**	**(2 500)**	**–**	**1**	**6 864**	**(9 300)**	**–**	**12 867**	**158 076**
Trade and other receivables	1 499	–	–	–	501	–	–	11 726	40 906
Loans to shareholders	–	–	–	–	–	–	–	–	–
Financial assets	–	(2 500)	–	1	–	(9 300)	–	–	37 951
Cash and cash equivalents	1 030	–	–	–	6 363	–	–	1 141	79 219
Total assets	**159 504**	**(2 500)**	**–**	**1**	**172 918**	**(9 300)**	**–**	**375 652**	**4 989 709**

R'000	Modimall	Modjadji Plaza	Olievenhout Plaza	Theku Plaza	Thorntree Shopping Centre	Chris Hani Crossing	Tsakane	Phola	Sub-total – Restructure and consolidation of group
Note	***Note 2***	***Note 2***	***Note 2***	***Note 2***	***Note 2***	***Note 2***	***Note 2***	***Note 2***	***Note 3***
EQUITY AND LIABILITIES									
Equity	**6 295**	**1 589**	**22 791**	**12 798**	**92 446**	**79 402**	**(12 849)**	**19 463**	**2 440 494**
Stated capital	6 295	1 589	22 791	12 798	92 446	79 402	(12 849)	19 463	2 440 494
Non-controlling interests	**–**	**–**	**(22 247)**	**(12 797)**	**–**	**–**	**–**	**66 429**	**95 423**
Non-current liabilities	**149 284**	**4 041**	**–**	**–**	**74 674**	**(64 673)**	**–**	**280 065**	**2 271 306**
Other financial liabilities	153 147	4 041	–	–	26 810	(64 673)	–	240 055	1 783 947
Operating lease liability	–	–	–	–	–	–	–	–	556
Deferred tax	(3 863)	–	–	–	47 864	–	–	40 010	486 803
Current liabilities	**3 925**	**(8 130)**	**(544)**	**–**	**5 798**	**(24 029)**	**12 849**	**9 695**	**182 486**
Trade and other payables	3 925	–	–	–	5 798	–	–	9 695	113 884
Loans from shareholders	–	–	(544)	–	–	–	–	–	–
Other financial liabilities	–	(8 130)	–	–	–	(24 029)	12 849	–	68 001
Current tax payable	–	–	–	–	–	–	–	–	601
Total equity liabilities	**159 504**	**(2 500)**	**–**	**1**	**172 918**	**(9 300)**	**–**	**375 652**	**4 989 709**
Number of shares in issue	2 748 468	–	12 810 228	1 714 841	24 006 372	–	–	1 840 049	–

R'000	Fair value adjustment	Movement in net income and movement in shareholder loans pre-listing	Reversal of deferred taxation	Shares issued in terms of the share scheme and subscription of shares for cash	Settlement of listing expenses	*Pro forma* after (pre-new developments)	Katale Square (New development)	Moonspan Investments (New development)	Arlyn Investments (New development)	*Pro forma* after (post developments)
Note	*Note 4*	*Note 5*	*Note 6*	*Note 7*	*Note 8*	*Note 9*	*Note 10*	*Note 10*	*Note 10*	*Note 11*
ASSETS										
Non-current assets	**85 991**	**–**	**–**	**–**	**–**	**4 917 624**	**110 000**	**177 000**	**168 600**	**5 373 224**
Investment property	85 991	–	–	–	–	4 772 111	110 000	177 000	168 000	5 227 711
Property, plant and equipment	–	–	–	–	–	9 781	–	–	–	9 781
Operating lease asset	–	–	–	–	–	135 732	–	–	–	135 732
Investment in associate	–	–	–	–	–	–	–	–	–	–
Current assets	**–**	**78 900**	**–**	**44 400**	**(20 000)**	**261 376**	**–**	**–**	**–**	**261 376**
Trade and other receivables	–	–	–	–	–	40 906	–	–	–	40 906
Loans to shareholders	–	–	–	–	–	–	–	–	–	–
Financial assets	–	–	–	43 300	–	81 251	–	–	–	81 251
Cash and cash equivalents	–	78 900	–	1 100	(20 000)	139 219	–	–	–	139 219
Total assets	**85 991**	**78 900**	**–**	**44 400**	**(20 000)**	**5 179 000**	**110 000**	**177 000**	**168 600**	**5 634 600**

R'000	Fair value adjustment	Movement in net income and movement in shareholder loans pre-listing	Reversal of deferred taxation	Shares issued in terms of the share scheme and subscription for shares in cash	Settlement of listing expenses	*Pro forma* after (pre-new developments)	Katale Square (New development)	Moonspan Investments (New development)	Arlyn Investments (New development)	*Pro forma* after (post developments)
Note	*Note 4*	*Note 5*	*Note 6*	*Note 7*	*Note 8*	*Note 9*	*Note 10*	*Note 10*	*Note 10*	*Note 11*
EQUITY AND LIABILITIES										
Equity	**89 281**	**75 514**	**378 266**	**44 400**	**(20 000)**	**3 007 955**	**14 180**	**44 607**	**28 900**	**3 095 642**
Stated capital	89 281	75 514	378 266	44 400	(20 000)	3 007 955	14 180	44 607	28 900	3 095 642
Non-controlling interests	**(3 290)**	**3 386**	**26 771**	**–**	**–**	**122 290**	**–**	**–**	**–**	**122 290**
Non-current liabilities	**–**	**–**	**(405 037)**	**–**	**–**	**1 866 269**	**95 820**	**132 393**	**139 700**	**2 234 182**
Other financial liabilities	–	–	–	–	–	1 783 947	95 820	132 393	139 700	2 151 860
Operating lease liability	–	–	–	–	–	556	–	–	–	556
Deferred tax	–	–	(405 037)	–	–	81 766	–	–	–	81 766
Current liabilities	**–**	**–**	**–**	**–**	**–**	**182 486**	**–**	**–**	**–**	**182 486**
Trade and other payables	–	–	–	–	–	113 884	–	–	–	113 884
Loans from shareholders	–	–	–	–	–	–	–	–	–	–
Other financial liabilities	–	–	–	–	–	68 001	–	–	–	68 001
Current tax payable	–	–	–	–	–	601	–	–	–	601
Total equity and liabilities	**85 991**	**78 900**	**–**	**44 400**	**(20 000)**	**5 179 000**	**110 000**	**177 000**	**168 600**	**5 634 600**
Number of shares in issue	–	–	–	4 440 000	–	305 871 896	1 418 000	4 460 730	2 890 000	314 640 626

R'000	Fair value adjustment	Movement in net income and movement in shareholder loans pre-listing	Reversal of deferred taxation	Shares issued in terms of the share scheme and subscription for shares in cash	Settlement of listing expenses	*Pro forma* after (pre-new developments)	Katale Square (New development)	Moonspan Investments (New development)	Arlyn Investments (New development)	*Pro forma* after (post developments)
Note	***Note 4***	***Note 5***	***Note 6***	***Note 7***	***Note 8***	***Note 9***	***Note 10***	***Note 10***	***Note 10***	***Note 11***
Net asset value per share (ZAR)						9.83				9.84
Net tangible asset value per share (ZAR)						9.83				9.84
Net asset value per share (excluding deferred tax) (ZAR)						10.10				10.10
Net tangible asset value per share (excluding deferred tax) (ZAR)						10.10				10.10

Notes and assumptions:

1. Extracted without adjustment from the combined interim financial information of Exemplar Group (as defined in **Annexure 19**) as at 31 August 2017, as set out in **Annexure 19**. The combined interim financial information of Exemplar Group as at 31 August 2017 was reviewed by Grant Thornton who issued an unqualified review conclusion on the financial information.
2. Represents the acquisition of portfolio assets as set out in **Annexure 10**, which is settled by issuing 301.4 million shares at R10.00 per share.
   - 2.1 The acquisition of the portfolio assets as set out in **Annexure 10** are accounted for as asset acquisitions in terms of IAS 40: Investment Property.
   - 2.2 Exemplar's investment property is classified as a level 3 asset according to IFRS 13 fair value hierarchy. The properties are valued using the discounted cash flow model with significant inputs including capitalisation rates, discount rates, vacancies, market rental trends, location of the property, net long term operating margins and economic outlook indicators. The disclosure required in terms of IFRS 13 Fair Value Measurement and IAS 1 Presentation of Financial Statements is detailed in note 14 below.
   - 2.3 The statements of financial position reflecting the acquisition of the portfolio assets by Exemplar, have been extracted from the reviewed interim financial information of the relevant property holding entities at 31 August 2017, prepared in accordance with the recognition and measurement criteria of IFRS and reviewed by Grant Thornton, who issued unqualified review conclusions thereon. The reviewed interim financial information together with the Grant Thornton review conclusions are open for inspection at the company's offices. Grant Thornton's review conclusion on the valuation and existence of the assets and liabilities acquired is set out in **Annexure 18** and lies open for inspection at the company's offices.
3. Represents the statement of financial position of Exemplar after the restructuring and consolidation of the group.
4. Represents the fair value adjustment to investment property for the independent valuations performed as set out in **Annexure 8**.
5. Represents the anticipated net income, distributions and movement in shareholder loans for the period 1 September 2017 to 31 May 2018, which affect the shares issued in terms of the exchange agreements as set out in **Annexure 10.**
6. Represents the reversal of deferred taxation no longer required to be recognised as a result of Exemplar obtaining REIT status upon listing. The majority of the remaining balance comprises deferred taxation arising from capital allowances which are unaffected by Exemplar obtaining REIT status.

7. Represents the issue of 4.3 million shares at R10.00 per share on date of listing in terms of the Share purchase plan, extracts of which are set out in **Annexure 23**. The effect is an increase in the number of shares in issue, which will not result in an IFRS 2 charge, based on the terms of the Share purchase plan, on the basis that the shares issued are not issued at a discount. Furthermore, represents the issue of 0.1 million shares at R10.00 per share in terms of a subscription for shares, as set out in **Annexure 9.**
8. Estimated once-off costs relating to the listing of R20 million have been accounted for.
9. Represents the statement of financial position of Exemplar after the adjustments, but prior to taking any of the developments to be completed over the forecast period into account. The directors are not aware of any other post-balance sheet events which require adjustment to the *pro forma* statement of financial position.
10. Represents the acquisition of the three developments on completion as set out in **Annexure 10**, which is settled by a R367.9 million cash payment and issuing 8.8 million shares at R10.00 per share. The anticipated completion dates of the three developments are as follows:
    10.1 Marapyane (Katale Square) – 1 April 2019;
    10.2 Mabopane (Moonspan Investments) – 1 September 2019; and
    10.3 Riba Cross (Arlyn Investments) – 1 October 2019
11. Represents the statement of financial position of Exemplar after the adjustments. The directors are not aware of any other post-balance sheet events which require adjustment to the *pro forma* statement of financial position.
12. Exemplar agreed to acquire MPD's property management business for a purchase consideration of R100 as set out in **Annexure 10.**
13. Other than in respect of estimated transaction costs set out in note 9, all adjustments have a continuing effect.
14. **Investment properties (at the effective date)**

	R'000
Purchase price	4 907 843
Fair value adjustment*	–
Fair value at end of period	**4 907 843**

**Investment properties acquired at their fair values as determined by the independent valuer*

Measurement of fair value on investment properties

Details of valuation

Key Assumptions

- Capitalisation rate
- Annual rental escalation
- Annual cost escalation

Commentary on capitalisation rates:

The capitalisation rate is best determined by referring to market transactions of comparable properties as it is based on information derived from market analysis. The capitalisation rate must take the prevailing interest rate into consideration. The higher the interest rate, the better return an investor will require. Similarly, risk is another factor that will influence the capitalisation rate. The higher the risk factor, the better the return an investor will require. The risk inherent to income producing properties is the degree of certainty that the income stream will be realised despite the uncertainty of the future.

Commentary on rental and operating expenses growth rates:

The annual growth escalations are based on current achievable rentals. Expenditures are based on information received from Local Authorities and experience with actual growth achieved and expectations of future increases based on budgets.

Valuation technique and significant unobservable inputs

The following shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used:

Valuation techniques:

The basis of value is 'fair value' which is defined as an opinion of the best price (adopting the highest and best use principle) at which the sale of an interest in property, taking into account existing tenant lease terms, would have been completed unconditionally for a cash consideration on the date of valuation.

The Discounted Cash Flow method of valuation was used to determine the value of the properties. This method determines the net normalised annual income of the property, assuming the property is fully let at market related rentals, and market escalations, with an allowance made for vacancies. Market related operating expenses are deducted, resulting in a net annual income.

The property is valued by discounting the expected future net income for a specific period at an appropriate discount rate (or total rate of return) to give the present value (PV) of the expected net income cash flow. To this figure an applicable final discounted residual or reversionary value is added.

The net market related income prevailing at the end of the cash flow projection period is capitalised at the appropriate rate and discounted to the present value by the discount rate.

Significant unobservable inputs:

- capitalisation rate: (7.75% – 9.50%)
- annual growth escalation: (6.00% – 8.00%)

Inter-relationship between key unobservable inputs and fair vale measurements: The estimated fair value would increase/(decrease) if:

- capitalisation rate was lower/(higher);
- annual growth escalation was higher/(lower); and
- vacancy and bad debt percentage escalation was lower/(higher).

Fair value hierarchy

- IFRS 13 requires that an entity discloses for each class of assets and liabilities measured at fair value, the level in the fair value hierarchy into which the fair value measurements are categorised in their entirety.
- The fair value hierarchy reflects the significance of the inputs used in making fair value measurements.
- The fair value hierarchy has the following levels:
  - Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
  - Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (ie derived from prices);
  - Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).
- Details of changes in valuation techniques
- There have been no significant changes in valuation techniques.
- Significant transfers between level 1, level 2 and level 3

There have been no significant transfers between level 1, level 2 and level 3.

Level 3 reconciliation:

Investment property	**R'000**
Opening balance	–
Purchases	4 907 843
Capitalised cost	–
Fair value adjustments	–
Closing balance	**4 907 843**

No fair value gains and losses recognised.

Equity reconciliation

Equity reconciliation	**Shares issued '000**	**Equity value R'm**
Shares in issue prior to acquisitions	4 000	–
Acornhoek acquisition	18 625	186
Alex Mall acquisition	17 410	174
Atteridge acquisition	7 394	74
Blouberg Mall acquisition	14 557	146
Diepkloof Plaza acquisition	16 440	164
Edendale Mall acquisition	16 452	165
Emoyeni acquisition	15 495	155
Jane Furse acquisition	10 823	108
Kwagga acquisition	17 529	175
Lusiki acquisition	7 171	72
Maake acquisition	9 212	92
Mandeni acquisition	2 330	18
Modimall acquisition	2 748	31
Modjadji Plaza acquisition	7 924	79
Olievenhout Plaza acquisition	12 810	128
Theku Plaza acquisition	8 084	81
Thorntree Shopping Centre acquisition	24 006	240
Chris Hani Crossing acquisition	46 165	462
Tsakane acquisition	34 482	336
Phola acquisition	7 774	99
Shares issued in terms of the share scheme and subscription for shares	4 440	44
Total	**305 872**	**3 029**

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE CONSOLIDATED *PRO FORMA* STATEMENT OF FINANCIAL POSITION OF EXEMPLAR

The Board of Directors
Exemplar REITail Limited
Lyttelton Road and Leyden Avenue
Clubview
Centurion
0157

11 May 2018

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF THE *PRO FORMA* FINANCIAL INFORMATION OF EXEMPLAR REITAIL FUND LIMITED ("EXEMPLAR")

We have completed our assurance engagement to report on the compilation of *pro forma* financial information of Exemplar by the directors. The *pro forma* financial information, in **Annexure 16** of the Exemplar prospectus to be issued on or about 30 May 2018 ("the Prospectus"), consists of the *pro forma* net asset statement at 31 August 2017 and related notes. The applicable criteria on the basis of which the directors have compiled the *pro forma* financial information are specified in the Johannesburg Stock Exchange Limited (JSE) Listings Requirements and described in **Annexure 16.**

The *pro forma* financial information has been compiled by the directors to illustrate the impact of the corporate action or event, described in **Annexure 16**, on the company's financial position as at 31 August 2017, as if the corporate action or event had taken place at 31 August 2017. As part of this process, information about the company's financial position has been extracted by the directors from the Exemplar Groups combined interim financial information for the period ended 31 August 2017, on which an auditors report was issued on 11 May 2018.

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 16**.

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 (Parts A and B).

The firm applies the International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements 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 issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform 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.

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. Accordingly, we do not provide any assurance that the actual outcome of the corporate action or event at 31 August 2017 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 by the directors in the compilation of the *pro forma* financial information provide 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 judgement, 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 16**.

Report on Other Legal and Regulatory Requirements

Where the reporting accountant has a statutory or other obligation to report matters to a regulatory oversight body or other person, such as the IRBA, the reporting accountant needs to adhere to the statutory requirements imposed on him/her. Reference should also be made to part 2 (paragraph 6) and part 3 (paragraph 14) of the Revised Guide for Registered Auditors: Reportable Irregularities in terms of the Auditing Profession Act which describes the Registered Auditor's (reporting accountant) reporting responsibilities relating to an audit of financial statements and other reasonable assurance engagements.

Yours faithfully

GRANT THORNTON
Registered Auditors
Practice Number: 903485E

Ian Vorster
Partner
Registered Auditor
Chartered Accountant (SA)

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

The Board of Directors
Exemplar REITail Limited
Lyttelton Road and Leyden Avenue
Clubview
Centurion
0157

11 May 2018

Dear Sirs

REVIEW CONCLUSION ON THE VALUATION AND EXISTENCE OF THE ASSETS AND LIABILITIES ACQUIRED BY EXEMPLAR REITAIL LIMITED ("EXEMPLAR")

Introduction

We have reviewed the assets and liabilities acquired by Exemplar reflected in the "Before", "Blouberg Mall", "Diepkloof Plaza", "Edendale Mall", "Modjadji Plaza", "Olievenhout Plaza", "Thorntree Shopping Centre" and "Chris Hani Crossing" columns, extracted, aggregated and attached hereto for clarity purposes ("the acquired assets and liabilities "), included in the *pro forma* statement of financial position included in **Annexure 16** of the Exemplar prospectus to be issued on or about 30 May 2018 ("Prospectus") as required by paragraph 13.16(e) of the JSE Limited ("JSE") 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 Listing Requirements (the JSE Listings Requirements for the adjustment columns of the *pro forma* statement of financial position), as set out in Note 1 and 2 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 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 Listings Requirements for the acquired assets and liabilities included in the *pro forma* statement of financial position, as set out in Note 1 and 2 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
Registered Auditors
Practice Number: 903485E

Ian Vorster
Partner
Registered Auditor
Chartered Accountant (SA)

REVIEW CONCLUSION ON THE VALUATION AND EXISTENCE OF THE ASSETS AND LIABILITIES ACQUIRED BY EXEMPLAR

Assets and liabilities acquired	**Blouberg Mall**	**Diepkloof Plaza**	**Edendale Mall**	**Modjadji Plaza**	**Olievenhout Plaza**	**Thorntree Shopping Centre**	**Chris Hani Crossing**
Assets							
Investment property	196 408 698	232 027 507	351 435 222	94 456 539	254 117 433	246 612 681	439 860 092
Property, plant and equipment	–	–	9 385 277	–	–	–	–
Operating lease asset	4 171 538	34 273 420	–	2 800 414	7 288 256	12 016 338	16 529 018
Non-current assets	**200 580 236**	**266 300 927**	**360 820 499**	**97 256 953**	**261 405 689**	**258 629 019**	**456 389 110**
Trade and other receivables	1 778 938	1 534 520	2 456 943	618 252	1 205 090	501 022	2 746 022
Cash and cash equivalents	3 660 169	5 708 586	4 179 310	2 785 610	8 369 008	6 363 028	8 016 142
Current assets	**5 439 107**	**7 243 106**	**6 636 253**	**3 403 862**	**9 574 098**	**6 864 050**	**10 762 164**
Total assets	**206 019 343**	**273 544 033**	**367 456 752**	**100 660 815**	**270 979 787**	**265 493 069**	**467 151 274**
Liabilities							
Other financial liabilities	52 714 688	106 220 872	214 644 380	19 329 944	127 129 039	26 809 517	–
Deferred tax	6 050 647	8 940 488	1 199 828	3 504 221	6 132 766	5 689 298	18 672 116
Non current liabilities	**58 765 335**	**115 161 360**	**215 844 208**	**22 834 165**	**133 261 805**	**32 498 815**	**18 672 116**
Trade and other payables	5 160 599	4 304 643	8 862 609	2 763 104	14 141 115	5 798 380	10 720 527
Other financial liabilities	4 377 312	–	–	–	7 120 111	–	–
Current liabilities	**9 537 911**	**4 304 643**	**8 862 609**	**2 763 104**	**21 261 226**	**5 798 380**	**10 720 527**
Total liabilities	**68 303 246**	**119 466 003**	**224 706 817**	**25 597 269**	**154 523 031**	**38 297 195**	**29 392 643**

HISTORICAL FINANCIAL INFORMATION OF EXEMPLAR

Set out below are extracts from the reviewed combined interim financial information for the 6 months ended 31 August 2017 and the audited combined financial information ("**financial statements**") of the Exemplar Group for the years ended 28 February 2015, 29 February 2016 and 28 February 2017 as required in terms of the JSE Listings Requirements. These extracts are the responsibility of the directors of Exemplar. The independent reporting accountant's report on the historical financial information is presented in **Annexures 20A** and **20B**.

The financial statements for the 6 months ended 31 August 2017 and for the years ended 28 February 2015, 29 February 2016 and 28 February 2017, from which the information below was extracted, were prepared in accordance with the International Financial Reporting Standards and interpretations adopted by the International Accounting Standards Board and were audited by Grant Thornton in accordance with International Standards on Auditing, who issued an unqualified audit opinion on the financial statements for the years ended 28 February 2015, 29 February 2016 and 28 February 2017.

The audited financial statements are available for inspection at the company's registered address and on the company's website (www.ExemplarREIT.co.za).

Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standards and the JSE Listings Requirements. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these financial statements.

Share capital

There have been no changes to the authorised or issued share capital during the year under review.

Insurance and risk management

The company follows a policy of reviewing the risks relating to assets and possible liabilities arising from business transactions with its insurers on an annual basis. Wherever possible assets are automatically included. There is also a continuous asset risk control programme, which is carried out in conjunction with the company's insurance brokers. All risks are considered to be adequately covered, except for political risks, in the case of which as much cover as is reasonably available has been arranged.

Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors are satisfied that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

Litigation statement

The company becomes involved from time to time in various claims and lawsuits incidental to the ordinary course of business. The company is not currently involved in any such claims or lawsuits, which individually or in the aggregate, are expected to have a material adverse effect on the business or its assets.

Auditors

Grant Thornton Johannesburg Partnership continued in office as auditors for the company for 2017.

At the AGM, the shareholder will be requested to reappoint Grant Thornton Johannesburg Partnership as the independent external auditors of the company and to confirm Garron Chaitowitz as the designated lead audit partner for the 2018 financial year.

Date of authorisation for issue of financial statements

The financial statements have been authorised for issue by the directors on 10 May 2018. No authority was given to anyone to amend the financial statements after the date of issue.

Statement of Financial Position as at 28 February 2017

Figures in Rands	Note(s)	August 2017 Reviewed	February 2017 Audited	February 2016 Audited	February 2015 Audited
Assets					
Non-current assets					
Property, plant and equipment	2	36 133	45 458	59 445	38 504
Investment property	3	2 503 557 114	2 294 397 380	2 106 429 077	1 936 079 399
Investments in associates	4	403 220 451	234 771 344	166 969 612	166 672 205
Operating lease asset	6	72 198 094	69 937 244	58 843 358	51 496 594
		2 979 011 792	**2 599 151 426**	**2 332 301 492**	**2 154 286 702**
Current assets					
Loans to shareholders	5	350	350	350	–
Trade and other receivables	7	17 449 880	14 771 555	12 672 775	20 780 087
Financial assets	8	49 750 000	48 750 000	43 249 999	–
Current tax receivable		–	–	–	738 886
Cash and cash equivalents	12	49 153 416	37 353 583	61 355 178	71 589 122
		116 353 646	**100 875 488**	**117 278 302**	**93 108 095**
Total assets		**3 095 365 438**	**2 700 026 914**	**2 449 579 794**	**2 247 394 797**
Equity and liabilities					
Equity					
Equity attributable to equity holders of parent					
Share capital		235 461 569	235 461 569	235 461 569	235 461 569
Retained income		1 740 665 613	1 371 375 506	1 079 659 270	956 292 135
		1 976 127 182	1 606 837 075	1 315 120 839	1 191 753 704
Non-controlling interest		69 811 756	62 267 827	55 264 185	49 723 990
		2 045 938 938	**1 669 104 902**	**1 370 385 024**	**1 241 477 694**
Liabilities					
Non-current liabilities					
Financial liabilities	10	608 769 419	647 719 493	726 191 273	415 914 972
Operating lease liability	6	556 315	545 755	520 815	1 140 029
Deferred tax	11	284 499 950	246 982 027	215 258 923	183 068 121
		893 825 684	**895 247 275**	**941 971 011**	**600 123 122**
Current liabilities					
Trade and other payables	9	55 227 018	51 715 184	62 330 624	44 593 799
Loans from shareholders	5	543 627	517 012	3 442 090	6 204 163
Financial liabilities	10	99 229 367	82 969 162	71 350 722	354 996 019
Current tax payable		600 804	473 379	100 323	–
Total liabilities		**1 049 426 500**	**1 030 922 012**	**1 079 194 770**	**1 005 917 103**
Total equity and liabilities		**3 095 365 438**	**2 700 026 914**	**2 449 579 794**	**2 247 394 797**

Statement of Profit or Loss and Other Comprehensive Income for the year ended 28 February 2017

Figures in Rands	Note(s)	August 2017 Reviewed	February 2017 Audited	February 2016 Audited	February 2015 Audited
Revenue	13	129 415 214	242 953 356	218 039 989	162 470 261
Other operating income	14	1 496 716	2 486 402	2 150 289	1 488 590
Operating expenses		(21 819 243)	(39 638 497)	(40 482 666)	(39 721 876)
Operating profit	**15**	**109 092 687**	**205 801 261**	**179 707 612**	**124 236 975**
Investment income	16	991 887	2 279 908	2 596 272	2 471 860
Finance costs	17	(37 333 025)	(79 089 427)	(76 332 135)	(46 536 236)
Income (losses) from equity accounted investments		164 445 981	51 066 301	(14 567 237)	60 397 348
Fair value adjustments in investment property	18	185 152 747	184 496 662	106 000 282	119 289 168
Profit before taxation		**422 350 277**	**364 554 705**	**197 404 794**	**259 859 115**
Taxation	19	(44 201 593)	(43 411 885)	(52 188 484)	(29 363 307)
Profit for the period/year		**378 148 684**	**321 142 820**	**145 216 310**	**230 495 808**
Other comprehensive income		–	–	–	–
Total comprehensive income for the period/year		**378 148 684**	**321 142 820**	**145 216 310**	**230 495 808**
Profit attributable to:					
Owners of the parent		370 104 756	311 489 178	138 310 836	222 075 589
Non-controlling interest		8 043 928	9 653 642	6 905 474	8 420 219
		378 148 684	**321 142 820**	**145 216 310**	**230 495 808**
Total comprehensive income attributable to:					
Owners of the parent		370 104 756	311 489 178	138 310 836	222 075 589
Non-controlling interest		8 043 928	9 653 642	6 905 474	8 420 219
		378 148 684	**321 142 820**	**145 216 310**	**230 495 808**

Statement of changes in equity for the year ended 28 February 2017

Figures in Rands	Share capital	Retained equity	Total income attributable to holders of the group/ company	Non-controlling interest	Total equity
Balance at 1 March 2015	**235 461 569**	**956 292 135**	**1 191 753 704**	**49 723 990**	**1 241 477 694**
Profit for the year	–	138 310 836	138 310 836	6 905 474	145 216 310
Other comprehensive income	–	–	–	–	–
Total comprehensive income for the year	–	138 310 836	138 310 836	6 905 474	145 216 310
Drawings	–	(17 374 369)	(17 374 369)	–	(17 374 369)
Net equity adjustment	–	18 481 370	18 481 370	–	18 481 370
Dividends	–	(16 050 702)	(16 050 702)	(1 365 279)	(17 415 981)
Total contributions by and distributions to owners of company recognised directly in equity	–	(14 943 701)	(14 943 701)	(1 365 279)	(16 308 980)
Balance at 1 March 2016	**235 461 569**	**1 079 659 270**	**1 315 120 839**	**55 264 185**	**1 370 385 024**
Profit for the year	–	311 489 182	311 489 182	9 653 642	321 142 824
Other comprehensive income	–	–	–	–	–
Total comprehensive income for the year	–	311 489 182	311 489 182	9 653 642	321 142 824
Drawings	–	(34 452 621)	(34 452 621)	–	(34 452 621)
Net equity adjustment	–	23 929 675	23 929 675	–	23 929 675
Dividends	–	(9 250 000)	(9 250 000)	(2 650 000)	(11 900 000)
Total contributions by and distributions to owners of company recognised directly in equity	–	(19 772 946)	(19 772 946)	(2 650 000)	(22 422 946)
Balance at 1 March 2017	**235 461 569**	**1 371 375 506**	**1 606 837 075**	**62 267 827**	**1 669 104 902**
Profit for the period	–	370 104 761	370 104 761	8 043 929	378 148 690
Other comprehensive income	–	–	–	–	–
Total comprehensive income for the period	–	370 104 761	370 104 761	8 043 929	378 148 690
Drawings	–	(22 818 963)	(22 818 963)	–	(22 818 963)
Net equity adjustment	–	24 660 530	24 660 530	–	24 660 530
Dividends	–	(2 656 221)	(2 656 221)	(500 000)	(3 156 221)
Total contributions by and distributions to owners of company recognised directly in equity	–	(814 654)	(814 654)	(500 000)	(1 314 654)
Balance at 31 August 2017	**235 461 569**	**1 740 665 613**	**1 976 127 182**	**69 881 756**	**2 045 938 938**

Statement of Cash Flows

Figures in Rands	Note(s)	August 2017 Reviewed	February 2017 Audited	February 2016 Audited	February 2015 Audited
Cash flows from operating activities					
Cash generated from operations	20	145 018 256	182 032 083	208 019 264	137 222 800
Interest income		991 887	2 279 908	2 596 272	2 471 860
Finance costs		(37 333 025)	(79 089 427)	(76 332 135)	(46 536 236)
Dividends paid		(3 156 221)	(11 900 000)	(17 415 981)	(34 874 196)
Drawings		(22 818 963)	(34 452 621)	(17 374 369)	(32 030 382)
Tax paid		(6 556 245)	(11 315 724)	(19 158 477)	(8 350 168)
Net cash from operating activities		**76 145 689**	**47 554 219**	**80 334 574**	**17 903 678**
Cash flows from investing activities					
Purchase of property, plant and equipment	2	–	–	(69 934)	–
Purchase of investment property	3	(24 006 988)	(3 471 641)	(135 271 545)	(185 175 932)
Sale of investment property	3	–	–	60 597 830	30 804 086
Movement in investment in associates		(16 675 614)	7 194 247	3 556 549	26 578 655
Financial assets advanced		(1 000 000)	(5 500 001)	(43 249 999)	–
Net cash from investing activities		**(41 682 602)**	**(1 777 395)**	**(114 437 099)**	**(127 793 191)**
Cash flows from financing activities					
(Repayment)/advances of other financial liabilities		(22 689 869)	(66 853 340)	26 631 004	121 372 217
Repayment of shareholders loan		26 615	(2 925 078)	(2 762 423)	930 624
Net cash from financing activities		**(22 663 254)**	**(69 778 418)**	**23 868 581**	**122 302 841**
Total cash movement for the period					
Total cash movement for the year		11 799 833	(24 001 594)	(10 233 944)	12 413 328
Cash at the beginning of the period		37 353 584	61 355 178	71 589 122	59 175 794
Total cash at end of the period	**12**	**49 153 417**	**37 353 584**	**61 355 178**	**71 589 122**

ACCOUNTING POLICIES

1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

1.1 Basis of preparation

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these financial statements and the JSE Listings Requirements.

These financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rands, which is the company's functional currency.

These accounting policies are consistent with the previous period.

Combination/Consolidation

Business combinations involving entities under common control are outside the scope of IFRS 3 (IFRS3.2(c)) and there is no other specific IFRS guidance. Accordingly, management has used its judgement to develop an accounting policy that is relevant and reliable, in accordance with IAS 8.10-12 and have applied this as if the combined entities had been part of a group that historically prepared financial results in accordance with International Financial Reporting Standards for the period ended 31 August 2017 and for the years ended 28 February 2017, 29 February 2016 and 28 February 2015.

The financial information is combined as a business under common control due to the shareholding by the John McCormick Family Trust ("JMFT").

The combination of the historical financial information has been accounted for under the pooling of interest method as acquisition of entities under common control is excluded from IFRS 3. The combination of the entities has been done at historical carrying values for the years presented. The Historical financial information has been presented as if the group had existed and reported under International Financial Reporting Standard 10 ("IFRS 10") (Consolidated Financial Statements).

The historical combined financial information presents the combination of JMFT's interest in the following assets:

- Lusiki Plaza Partnership
- Lusiki Plaza Share Block Proprietary Limited
- Atteridge Stadium Centre Partnership
- Atteridge Stadium Centre Share Block Proprietary Limited
- Emoyeni Regional Mall Partnership
- Emoyeni Mall Share Block Proprietary Limited
- Maake Plaza Proprietary Limited
- Tsakane Mall Proprietary Limited
- Chris Hani Crossing Proprietary Limited
- Modjadji Plaza Proprietary Limited
- Blouberg Mall Proprietary Limited
- Olievenhout Plaza Proprietary Limited
- Theku Plaza Proprietary Limited
- Acornhoek Plaza Partnership
- Acornhoek Plaza Share Block Proprietary Limited
- Jane Furse Plaza Partnership
- Jane Furse Plaza Share Block Proprietary Limited
- Kwagga Plaza Partnership

- Kwagga Plaza Share Block Proprietary Limited
- Alex Mall Proprietary Limited
- Diepkloof Plaza Proprietary limited
- Edendale Mall Proprietary Limited
- Mandeni Plaza Proprietary Limited
- Modimall Proprietary Limited
- Phola Park Shopping Centre Proprietary Limited
- Thorntree shopping Centre Proprietary Limited

(collectively referred to as the "**Exemplar Group**")

1.2 **Consolidation**

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all subsidiaries. Subsidiaries are entities (including structured entities) which are controlled by the group.

The group has control of an entity when it is exposed to or has rights to variable returns from involvement with the entity and it has the ability to affect those returns through use its power over the entity.

The results of subsidiaries are included in the consolidated financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the financial statements of subsidiaries to bring their accounting policies in line with those of the group.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the group's interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

1.3 **Investments in associates**

Investments in associates are accounted for using the equity method. Under the equity method, investments in associates are carried in the Statement of Financial Position at cost adjusted for post-acquisition changes in the group's share of net assets of the associate, less any impairment losses.

The company's share of post-acquisition profit or loss is recognised in profit or loss, and its share of movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. Losses in an associate in excess of the group's interest in that associate, including any other unsecured receivables, are recognised only to the extent that the group has incurred a legal or constructive obligation to make payments on behalf of the associate.

Profits or losses on transactions between the group and an associate are eliminated to the extent of the group's interest therein. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the company.

1.4 **Significant judgements and sources of estimation uncertainty**

The preparation of financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Lease classification

The company is party to leasing arrangements, both as a lessee and as a lessor. The treatment of leasing transactions in the financial statements is mainly determined by whether the lease is considered to be an operating lease or a finance lease. In making this assessment, management considers the substance of the lease, as well as the legal form, and makes judgement about whether substantially all the risks and rewards of ownership are transferred.

Expected manner of realisation for deferred tax

Management have reviewed the investment property portfolio of the company in order to determine the appropriate rate at which to measure deferred tax. Investment property is measured at fair value. The manner of recovery of the carrying amount, i.e. through use or sale, affects the determination of the deferred tax assets or liabilities. IFRS assumes that the carrying amount of investment property is recovered through sale rather than through continued use. Management considered the business model of the portfolio and concluded that the assumption is not rebutted and that the deferred taxation should be measured on the sale basis.

Key sources of estimation uncertainty

Trade receivables

The company assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from the financial asset.

The impairment (or loss allowance) for trade receivables is calculated on a portfolio basis, except for individually significant trade receivables which are assessed separately. The impairment test on the portfolio is based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Fair value estimation

The fair value of assets and liabilities is determined by using a variety of methods and assumptions that are based on market conditions and risk existing at reporting date including independent appraisals and discounted cash flow methods. The fair value determined is adjusted for any transaction costs necessary to realise the assets or settle the liabilities.

The carrying amount of financial assets and liabilities with a maturity less than one year are assumed to approximate their nominal amounts.

Refer to note 3 for details of valuation of the investment property.

1.5 **Investment property**

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Fair value

Subsequent to initial measurement investment property is measured at fair value.

A gain or loss arising from a change in fair value is included in net profit or loss for the period in which it arises.

1.6 **Property, plant and equipment**

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses.

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

Item	Depreciation method	Average useful life
Motor vehicles	Straight line	4
Other	Straight line	4

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

1.7 Financial instruments

Classification

The company classifies financial assets and financial liabilities into the following categories:

Loans and receivables

Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained/incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

Initial recognition and measurement

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial assets and financial liabilities are recognised on the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

Impairment of financial assets

At each reporting date the company assesses all financial assets to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the company, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Loans to shareholders, directors, managers and employees

These financial assets are classified as loans and receivables.

Subsequently these loans are measured at amortised cost using the effective interest rate method, less any impairment loss recognised to reflect irrecoverable amounts.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value; and, are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at cost.

1.8 **Leases**

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases - lessor

Operating lease income is recognised as an income on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Income for leases is disclosed under revenue in profit or loss.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

1.9 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

1.10 Provisions and contingencies

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the business or part of a business concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for terminating their services;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

1.11 Revenue

Rent receivable comprises of basic charges to tenants in terms of lease agreements charged on a monthly basis. Expense recoveries, including recoveries of escalations in assessment rates and other costs, are deducted off the relevant expenses. These amounts are brought into account evenly over the terms of the lease.

Interest is recognised, in profit or loss, using the effective interest rate method.

1.12 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.

Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1. STANDARDS, AMENDMENTS AND INTERPRETATIONS TO EXISTING STANDARDS THAT ARE NOT YET EFFECTIVE AND HAVE NOT BEEN ADOPTED EARLY BY THE GROUP

At the date of authorisation of these financial statements, several new, but not yet effective, Standards, amendments to existing Standards, and Interpretations have been published by the IASB.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations neither adopted nor listed below have not been disclosed as they are not expected to have a material impact on the Group's financial statements.

Standard	Details of amendments	Annual periods beginning of after
IFRS 9 Financial Instruments	Prepayment Features with Negative Compensation. The narrow-scope amendment allows companies to measure particular pre-payable financial assets with negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met	01-Jan-19
IFRS 16 Leases	New standard that introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. A lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows applying IAS 7 Statement of Cash Flows. IFRS 16 contains expanded disclosure requirements for lessees. Lessees will need to apply judgement in deciding upon the information to disclose to meet the objective of providing a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of the lessee. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. IFRS 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk. IFRS 16 supersedes the following Standards and Interpretations: IAS 17 Leases; IFRIC 4 Determining whether an Arrangement contains a Lease; SIC-15 Operating Leases—Incentives; and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.	01-Jan-19

Standard	Details of amendments	Annual periods beginning of after
IAS 23 Borrowing costs	Annual Improvements 2015 -2017 Cycle: The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings	01-Jan-19
IAS 28 Investments in Associates and Joint Ventures	Long-term interest in Associates and Joint Ventures: Clarification provided that an entity should apply IFRS 9 to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.	01-Jan-19
IFRIC 23 Uncertainty over Income Tax Treatments	The interpretation specifies how an entity should reflect the effects of uncertainties in accounting for income taxes.	01-Jan-19

2. PROPERTY, PLANT AND EQUIPMENT

	2017			2016		
Figures in Rands	**Cost or revaluation**	**Accumulated depreciation**	**Carrying value**	**Cost or revaluation**	**Accumulated depreciation**	**Carrying value**
Motor vehicles	122 384	(76 926)	45 458	267 275	(207 830)	59 445
Other	141 170	(141 170)	–	107 250	(107 250)	–
Total	**263 554**	**(218 096)**	**45 458**	**374 525**	**(315 080)**	**59 445**

	2015		
Figures in Rands	**Cost or revaluation**	**Accumulated depreciation**	**Carrying value**
Motor vehicles	197 340	(173 136)	24 204
Other	107 250	(92 950)	14 300
Total	**304 590**	**(266 085)**	**38 504**

Reconciliation of property, plant and equipment – 2017

Figures in Rands	Opening balance	Depreciation	Total
Motor vehicles	59 445	(13 987)	45 458
Other	–	–	–
Total	**59 445**	**(13 987)**	**45 458**

Reconciliation of property, plant and equipment – 2016

Figures in Rands	Opening balance	Additions	Disposals	Depreciation	Total
Motor vehicles	24 204	69 934	(19 318)	(15 375)	59 445
Other	14 300	–	–	(14 300)	–
Total	38 504	69 934	(19 318)	(29 675)	59 445

Reconciliation of property, plant and equipment – 2015

Figures in Rands	Opening balance	Depreciation	Total
Motor vehicles	59 715	(35 511)	24 204
Other	35 750	(21 450)	14 300
Total	95 465	(56 961)	38 504

3. INVESTMENT PROPERTY

	August 2017			February 2017		
Figures in Rands	**Valuation**	**Accumulated depreciation**	**Carrying value**	**Valuation**	**Accumulated depreciation**	**Carrying value**
Investment property	2 503 557 114	–	2 503 557 114	2 294 397 380	–	2 294 397 380

	February 2016			February 2015		
Figures in Rands	**Valuation**	**Accumulated depreciation**	**Carrying value**	**Valuation**	**Accumulated depreciation**	**Carrying value**
Investment property	2 106 429 077	–	2 106 429 077	1 936 079 399	–	1 936 079 399

Reconciliation of investment property – August 2017

Figures in Rands	Opening balance	Additions	Fair value adjustments	Total
Investment property	2 294 397 380	24 006 987	185 152 747	2 503 557 114

Reconciliation of investment property – February 2017

Figures in Rands	Opening balance	Additions	Fair value adjustments	Total
Investment property	2 106 429 077	3 471 640	184 496 662	2 294 397 380

Reconciliation of investment property – February 2016

Figures in Rands	Opening balance	Additions	Disposals	Fair value adjustments	Total
Investment property	1 936 079 399	135 271 545	(70 922 149)	106 000 282	2 106 429 077

Reconciliation of investment property – February 2015

Figures in Rands	Opening balance	Additions	Disposals	Transfers	Fair value adjustments	Total
Investment property	1 158 960 032	185 175 932	(45 952 069)	518 606 336	119 289 168	1 936 079 399

	August 2017 (R)	February 2017 (R)	February 2016 (R)	February 2015 (R)
Investment property comprises:				
Lusiki Plaza	164 042 818	149 185 732	131 086 831	66 927 390
Atteridge Stadium Centre	42 509 273	37 201 452	36 517 617	33 320 218
Emoyeni Regional Mall	269 289 177	233 315 200	193 537 441	148 635 642
Maake Plaza	60 031 639	51 189 640	52 625 362	113 221 215
Tsakane Mall	371 713 792	336 292 169	318 696 384	297 349 902
Chris Hani Crossing	439 860 092	399 150 365	380 979 469	309 521 510
Modjadji Plaza	94 456 539	89 384 868	86 266 945	81 805 617
Blouberg Mall	196 408 698	186 829 312	183 282 968	171 318 734
Olievenhout Plaza	254 117 433	234 619 117	218 409 108	218 495 650
Theku Plaza	183 052 545	168 283 873	160 424 324	151 926 027
Acornhoek Plaza	172 042 724	168 728 413	141 783 675	142 747 512
Jane Furse Plaza	102 003 414	96 205 916	78 975 463	78 347 868
Kwagga Plaza	154 028 970	144 011 323	123 843 490	122 462 114
	2 503 557 114	**2 294 397 380**	**2 106 429 077**	**1 936 079 399**

Lusiki Plaza

The investment property comprises of property and improvements to ERF 2810, Lusikisiki Township, Ngquza Hill Local Municipality, District of Lisikisiki, Province of the Eastern Cape

	August 2017 (R)	February 2017 (R)	February 2016 (R)	February 2015 (R)
Purchase price	7 280 001	7 280 001	7 280 001	8 035 001
Capitalised expenditure	127 577 223	125 378 938	124 172 672	52 164 926
Capitalised borrowing costs	9 516 313	9 516 313	9 516 312	6 727 463
Cumulative fair value adjustments	19 669 281	7 010 480	(9 882 154)	–
	164 042 818	**149 185 732**	**131 086 831**	**66 927 390**

31 August 2017: The valuation of the investment property was determined by the independent property valuer, Quadrant Properties Proprietary Limited. The valuation was based on a five year discounted cash flow model using a discount rate of 8.75%. These assumptions were based on current market conditions present at 31 August 2017.

February 2017: The valuation of the investment property was performed by a director of the company, John McCormick. The effective date of the valuation was 28 February 2017. The valuation was based on open market value for existing use. For investment property the valuation was based on discounted cash flows. The valuation was based on a projected income for a one year period, using a yield of 8.75%. These assumptions were based on current market conditions present at 28 February 2017.

February 2016: The valuation of the investment property was performed by a director of the company, John McCormick. The effective date of the valuation was 29 February 2016. The valuation was based on open market value for existing use. For investment property the valuation was based on discounted cash flows. The valuation was based on a projected income for a one year period, using a yield of 9%. These assumptions were based on current market conditions present at 29 February 2016.

February 2015: During the 2015 financial year the investment property was under development and would be valued once completed in 2016.

Atteridge Stadium Centre

The investment property comprises of ERF 16364 Atteridgeville Township, Registration Division J.R. Province Gauteng. Land and buildings are secured by a mortgage bond.

	August 2017 (R)	**February 2017 (R)**	**February 2016 (R)**	**February 2015 (R)**
– Purchase price	1 225 001	1 225 001	1 225 001	1 225 001
– Capitalised expenditure	16 293 991	16 293 991	16 288 179	16 016 204
– Capitalised borrowing costs	532 315	532 315	532 315	532 315
– Cumulative fair value adjustments	24 457 966	19 150 145	18 472 122	15 546 698
	42 509 273	**37 201 452**	**36 517 617**	**33 320 218**

31 August 2017: The valuation of the investment property was determined by the independent property valuer, Quadrant Properties Proprietary Limited. The valuation was based on a five year discounted cash flow model using a discount rate of 8.50%. These assumptions were based on current market conditions present at 31 August 2017.

February 2017: The valuation of the investment property was performed by a director of the company, John McCormick. The effective date of the valuation was 28 February 2017. The valuation was based on open market value for existing use. For investment property the valuation was based on discounted cash flows. The valuation was based on a projected income for a one year period, using a yield of 9%. These assumptions were based on current market conditions present at 28 February 2017.

February 2016: The valuation of the investment property was performed by a director of the company, John McCormick. The effective date of the valuation was 29 February 2016. The valuation was based on open market value for existing use. For investment property the valuation was based on discounted cash flows. The valuation was based on a projected income for a one year period, using a yield of 9%. These assumptions were based on current market conditions present at 29 February 2016.

February 2015: The evaluation was performed by a director of the company John McCormick. The effective date of the valuation was 28 February 2015. The valuation was based on open market value for existing use. For investment property the valuation was based on discounted cash flows. The valuation was based on a projected income for one year period, using a yield of 9%. These assumptions were based on current market conditions present at 28 February 2015.

Emoyeni Regional Mall

The investment property comprises of ERF 357, Emoyeni MP Township, Mbombela Local Municipality, Province of Mpumalanga. Land and buildings are secured by a mortgage bond.

	August 2017 (R)	**February 2017 (R)**	**February 2016 (R)**	**February 2015 (R)**
– Purchase price	7 891 967	7 891 967	7 891 967	7 429 967
– Capitalised expenditure	184 077 316	183 167 264	183 834 841	134 505 202
– Capitalised borrowing costs	9 510 445	9 510 445	9 318 695	6 700 473
– Cumulative fair value adjustments	67 809 449	32 745 524	(7 508 062)	–
	269 289 177	**233 315 200**	**193 537 441**	**148 635 642**

31 August 2017: The valuation of the investment property was determined by the independent property valuer, Quadrant Properties Proprietary Limited. The valuation was based on a five year discounted cash flow model using a discount rate of 8.75%. These assumptions were based on current market conditions present at 31 August 2017.

February 2017: The valuation of the investment property was performed by a director of the company, John McCormick. The effective date of the valuation was 28 February 2017. The valuation was based on open market value for existing use. For investment property the valuation was based on discounted cash flows. The valuation was based on a projected income for a one year period, using a discount rate of 9%. These assumptions were based on current market conditions present at 28 February 2017.

February 2016: The valuation of the investment property was performed by the director of the company John McCormick. The effective date of the valuation was 29 February 2016. The valuation was based on open market value for existing use. For investment property that valuation was based on discounted cash flows. The valuation was based on a projected income for a one year period, using a discount rate of 9%. The assumptions were based on current market conditions present at 29 February 2016.

February 2015: During the 2015 financial year the investment property was in the process of being developed and would only be valued once completed in 2016.

Maake Plaza

Maake Plaza (Pty) Ltd has entered into a lease agreement with the Department of Land Affairs for the lease of land described as portion of the Farm Rita No: 668 LT, measuring 8.0403 hectares. The term of the lease is 22 years. Investment property comprises improvements to the shopping centre known as Maake Plaza. Maake Plaza has a 30% interest in the lease agreement. Investment property is secured over a mortgage bond.

	August 2017 (R)	**February 2017 (R)**	**February 2016 (R)**	**February 2015 (R)**
– Purchase price	–	–	–	–
– Capitalised expenditure	20 419 559	20 419 559	20 106 115	51 668 453
– Capitalised borrowing costs	4 367 775	4 367 775	4 367 775	4 367 775
– Cumulative fair value adjustments	35 244 305	26 402 306	28 151 472	57 184 987
	60 031 639	**51 189 640**	**52 625 362**	**113 221 215**

31 August 2017: The valuation of the investment property was determined by the independent property valuer, Quadrant Properties Proprietary Limited. The valuation was based on a five year discounted cash flow model using a discount rate of 9%. These assumptions were based on current market conditions present at 31 August 2017.

The revaluation of the investment property is performed annually at the end of the financial year by the director of the company, John McCormick. The valuation was based on a discounted cash flow projection for the remaining term of the lease. A discount rate of 9% per annum has been applied. The discount rate is based on current market conditions present at year end.

Tsakane Mall

The investment property comprises an undivided 50% interest in the shopping centre known as Tsakane Mall. The property is situated on Portion 1 of ERF 7940, Township Tsakane, situated in the Ekurhuleni Metropolitan Municipality, Gauteng.

	August 2017 (R)	**February 2017 (R)**	**February 2016 (R)**	**February 2015 (R)**
– Purchase price	–	–	–	–
– Capitalised expenditure	124 798 103	124 798 103	124 636 281	120 002 121
– Capitalised borrowing costs	–	–	–	–
– Cumulative fair value adjustments	246 915 689	211 494 066	194 060 103	177 347 781
	371 713 792	**336 292 169**	**318 696 384**	**297 349 902**

31 August 2017: The valuation of the investment property was determined by the independent property valuer, Quadrant Properties Proprietary Limited. The valuation was based on a five year discounted cash flow model using a discount rate of 7.75%. These assumptions were based on current market conditions present at 31 August 2017.

The revaluation of the investment property is performed annually at the end of the financial year by the director of the company, John McCormick. The valuation was based on a discounted cash flow projection for the remaining term of the lease. A discount rate of 8% (2016: 8% and 2015: 8%) has been applied. The discount rate is based on current market conditions present at year end.

Chris Hani Crossing

The investment property comprises an undivided 50% interest in the shopping centre known as Chris Hani Crossing Situated on Erf 14669, Vosloorus Ext 31 Township Gauteng.

	August 2017 (R)	February 2017 (R)	February 2016 (R)	February 2015 (R)
– Purchase price	12 500 000	12 500 000	12 500 000	12 500 000
– Capitalised expenditure	139 075 806	139 048 225	139 034 426	139 034 426
– Capitalised borrowing costs	9 694 476	9 694 476	9 694 476	9 694 476
– Cumulative fair value adjustments	278 589 810	237 907 664	219 750 567	148 292 608
	439 860 092	**399 150 365**	**380 979 469**	**309 521 510**

31 August 2017: The valuation of the investment property was determined by the independent property valuer, Quadrant Properties Proprietary Limited. The valuation was based on a five year discounted cash flow model using a discount rate of 7.50%. These assumptions were based on current market conditions present at 31 August 2017.

February 2017: The valuation was performed by a director of Chris Hani Crossing (Pty) Ltd, John McCormick. The effective date of the valuation was 28 February 2017. The valuation was based on open market value for existing use. For Investment property the valuation was based on discounted cash flows. The valuation was based on a projected net income for a one year period, using a yield of 8%.

February 2016: The valuation was performed by a director of Chris Hani Crossing (Pty) Ltd, John McCormick. The effective date of the valuation was 29 February 2016. The valuation was based on open market value for existing use. For investment property the valuation was based on discounted cash flows. The valuation was based on a projected net income for a one year period, using a yield of 8%.

February 2015: The valuation was performed by a director of Chris Hani Crossing (Pty) Ltd, John McCormick. The effective date of the valuation was 28 February 2015. The valuation was based on open market value for existing use. For investment property the valuation was based on discounted cash flows. The valuation was based on a projected net income for a one year period, using a yield of 9%.

Modjadji Plaza

The investment property comprises an undivided 70% interest in land purchased and costs incurred in the construction of a shopping centre known as Modjadji Plaza, situated on ERF 20 in the Township Ga-Kgapane IA Township., Limpopo Province. Land and buildings are secured by a mortgage bond.

	August 2017 (R)	February 2017 (R)	February 2016 (R)	February 2015 (R)
– Purchase price	512 507	512 507	512 507	512 507
– Capitalised expenditure	38 567 872	38 567 872	37 377 540	37 377 540
– Capitalised borrowing costs	1 356 216	1 356 216	1 356 216	1 356 216
– Cumulative fair value adjustments	54 019 944	48 948 273	47 020 682	42 559 354
	94 456 539	**89 384 868**	**86 266 945**	**81 805 617**

31 August 2017: The valuation of the investment property was determined by the independent property valuer, Quadrant Properties Proprietary Limited. The valuation was based on a five year discounted cash flow model using a discount rate of 8.75%. These assumptions were based on current market conditions present at 31 August 2017.

February 2017: The valuation of the investment property was performed by a director of the company, John McCormick. The effective date of the valuation was 28 February 2017. The valuation was based on open market value for existing use. For investment property the valuation was based on discounted cash flows. The valuation was based on a projected income for a one year period, using a yield of 9.23%. These assumptions were based on current market conditions present at 28 February 2017.

February 2016: The valuation of the investment property was performed by a director of the company, John McCormick. The effective date of the valuation was 28 February 2016. The valuation was based on open market value for existing use. For investment property the valuation was based on discounted cash flows. The valuation was based on a projected income for a one year period, using a yield of 9%. These assumptions were based on current market conditions present at 29 February 2016

February 2015: The investment property is carried at fair value and the fair value as at 28 February 2015 was determined to be R84 504 700 (70% undivided share) and R120 721 000 (100% undivided share).The valuation of the investment property was performed by a director of the company, John McCormick. The effective date of the valuation was 28 February 2015. The valuation was based on open market value for existing use. For investment property the valuation was based on discounted cash flows. The valuation was based on a projected income for a one year period, using a yield of 9%. These assumptions were based on current market conditions present at 28 February 2015.

Blouberg Mall

The investment property comprises development costs to ERF 1177 Bochum – an extension 3, Township, province of Limpopo. Land and buildings are secured by a mortgage bond.

	August 2017 (R)	**February 2017 (R)**	**February 2016 (R)**	**February 2015 (R)**
– Purchase price	2 078 995	2 078 995	2 078 995	2 078 995
– Capitalised expenditure	68 511 829	68 511 829	68 320 425	68 320 425
– Capitalised borrowing costs	3 491 161	3 491 161	3 491 161	3 491 161
– Cumulative fair value adjustments	122 326 713	112 747 327	109 392 387	97 428 153
	196 408 698	**186 829 312**	**183 282 968**	**171 318 734**

31 August 2017: The valuation of the investment property was determined by the independent property valuer, Quadrant Properties Proprietary Limited. The valuation was based on a five year discounted cash flow model using a discount rate of 8.75%. These assumptions were based on current market conditions present at 31 August 2017.

February 2017: The valuation of the investment property was performed by a director of the company, John McCormick. The effective date of the valuation was 28 February 2017. The valuation was based on open market value for existing use. For investment property the valuation was based on discounted cash flows. The valuation was based on a projected income for a one year period, using a yield of 9%. These assumptions were based on current market conditions present at 28 February 2017.

February 2016: The valuation of the investment property was performed by a director of the company, John McCormick. The effective date of the valuation was 28 February 2016. The valuation was based on open market value for existing use. For investment property the valuation was based on discounted cash flows. The valuation was based on a projected income for a one year period, using a yield of 9%. These assumptions were based on current market conditions present at 29 February 2016.

February 2015: The valuation of the investment property was performed by a director of the company, John McCormick. The effective date of the valuation was 28 February 2015. The valuation was based on open market value for existing use. For investment property the valuation was based on discounted cash flows. The valuation was based on a projected income for a one year period, using a yield of 8.5%. These assumptions were based on current market conditions present at 28 February 2015.

Olievenhout Plaza

Investment property consists of ERF 12852 Olievenhoutbos Extension 38, Registration division JR, Province of Gauteng. Land and buildings are secured by a mortgage bond.

	August 2017 (R)	**February 2017 (R)**	**February 2016 (R)**	**February 2015 (R)**
– Purchase price	12 500 000	12 500 000	12 500 000	12 500 000
– Capitalised expenditure	139 032 099	130 180 721	129 863 365	128 201 942
– Capitalised borrowing costs	9 664 021	9 664 021	9 664 021	9 664 021
– Cumulative fair value adjustments	92 921 313	82 274 375	66 381 722	68 129 687
	254 117 433	**234 619 117**	**218 409 108**	**218 495 650**

31 August 2017: The valuation of the investment property was determined by the independent property valuer, Quadrant Properties Proprietary Limited. The valuation was based on a five year discounted cash flow model using a discount rate of 8.50%. These assumptions were based on current market conditions present at 31 August 2017.

February 2017: The valuation was performed by the director of the company, John McCormick. The effective date of the valuation was 28 February 2017. The valuation was based on an open market value for existing use. For investment property the valuation was based on discounted cash flows. The valuation was based on a projected income for a one year period, using a yield of 9%. These assumptions were based on current market conditions present at 28 February 2017.

February 2016: The valuation of the investment property was performed by a director of the company, John McCormick. The effective date of the valuation was 28 February 2016. The valuation was based on open market value for existing use. For investment property the valuation was based on discounted cash flows. The valuation was based on a projected income for a one year period, using a yield of 8.5%. These assumptions were based on current market conditions present at 29 February 2016.

February 2015: The valuation of the investment property was performed by a director of the company, John McCormick. The effective date of the valuation was 28 February 2015. The valuation was based on open market value for existing use. For investment property the valuation was based on discounted cash flows. The valuation was based on a projected income for a one year period, using a yield of 8.5%. These assumptions were based on current market conditions present at 28 February 2015.

Theku Plaza

The investment property comprises of Portion 121 (of 4) of the farm Blauwbosh Laagte A No. 8892, registration division HT, Kwazulu-Natal.

	August 2017 (R)	**February 2017 (R)**	**February 2016 (R)**	**February 2015 (R)**
– Purchase price	960 000	960 000	960 000	960 000
– Capitalised expenditure	102 988 564	101 895 255	101 781 186	101 242 917
– Capitalised borrowing costs	–	–	–	–
– Cumulative fair value adjustments	79 103 981	65 428 618	57 683 138	49 723 110
	183 052 545	**168 283 873**	**160 424 324**	**151 926 027**

31 August 2017: The valuation of the investment property was determined by the independent property valuer, Quadrant Properties Proprietary Limited. The valuation was based on a five year discounted cash flow model using a discount rate of 8.50%. These assumptions were based on current market conditions present at 31 August 2017.

The valuation of the investment property was performed by a director of the company, John McCormick. The effective date of the valuation was 28 February 2017. The valuation was based on open market value for existing use. For investment property the valuation was based on discounted cash flows. The valuation was based on a projected income for a one year period, using a yield of 9%. These assumptions were based on current market conditions present at 28 February 2017.

The valuation of the investment property was performed by a director of the company, John McCormick. The valuation was based on an open market value for existing use. For investment property the valuation was based on discounted cash flows. The valuation was based on a projected income for a one year period, using a yield of 9%. These assumptions were based on current market conditions present at 28 February 2016.

The valuation of the investment property was performed by a director of the company, John McCormick. The valuation was based on open market value for existing use. For investment property the valuation was based on discounted cash flows. The valuation was based on a projected income for a one year period, using a yield of 9%. These assumptions were based on current market conditions present at 28 February 2015.

Acornhoek Plaza

The investment property comprises Acornhoek Plaza Shopping Centre situated in Acornhoek, Limpopo Province.

	August 2017 (R)	**February 2017 (R)**	**February 2016 (R)**	**February 2015 (R)**
– Purchase price	–	–	–	–
– Capitalised expenditure	60 583 636	60 621 440	60 400 804	60 349 846
– Capitalised borrowing costs	–	–	–	–
– Cumulative fair value adjustments	111 459 088	108 106 973	81 382 871	82 397 666
	172 042 724	**168 728 413**	**141 783 675**	**142 747 512**

August 2017: The valuation of the investment property was determined by the independent property valuer, Quadrant Properties Proprietary Limited. The valuation was based on a five year discounted cash flow model using a discount rate of 8.25%. These assumptions were based on current market conditions present at 31 August 2017.

The valuation of the investment property is determined annually by Sanlam Properties and approved by the directors. The effective date of the valuation was 31 December 2016. The valuation was based on open market value for existing use. For investment property the valuation was based on discounted cash flows. The valuation was based on a 5 year period using a discount rate of 12.51% (2016: 13.51%, 2015: 11.73%). These assumptions were based on current market conditions present at 31 December.

The directors of the company are of the opinion that the valuation of the investment property as at 31 December is also an appropriate value of the investment property as at 28 February.

Jane Furse Plaza

The investment property comprises Jane Furse Plaza situated on Portion 7 of the farm Vergelegen 819, Limpopo Province. Land and buildings are secured by a mortgage bond.

	August 2017 (R)	**February 2017 (R)**	**February 2016 (R)**	**February 2015 (R)**
– Purchase price	–	–	–	–
– Capitalised expenditure	20 397 765	20 125 443	20 089 602	19 970 634
– Capitalised borrowing costs	–	–	–	–
– Cumulative fair value adjustments	81 605 649	76 080 473	58 885 861	58 377 234
	102 003 414	**96 205 916**	**78 975 463**	**78 347 868**

31 August 2017: The valuation of the investment property was determined by the independent property valuer, Quadrant Properties Proprietary Limited. The valuation was based on a five year discounted cash flow model using a discount rate of 8.50%. These assumptions were based on current market conditions present at 31 August 2017.

The valuation of the investment property is determined annually by Sanlam Properties and approved by the directors. The effective date of the valuation was 31 December 2016. The valuation was based on open market value for existing use. For investment property the valuation was based on discounted cash flows. The valuation was based on a 5 year period using a discount rate of 12.26% (2016: 13.26%, 2015: 11.48%). These assumptions were based on current market conditions present at 31 December.

The directors of the company are of the opinion that the valuation of the investment property as at 31 December is also an appropriate value of the investment property as at 28 February.

Kwagga Plaza

The investment property comprises Kwagga Plaza Shopping Centre situated in Kwaggafontein, Mpumalanga.

	August 2017 (R)	February 2017 (R)	February 2016 (R)	February 2015 (R)
– Purchase price	–	–	–	–
– Capitalised expenditure	28 871 178	18 179 316	18 002 629	17 650 957
– Capitalised borrowing costs	–	–	–	–
– Cumulative fair value adjustments	125 157 792	125 832 007	105 840 861	104 811 157
	154 028 970	**144 011 323**	**123 843 490**	**122 462 114**

31 August 2017: The valuation of the investment property was determined by the director of the company, John McCormick. The effective date of the valuation was 31 August 2017. The valuation was based on open market value for existing use. For investment property the valuation was based on discounted cash flows. The valuation was based on projected income for a one year period, using a yield of 9%. These assumptions were based on current market conditions present at 31 August 2017.

The valuation of the investment property is determined annually by Sanlam Properties and approved by the directors. The effective date of the valuation was 31 December 2016. The valuation was based on open market value for existing use. For investment property the valuation was based on discounted cash flows. The valuation was based on a 5 year period using a discount rate of 12.26% (2016: 13.26%, 2015: 11.48%). These assumptions were based on current market conditions present at 31 December.

The directors of the company are of the opinion that the valuation of the investment property as at 31 December is also an appropriate value of the investment property as at 28 February.

The investment properties are level 3 fair values in terms of IFRS 13 Fair value measurement.

Fair value measurement of financial instruments

Fair value measurement of financial assets

Financial assets and financial liabilities at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: unobservable inputs for the asset or liability.

Level 3 fair value measurement of non-financial assets

The following table shows the levels within the hierarchy of non-financial assets measured at fair value on a recurring basis:

August 2017	**Level 1**	**Level 2**	**Level 3**	**Total**
Figures in Rands				
Investment property				
– buildings in South Africa	–	–	2 503 557 114	2 503 557 114
February 2017				
Investment property				
– buildings in South Africa	–	–	2 294 397 380	2 294 397 380
February 2016				
Investment property				
– buildings in South Africa	–	–	2 106 429 077	2 106 429 077
February 2015				
Investment property				
– buildings in South Africa	–	–	1 936 079 399	1 936 079 399

The fair value of the Group's investment property has been determined and disclosed in the investment property note. Refer to note 3 for further details thereon.

The reconciliation of the carrying amounts of non-financial assets classified within Level 3 is as follows:

Figures in Rands	Investment properties
Balance at 1 March 2017	**2 294 397 380**
Additions	24 006 987
Gains recognised in profit or loss:	
Increase in fair value of investment property	185 152 747
Balance at 31 August 2017	**2 503 557 114**
Balance at 1 March 2016	**2 106 429 077**
Additions	3 471 640
Disposals	–
Total amount included in profit or loss for unrealised gains on Level 3 as:	184 496 662
Balance at 28 February 2017	**2 294 397 380**
Balance at 1 March 2015	**1 936 079 399**
Additions	135 271 545
Disposals	(70 922 149)
Gains recognised in profit or loss:	
– Increase in fair value of investment property	106 000 282
Balance at 29 February 2016	**2 106 429 077**
Balance at 1 March 2014	**1 158 960 032**
Additions	185 175 932
Disposals	(45 952 069)
Transfers	518 606 336
Gains recognised in profit or loss:	
– Increase in fair value of investment property	119 289 168
Balance at 28 February 2015	**1 936 079 399**

4. INVESTMENTS IN ASSOCIATES

The following table lists all of the associates in the company:

Name of company	% ownership interest August 2017	% ownership interest February 2017	Carrying amount August 2017	Carrying amount February 2017
Figures in Rands				
Alex Mall Proprietary Limited	50.00%	50.00%	82 007 543	11 058 375
Diepkloof Plaza Proprietary Limited	40.00%	40.00%	47 604 171	43 900 723
Edendale Mall Proprietary Limited	50.00%	50.00%	59 895 915	50 165 140
Mandeni Plaza Proprietary Limited	50.00%	50.00%	41 766 634	25 050 519
Modimall Proprietary Limited	50.00%	50.00%	23 924 573	18 722 199
Phola Park Shopping Centre Proprietary Limited	40.00%	40.00%	55 446 384	2 569 164
Thorntree Shopping Centre Proprietary Limited	50.00%	50.00%	92 575 231	83 305 224
			403 220 451	**234 771 344**

Name of company	% ownership interest February 2016	% ownership interest February 2015	Carrying amount February 2016	Carrying amount February 2015
Figures in Rands				
Alex Mall Proprietary Limited	50.00%	–	12 392 123	–
Diepkloof Plaza Proprietary Limited	40.00%	40.00%	32 598 721	39 521 161
Edendale Mall Proprietary Limited	50.00%	50.00%	17 652 276	28 605 017
Mandeni Plaza Proprietary Limited	50.00%	50.00%	15 331 742	22 319 885
Modimall Proprietary Limited	50.00%	50.00%	9 178 948	2 011 411
Phola Park Shopping Centre Proprietary Limited	40.00%	40.00%	2 144 274	400
Thorntree Shopping Centre Proprietary Limited	50.00%	50.00%	77 671 528	74 214 331
			166 969 612	**166 672 205**

Summarised financial information of material associates

August 2017

Summarised statement of profit or loss and other comprehensive income	Revenue	Profit from continuing operations	Total comprehensive income
Figures in Rands			
Alex Mall Proprietary Limited	22 155 322	127 840 129	127 840 129
Diepkloof Plaza Proprietary Limited	14 250 086	12 258 620	12 258 620
Edendale Mall Proprietary Limited	11 302 430	18 879 337	18 879 337
Mandeni Plaza Proprietary Limited	6 875 115	28 102 264	28 102 264
Modimall Proprietary Limited	9 267 548	12 353 017	12 353 017
Phola Park Shopping Centre Proprietary Limited	–	138 605 960	138 605 960
Thorntree Shopping Centre Proprietary Limited	11 594 129	21 025 550	21 025 550
	75 444 630	**359 064 877**	**359 064 877**

Summarised statement of financial position	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Total net assets/ (liabilities)
Figures in Rands					
Alex Mall Proprietary Limited	492 624 096	12 395 289	329 277 857	47 900 401	127 841 127
Diepkloof Plaza Proprietary Limited	266 300 927	7 317 100	143 624 119	10 798 496	119 195 412
Edendale Mall Proprietary Limited	360 820 499	6 636 253	237 386 488	47 125 492	82 944 772
Mandeni Plaza Proprietary Limited	165 904 699	2 194 780	99 167 821	36 539 194	32 392 464
Modimall Proprietary Limited	184 762 409	2 529 083	113 290 308	83 384 417	(9 383 233)
Phola Park Shopping Centre Proprietary Limited	418 230 847	12 866 664	288 166 574	4 314 977	138 615 960
Thorntree Shopping Centre Proprietary Limited	258 629 019	6 864 050	64 030 456	16 607 632	184 854 981
	2 147 272 496	**50 803 219**	**1 274 943 623**	**246 670 609**	**676 461 483**

Reconciliation of net assets to equity accounted investments in associates	Equity portion of associate	Total change in loans	Initial loan	Investment in associate
Figures in Rands				
Alex Mall Proprietary Limited	63 920 563	18 086 980	–	82 007 543
Diepkloof Plaza Proprietary Limited	47 678 165	200 876	(274 870)	47 604 171
Edendale Mall Proprietary Limited	41 472 386	4 575 581	13 847 948	59 895 915
Mandeni Plaza Proprietary Limited	16 196 232	7 536 149	18 034 253	41 766 634
Modimall Proprietary Limited	(4 691 618)	15 516 879	13 099 310	23 924 573
Phola Park Shopping Centre Proprietary Limited	55 446 384	–	–	55 446 384
Thorntree Shopping Centre Proprietary Limited	92 427 491	32 635	115 105	92 575 231
	312 449 603	**45 949 100**	**44 821 746**	**403 220 451**

Reconciliation of movement in investments in associates	Investment at beginning of 1 March 2017	Share of profit	Movement in loan	Dividends received from associates	Investment at end of 31 August 2017
Figures in Rands					
Alex Mall Proprietary Limited	11 058 375	63 920 064	7 029 104	–	82 007 543
Diepkloof Plaza Proprietary Limited	43 900 723	4 903 448	–	(1 200 000)	47 604 171
Edendale Mall Proprietary Limited	50 165 140	9 439 669	291 106	–	59 895 915
Mandeni Plaza Proprietary Limited	25 050 519	14 051 132	2 664 983	–	41 766 634
Modimall Proprietary Limited	18 722 199	6 176 509	(974 135)	–	23 924 573
Phola Park Shopping Centre Proprietary Limited	2 569 164	55 442 384	(2 565 164)	–	55 446 384
Thorntree Shopping Centre Proprietary Limited	83 305 224	10 512 775	7 232	(1 250 000)	92 575 231
	234 771 344	**164 445 981**	**6 453 126**	**(2 450 000)**	**403 220 451**

Summarised financial information of material associates

February 2017

Summarised statement of profit or loss and other comprehensive income	Revenue	Profit (loss) from continuing operations	Total comprehensive income/(loss)
Figures in Rands			
Diepkloof Plaza Proprietary Limited	28 431 710	33 752 814	33 752 814
Edendale Mall Proprietary Limited	30 553 392	45 778 322	45 778 322
Mandeni Plaza Proprietary Limited	14 546 853	9 695 222	9 695 222
Modimall Proprietary Limited	18 712 272	(2 583 950)	(2 583 950)
Thorntree Shopping Centre Proprietary Limited	20 545 878	22 240 757	22 240 757
	112 790 105	**108 883 165**	**108 883 165**

Summarised statement of financial position	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Total net assets
Figures in Rands					
Alex Mall Proprietary Limited	297 933 165	6 593 001	280 952 013	23 573 153	1 000
Diepkloof Plaza Proprietary Limited	251 000 000	7 215 442	138 351 749	9 926 901	109 936 792
Edendale Mall Proprietary Limited	334 999 999	6 775 046	232 007 067	45 702 543	64 065 435
Mandeni Plaza Proprietary Limited	129 247 729	2 189 699	94 400 087	32 747 142	4 290 199
Modimall Proprietary Limited	169 228 334	3 293 928	119 178 176	75 080 338	(21 736 252)
Phola Park Shopping Centre Proprietary Limited	93 854 125	11 903 509	101 805 197	3 942 437	10 000
Thorntree Shopping Centre Proprietary Limited	239 100 000	4 705 399	62 429 932	15 046 036	166 329 431
	1 515 363 352	**42 676 024**	**1 029 124 221**	**206 018 550**	**322 896 605**

Reconciliation of net assets to equity accounted investments in associates	Equity portion of associate	Total change in loans	Initial loan	Investment in associate
Figures in Rands				
Alex Mall Proprietary Limited	500	(1 333 747)	12 391 622	11 058 375
Diepkloof Plaza Proprietary Limited	43 974 717	200 876	(274 870)	43 900 723
Edendale Mall Proprietary Limited	32 032 718	4 284 474	13 847 948	50 165 140
Mandeni Plaza Proprietary Limited	2 145 100	4 871 166	18 034 253	25 050 519
Modimall Proprietary Limited	(10 868 126)	16 491 015	13 099 310	18 722 199
Phola Park Shopping Centre Proprietary Limited	4 000	2 565 164	–	2 569 164
Thorntree Shopping Centre Proprietary Limited	83 164 716	25 403	115 105	83 305 224
	150 453 625	**27 104 351**	**57 213 368**	**234 771 344**

Reconciliation of movement in investments in associates	Investment at beginning of 1 March 2016	Share of profit/(loss)	Movement in loan	Dividends received from associates	Investment at end of 28 February 2017
Figures in Rands					
Alex Mall Proprietary Limited	12 392 123	–	(1 333 748)	–	11 058 375
Diepkloof Plaza Proprietary Limited	32 598 721	13 501 125	200 877	(2 400 000)	43 900 723
Edendale Mall Proprietary Limited	17 652 276	22 889 161	9 623 703	–	50 165 140
Mandeni Plaza Proprietary Limited	15 331 742	4 847 611	4 871 166	–	25 050 519
Modimall Proprietary Limited	9 178 948	(1 291 975)	10 835 226	–	18 722 199
Phola Park Shopping Centre Proprietary Limited	2 144 274	–	424 890	–	2 569 164
Thorntree Shopping Centre Proprietary Limited	77 671 528	11 120 379	13 317	(5 500 000)	83 305 224
	166 969 612	**51 066 301**	**24 635 431**	**(7 900 000)**	**234 771 344**

Summarised financial information of material associates

February 2016

Summarised statement of profit or loss and other comprehensive income	**Revenue**	**Profit/(loss) from continuing operations**	**Total comprehensive income**
Figures in Rands			
Diepkloof Plaza Proprietary Limited	27 143 773	(17 306 099)	(17 306 099)
Edendale Mall Proprietary Limited	34 046 087	(11 227 028)	(11 227 028)
Mandeni Plaza Proprietary Limited	16 924 424	(13 976 286)	(13 976 286)
Modimall Proprietary Limited	19 541 142	3 023 497	3 023 497
Thorntree Shopping Centre Proprietary Limited	23 051 560	6 890 223	6 890 223
	120 706 986	**(32 595 693)**	**(32 595 693)**

Summarised statement of financial position	**Non-current assets**	**Current assets**	**Non-current liabilities**	**Current liabilities**	**Total net assets**
Figures in Rands					
Alex Mall Proprietary Limited	54 017 918	7 397 019	36 522 314	24 891 623	1 000
Diepkloof Plaza Proprietary Limited	216 547 001	8 528 483	132 614 618	10 276 888	82 183 978
Edendale Mall Proprietary Limited	275 199 998	9 586 206	6 210 236	260 288 855	18 287 113
Mandeni Plaza Proprietary Limited	119 154 060	2 093 179	97 057 042	29 595 219	(5 405 022)
Modimall Proprietary Limited	166 094 797	2 746 090	130 460 358	57 532 831	(19 152 302)
Phola Park Shopping Centre Proprietary Limited	6 267 605	226 585	3 522 447	2 961 743	10 000
Thorntree Shopping Centre Proprietary Limited	227 900 000	9 625 424	69 208 188	13 228 562	155 088 674
	1 065 181 379	40 202 986	475 595 203	398 775 721	231 013 441

Reconciliation of net assets to equity accounted investments in associates	**Equity portion of associate**	**Increase in investment**	**Total change in loans**	**Initial loan**	**Investment in associate**
Figures in Rands					
Alex Mall Proprietary Limited	–	500	12 391 623	–	12 392 123
Diepkloof Plaza Proprietary Limited	32 873 591	–	–	(274 870)	32 598 721
Edendale Mall Proprietary Limited	9 143 557	–	(5 339 229)	13 847 948	17 652 276
Mandeni Plaza Proprietary Limited	(2 702 511)	–	–	18 034 253	15 331 742
Modimall Proprietary Limited	(9 576 151)	–	5 655 789	13 099 310	9 178 948
Phola Park Shopping Centre Proprietary Limited	4 000	–	2 140 274	–	2 144 274
Thorntree Shopping Centre Proprietary Limited	77 544 337	–	12 086	115 105	77 671 528
	107 286 823	**500**	**14 860 543**	**44 821 746**	**166 969 612**

Reconciliation of movement in investments in associates	Investment at beginning of 1 March 2015	Acquisitions/ Disposals	Share of profit/(loss)	Movement in loan	Investment at end of 28 February 2016
Figures in Rands					
Alex Mall Proprietary Limited	–	500	–	12 391 623	12 392 123
Diepkloof Plaza Proprietary Limited	39 521 161	–	(6 922 440)	–	32 598 721
Edendale Mall Proprietary Limited	28 605 017	–	(5 613 512)	(5 339 229)	17 652 276
Mandeni Plaza Proprietary Limited	22 319 885	–	(6 988 143)	–	15 331 742
Modimall Proprietary Limited	2 011 411	–	1 511 749	5 655 788	9 178 948
Phola Park Shopping Centre Proprietary Limited	400	3 600	–	2 140 274	2 144 274
Thorntree Shopping Centre Proprietary Limited	74 214 331	–	3 445 109	12 088	77 671 528
	166 672 205	4 100	(14 567 237)	14 860 543	166 969 612

Summarised financial information of material associates

February 2015

Summarised statement of profit or loss and other comprehensive income	Revenue	Profit from continuing operations	Total comprehensive income
Figures in Rands			
Diepkloof Plaza Proprietary Limited	26 813 008	56 920 913	56 920 913
Edendale Mall Proprietary Limited	36 306 658	27 728 416	27 728 416
Mandeni Plaza Proprietary Limited	7 124 387	8 571 164	8 571 164
Modimall Proprietary Limited	20 099 140	16 143 373	16 143 373
Thorntree Shopping Centre Proprietary Limited	22 106 394	22 815 013	22 815 013
	112 449 587	**132 178 879**	**132 178 879**

Summarised statement of financial position	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Total net assets/ (liabilities)
Figures in Rands					
Diepkloof Plaza Proprietary Limited	239 200 000	10 676 727	136 684 436	13 702 214	99 490 077
Edendale Mall Proprietary Limited	290 800 001	10 153 633	231 504 674	39 934 819	29 514 141
Mandeni Plaza Proprietary Limited	129 860 000	4 628 232	104 629 339	21 287 629	8 571 264
Modimall Proprietary Limited	160 203 779	2 827 621	138 035 461	47 171 738	(22 175 799)
Phola Park Shopping Centre Proprietary Limited	481 095	21 123	271 051	230 167	1 000
Thorntree Shopping Centre Proprietary Limited	226 700 000	6 069 381	71 302 488	13 268 442	148 198 451
	1 047 244 875	**34 376 717**	**682 427 449**	**135 595 009**	**263 599 134**

Reconciliation of net assets to equity accounted investments in associates	Equity portion of associate	Total change in loans	Investment in associate
Figures in Rands			
Diepkloof Plaza Proprietary Limited	39 796 031	(274 870)	39 521 161
Edendale Mall Proprietary Limited	14 757 071	13 847 946	28 605 017
Mandeni Plaza Proprietary Limited	4 285 632	18 034 253	22 319 885
Modimall Proprietary Limited	(11 087 900)	13 099 310	2 011 411
Phola Park Shopping Centre Proprietary Limited	400	–	400
Thorntree Shopping Centre Proprietary Limited	74 099 226	115 105	74 214 331
	121 850 460	**44 821 744**	**166 672 205**

Reconciliation of movement in investments in associates	Investments in associates as at 1 March 2014	Share of profit	Impairments	Investment at end of 2015
Figures in Rands				
Diepkloof Plaza Proprietary Limited	16 752 796	22 768 365	–	39 521 161
Edendale Mall Proprietary Limited	14 740 809	13 864 208	–	28 605 017
Mandeni Plaza Proprietary Limited	18 034 303	4 285 582	–	22 319 885
Modimall Proprietary Limited	13 099 310	8 071 687	(19 159 586)	2 011 411
Phola Park Shopping Centre Proprietary Limited	400	–	–	400
Thorntree Shopping Centre Proprietary Limited	62 806 825	11 407 506	–	74 214 331
	125 434 443	**60 397 348**	**(19 159 586)**	**166 672 205**

5. LOANS TO/(FROM) SHAREHOLDERS

	February 2017 (R)	February 2016 (R)	February 2015 (R)
The Dilala Family Trust	–	(328 813)	(949 975)
The loan was interest free, unsecured and repaid during the 2017 financial period.			
The Selamo Trust	–	(376 136)	(949 975)
The loan interest free, unsecured and repaid during the 2017 financial period.			
Nedbank Limited	(517 012)	(2 737 141)	(3 422 875)
The loan is unsecured, carry interest at 10% per annum and has no fixed terms of repayment.			
The Orleans Trust	175	175	(440 669)
The loan is unsecured, interest free and has no fixed terms of repayment.			
The Moratiwa Tsatsela Masemola Family Trust	175	175	(440 669)
The loan is unsecured, interest free and has no fixed terms of repayment.	–	–	–
	(516 662)	**(3 441 740)**	**(6 204 163)**
Current assets	350	350	–
Current liabilities	(517 012)	(3 442 090)	(6 204 163)
	(516 662)	**(3 441 740)**	**(6 204 163)**

6. **OPERATING LEASE ASSET (LIABILITY)**

	February 2017 (R)	February 2016 (R)	February 2015 (R)
Non-current assets	69 937 244	58 843 358	51 496 594
Non-current liabilities	(545 755)	(520 815)	(1 140 029)
	69 391 489	**58 322 543**	**50 356 565**

7. **TRADE AND OTHER RECEIVABLES**

	February 2017 (R)	February 2016 (R)	February 2015 (R)
Trade receivables	5 167 064	4 496 747	3 037 615
Allowance for impairment	(363 247)	(288 689)	(310 873)
Sundry receivables	2 213 395	1 617 810	1 491 354
Value Added Tax	–	–	10 371 268
Prepayments	410 327	369 183	254 462
Municipal deposits	7 344 016	5 948 394	5 936 261
Attorney deposits	–	529 330	–
	14 771 555	**12 672 775**	**20 780 087**

Fair value of trade and other receivables

The fair value of trade and other receivables are deemed to approximate the carrying value.

Trade and other receivables past due but not impaired

Trade receivables which are less than 3 months past due are not considered to be impaired. At 28 February 2017, R4 901 958 (2016: R4 391 327; 2015: R2 856 244) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

	February 2017 (R)	February 2016 (R)	February 2015 (R)
1 month past due	483 759	1 024 569	–

Trade and other receivables impaired

The amount of the provision was R363 247 as of 28 February 2017 (2016: R288 689; 2015: R310 873).

8. **OTHER FINANCIAL ASSETS**

	February 2017 (R)	February 2016 (R)	February 2015 (R)
Loans and receivables			
Filamane Investments (Pty) Ltd	48 750 000	43 249 999	–
The loan is unsecured, interest free and has no fixed terms of repayment.			
Current assets	48 750 000	43 249 999	–
Loans and receivables			

Fair value information

The carrying amount of the financial assets approximate the fair value of the financial assets.

9. TRADE AND OTHER PAYABLES

	February 2017 (R)	February 2016 (R)	February 2015 (R)
Trade payables	4 461 270	6 271 551	1 918 019
Rent received in advance	5 557 683	5 424 166	4 363 406
Value Added Taxation	2 784 807	16 214 694	6 440 198
Dividend tax payable	–	–	3 988 235
Construction payables	10 615 478	10 615 478	10 814 723
Sundry creditors	2 756 046	1 268 260	589 560
Accruals	11 775 899	9 792 058	7 527 962
Deposits received	13 764 001	12 744 417	8 951 696
	51 715 184	**62 330 624**	**44 593 799**

Fair value of trade and other payables

The fair value of trade and other payables are deemed to approximate their carrying value.

10. OTHER FINANCIAL LIABILITIES

	February 2017 (R)	February 2016 (R)	February 2015 (R)
Held at amortised cost			
Sanlam Property Markets (Pty) Ltd	104 325 329	104 325 329	50 544 980
ABSA Bank Limited – 7010096604	10 421 596	11 897 739	13 294 405

Sanlam Property Markets (Pty) Ltd

The mortgage loan carries interest at 9.3% per annum. The loan and interest is repayable in instalments over 54 months with an expected final instalment on 10 August 2021. Instalments comprised only interest repayments with capital repayments commencing on 9 October 2017.

The loan is secured by:

A mortgage over the investment property.

Cession in security of the insurance policy, lease agreement, property income and related rights in respect of the property.

Pledge and cession by the trustees of the John McCormick Family Trust's rights and interest in and to any and all shares held in Lusiki Share Block (Pty) Ltd, and all share distributions, the use agreement, disposal agreement, disposal proceeds and any shareholder claims.

Subordination of any debt of the John McCormick Family Trust in Lusiki Plaza Share Block (Pty) Ltd.

Guarantee by a director of the company, John McCormick, limited to R25 million.

ABSA Bank Limited – 7010096604

The mortgage loan is repayable in monthly instalments of R451 268 (2016: R448 253, 2015: R439 896) and bears interest at the prime overdraft rate.

The loan is secured by:

- a mortgage over the investment property, and
- limited surety of R7 million by a director of the company, John McCormick.

	February 2017 (R)	February 2016 (R)	February 2015 (R)
Nedbank Limited – 30147925	165 962 827	171 229 500	120 173 397
The mortgage loan carries interest at the prime overdraft rate less 0.5% per annum and is repayable in interest instalments only for the first twelve months as from 1 July 2015 and thereafter capital and interest instalments for the remaining 108 months with a maximum residual of R53 400 000.			
The loan is secured by:			
• a mortgage over the investment property; and			
• combined surety by the Sikhandzisa Family Trust and the John McCormick Family Trust to the value of R50 million.			
ABSA Bank Limited – 7010059197	9 284 090	10 099 849	34 649 416
The mortgage loan bears interest at the prime overdraft rate less 1.5% per annum. The loan is repayable in monthly instalments of R189 393 (2016: R217 139, 2015: R545 455). The loan is secured by a mortgage over the property and a cession of all income and revenues and any VAT refunds.			
Nedbank Limited – 30096889	34 593 014	57 304 841	76 566 972
The mortgage loan bears interest at the prime rate of interest less 1.65%.The loan is secured by a mortgage over the investment property and is repayable in monthly instalments of R2 060 227 (2016: R2 053 978, 2015: 2 026 929).			
Nedbank Limited – 30122474	6 419 943	10 174 621	13 907 991
The mortgage loan bears interest at the prime rate. The loan is secured by a mortgage over the investment property and is repayable in monthly instalments of R387 212 (2016: 386 069, 2015: 381 028).			
Nedbank Limited – 30121357	97 250 149	118 075 422	140 072 941
The loan bears interest at the prime overdraft rate less 0.25% per annum and is repayable in monthly instalments of R2 662 660.			
The loan is secured by:			
• A first cession and covering mortgage over a 50% undivided share in Erf 14669 Vosloorus Ext 31 Township, Gauteng.			
• Limited Surety to the value of R25 million by a director of Chris Hani Crossing (Pty) Ltd, John McCormick.			
• A cession of unlisted shares held by the John McCormick Family Trust in Bochum Plaza (Pty) Ltd (a company in which John McCormick is a common director).			
Quarrylight Investments (Pty) Ltd	4 088 534	4 088 534	4 088 534
The loan is unsecured, interest free and has no fixed terms of repayment.			

	February 2017 (R)	February 2016 (R)	February 2015 (R)
ABSA Bank Limited – 7010079834	20 726 470	24 218 139	27 953 120
The loan is repayable in monthly instalments of R483 437 (2016: R480 466, 2015: R467 940) and bears interest at the prime overdraft rate less 0.4% per annum. The loan is secured by a mortgage over the investment property			
Investec Bank Limited	59 116 280	62 426 867	65 014 307
The mortgage loan bears interest at the prime overdraft rate less 0.5% per annum. The loan is repayable in instalments of R820 651 (2016: 752 466, 2015: R667 681) inclusive of interest with an expected residual payment of R29.3 million payable in October 2022. The payments take into account a residual R13 million. The loan is secured by a mortgage over the investment property.			
Nedbank Limited – 30154017	125 231 663	126 749 891	123 306 414
The mortgage loan carries interest at the prime overdraft rate less 0.65% per annum and is repayable in interest instalments only for the first twelve months until the end of October 2016. Thereafter the mortgage is repayable in monthly capital and interest instalments of R1 399 987 for the remaining 108 months with a maximum residual of R64 750 000. The loan is secured by: • A first cession and covering mortgage over ERF 12852 Olievenhoutbos Extension 38, Registration division JR, Province of Gauteng. • A limited deed of suretyship to the value of R24 million by a director of the company, John McCormick. • A letter of comfort from Nedbank Corporate and Investment Banking Property Partners limited to R12.5 million.			
Absa Bank Limited – 7010124807	92 948 344	95 633 533	99 176 740
The mortgage loan is repayable in variable instalments which escalate at 7% per annum (currently R974 534, 2016: R910 612, 2015: R851 539) and an expected residual payment of R31 200 000 in April 2024. The loan carries interest at the prime overdraft rate less 1% per annum. The loan is secured by: • A mortgage over the investment property. • A cession in security by Theku Plaza (Pty) Ltd of rights in and to all leases and rentals in the property. • A cession in security of rights in and to all revenues in respect of the property. • A cession in security of claims in respect of insurance proceeds. A cession of bank accounts where rentals will be received.			

	February 2017 (R)	February 2016 (R)	February 2015 (R)
• A pledge of shares in Theku Plaza (Pty) Ltd and cession of claims and subordination by the shareholders of rights in respect thereof. • A cession of income by the shareholders of Theku Plaza (Pty) Ltd (and such parties to whom any rights in relation to the property accrue). • A cession of rights under the use agreement by the shareholders of Theku Plaza (Pty) Ltd of shares held in Theku Plaza Share Block (Pty) Ltd. • Unlimited guarantees by the shareholders of Theku Plaza (Pty) Ltd (and such parties to whom any rights in relation to the property accrue). • Limited guarantee by a director of the company, John McCormick to the amount of R25 million.			
ABSA Bank Limited	320 416	1 317 730	2 161 774
The loan is repayable in monthly instalments of R277 898 (2016: R276 755, 2015: R276 755) with the final instalment due in May 2017. The loan bears interest at the prime overdraft rate less 1.25% per annum. The loan is secured by a cession of Jane Furse's right to receive rental income and a mortgage of the freehold property.			
	730 688 655	**797 541 995**	**770 910 991**
	730 688 655	**797 541 995**	**770 910 991**
Non-current liabilities			
At amortised cost	647 719 493	726 191 273	415 914 972
Current liabilities			
At amortised cost	82 969 162	71 350 722	354 996 019
	82 969 162	**71 350 722**	**354 996 019**
	730 688 655	**797 541 995**	**770 910 991**

11. DEFERRED TAX

	February 2017 (R)	February 2016 (R)	February 2015 (R)
Deferred tax liability			
Capital allowances	(57 960 148)	(47 589 676)	(38 427 565)
Leasehold improvements allowance	(1 932 678)	(1 692 869)	(3 495 164)
Operating lease equalisation	(11 763 251)	(11 163 832)	(10 902 222)
Fair value adjustment	(177 363 919)	(156 121 924)	(130 383 212)
Prepaid expenses and interest capitalised to investment property	(2 135 915)	(1 833 966)	(2 220 007)
Total deferred tax liability	**(251 155 911)**	**(218 402 267)**	**(185 428 170)**
Deferred tax asset			
Allowance for debtors impairment	258 006	271 162	291 903
Amounts received in advance	1 048 451	1 015 349	921 259
Deferred tax balance from temporary differences other than unused tax losses	1 306 457	1 286 511	1 213 162
Tax losses available for set off against future taxable income	2 867 427	1 856 832	1 146 887
Total deferred tax asset	**4 173 884**	**3 143 344**	**2 360 049**
Deferred tax liability	(251 155 911)	(218 402 267)	(185 428 170)
Deferred tax asset	4 173 884	3 143 344	2 360 049
Total net deferred tax liability	**(246 982 027)**	**(215 258 923)**	**(183 068 121)**
Reconciliation of deferred tax asset/(liability)			
At beginning of year	(215 258 923)	(183 068 121)	(161 944 149)
Charge to profit and loss	(31 723 104)	(32 190 802)	(21 123 972)
	(246 982 027)	**(215 258 923)**	**(183 068 121)**

12. CASH AND CASH EQUIVALENTS

	February 2017 (R)	February 2016 (R)	February 2015 (R)
Cash and cash equivalents consist of:			
Bank balances	37 353 583	61 355 178	71 589 122

13. REVENUE

	February 2017 (R)	February 2016 (R)	February 2015 (R)
Rental income on investment property	231 859 469	208 165 952	159 466 097
Operating lease equalisation on straightlining	11 093 887	9 874 037	3 004 164
	242 953 356	**218 039 989**	**162 470 261**

14. **OTHER OPERATING INCOME**

	February 2017 (R)	February 2016 (R)	February 2015 (R)
Sundry income	2 486 402	2 150 289	1 488 590

15. **OPERATING PROFIT/(LOSS)**

	February 2017 (R)	February 2016 (R)	February 2015 (R)
Operating profit for the year is stated after charging (crediting) the following, amongst others:			
Remuneration, other than to employees			
Administrative and managerial services	8 131 283	7 226 410	5 551 481
Consulting and professional services	1 247 307	1 202 480	1 249 383
	9 378 590	**8 428 890**	**6 800 864**
Employee costs			
Salaries, wages, bonuses and other benefits	2 581 232	2 237 200	1 662 805
Depreciation and amortisation			
Depreciation of property, plant and equipment	13 987	29 675	56 961

16. **INVESTMENT INCOME**

	February 2017 (R)	February 2016 (R)	February 2015 (R)
Banks	2 279 908	2 596 272	2 471 860

17. **FINANCE COSTS**

	February 2017 (R)	February 2016 (R)	February 2015 (R)
Financial liabilities	79 089 427	76 332 135	46 536 236

18. **OTHER NON-OPERATING GAINS (LOSSES)**

	February 2017 (R)	February 2016 (R)	February 2015 (R)
Loss on sale of Investment Property	–	(10 400 000)	(15 147 983)
Impairment losses on			
Financial assets	–	–	(1 765 135)
Fair value gains/(losses)			
Investment property	184 496 662	106 000 282	119 289 168

19. TAXATION

	February 2017 (R)	February 2016 (R)	February 2015 (R)
Major components of the tax expense			
Current			
Local income tax – current period	11 688 780	19 997 686	8 239 335
Deferred			
Originating and reversing temporary differences	31 844 283	20 981 354	20 608 228
Changes in tax rates	–	11 258 450	–
Arising from prior period adjustments	(121 178)	(49 006)	515 744
	31 723 105	**32 190 798**	**21 123 972**
	43 411 885	**52 188 484**	**29 363 307**
Reconciliation of the taxation and effective taxation rate			
Applicable taxation rate	28.00%	28.00%	28.00%
Capital gains tax differential	(0.99%)	(5.48%)	(3.20%)
Non-deductible expenses	–	0.10%	0.01%
Increase in tax rate	2.07%	5.70%	–
Deferred tax recognised for prior years	(0.03%)	(0.02%)	0.2%
Profit from partnership	(13.22%)	(3.93%)	(7.2%)
(Income)/losses from equity account investments	(3.92%)	2.07%	(6.51%)
Effective tax rate	**11.91%**	**26.44%**	**11.3%**

20. CASH GENERATED FROM OPERATIONS

Figures in Rands	**August 2017**	**February 2017**	**February 2016**	**February 2015**
Profit before taxation	422 350 277	364 554 705	197 404 794	259 859 115
Adjustments for				
Depreciation and amortisation	9 325	13 988	29 676	56 960
Losses on disposals of assets	–	–	10 400 000	15 147 983
(Income)/losses from equity accounted investments	(164 445 981)	(51 066 301)	14 567 237	(60 397 348)
Interest income	(991 887)	(2 279 908)	(2 596 272)	(2 471 860)
Finance costs	37 333 025	79 089 427	76 332 135	46 536 236
Fair value gains	(147 819 722)	(184 496 662)	(106 000 282)	(119 289 168)
Impairment losses and reversals	–	–	3 818	1 762 309
Movements in operating lease assets and accruals	(2 250 290)	(11 068 946)	(7 965 978)	(7 553 485)
Changes in working capital:				
Trade and other receivables	(2 678 325)	(2 098 780)	8 107 312	(3 117 013)
Trade and other payables	3 511 834	(10 615 440)	17 736 824	6 689 071
	145 018 256	**182 032 083**	**208 019 264**	**137 222 800**

21. TAX PAID

Figures in Rands	August 2017	February 2017	February 2016	February 2015
Balance at beginning of the year	(473 379)	(100 323)	738 886	628 053
Current tax for the year recognised in profit or loss	(6 683 670)	(11 688 780)	(19 997 686)	(8 239 335)
Balance at end of the year	600 804	473 379	100 323	(738 886)
	(6 556 245)	**(11 315 724)**	**(19 158 477)**	**(8 350 168)**

22. CONTINGENCIES

Chris Hani Crossing: Chris Hani Crossing (Pty) Ltd has provided surety to Nedbank Limited, for the loan obligation of its shareholder, The John McCormick Family Trust. The Loan obligation is to the value of R202 280 000.

The John McCormick Family Trust has also pledged its shareholding in Chris Hani Crossing (Pty) Ltd as security for any obligations to Nedbank Limited.

Acornhoek Plaza: A claim has been made against Acornhoek Plaza Share Block (Pty) Ltd by a competing developer.

Acornhoek Plaza Share Block (Pty) Ltd's attorneys are currently defending the matter and the matter is still in process as pleadings have not yet closed. The attorney's believe that the prospects of successfully defending the matter are reasonably good.

23. GUARANTEES

Emoyeni Regional Mall: The bank has issued guarantees of R3 747 401 in favour of Mbombela Local Municipality.

Blouberg Mall: The Company's bankers have issued guarantees to the value of R495 400 in favour of Eskom Holdings Limited.

Theku Plaza: The company's bankers have provided guarantees to the value of R878 400 in favour of Eskom Holdings Limited. Bank deposits of R878 400 have been ceded to the bank as security for the guarantees.

Acornhoek Plaza: The bank has issued a guarantee of R89 878 in favour of Eskom Holdings Limited. As security for this guarantee the Share Block has ceded bank deposits in the amount of R89 878.

Jane Furse Plaza: The bank has issued a guarantee of R42 000 in favour of Eskom Holdings Limited. As security for this guarantee the shareblock ceded bank deposits of R42 000.

Kwagga Plaza: The bank has issued a guarantee of R250 000 in favour of Eskom Holdings Limited. The guarantee was issued on 23 May 2001 and expires on 21 December 2025.

24. RELATED PARTIES

Relationships

Common director and member – John McCormick	McCormick Property Development (Pty) Ltd
Joint Venture party from 1 September 2012	Redefine Properties Ltd in Chris Hani Crossing (Pty) Ltd
50% Co-owner of investment property	Heriot Properties (Pty) Ltd in Tsakane Mall (Pty) Ltd
Investment companies of the John McCormick Family Trust	Filamane Investments (Pty) Ltd Quarrylight Investments (Pty) Ltd
30% Co-owner of investment property	Vukile Property Fund Ltd in Modjadji Plaza (Pty) Ltd
70% interest in leased property	Vukile Property Fund Ltd in Maake Plaza (Pty) Ltd

	February 2017 (R)	February 2016 (R)	February 2015 (R)
Related party balances			
Loans to/ from) fellow subsidiaries			
Filamane Investments (Pty) Ltd	48 750 000	43 249 998	–
Quarrylight Investments (Pty) Ltd	(4 088 534)	(4 088 534)	(4 088 534)
Refer to notes 8 and 10	–	–	–
Related party transactions			
Management fees			
McCormick Property Development (Pty) Ltd	8 131 283	7 226 410	5 551 481
Vukile expenses			
Vukile Property Fund Ltd	15 215 834	7 832 392	5 606 367

25. CATEGORIES OF FINANCIAL INSTRUMENTS

Figures in Rands	Note(s)	Financial assets at fair value through profit (loss)	Debt instruments at amortised cost	Equity instruments at cost less impairment	Financial liabilities at fair value through profit (loss)	Financial liabilities at amortised cost	Leases	Equity and non-financial assets and liabilities	Total
Categories of financial instruments – 2017									
Assets									
Non-current Assets									
Property, plant and equipment	2	–	–	–	–	–	–	45 458	45 458
Investment property	3	–	–	–	–	–	–	2 294 397 380	2 294 397 380
Investments in associates	4	–	–	–	–	–	–	234 771 344	234 771 344
Operating lease asset	6	–	–	–	–	–	–	69 937 244	69 937 244
		–	**–**	**–**	**–**	**–**	**–**	**2 599 151 426**	**2 599 151 426**
Current Assets									
Loans to shareholders	5	–	350	–	–	–	–	–	350
Trade and other receivables	7	–	14 361 228	–	–	–	–	410 327	14 771 555
Other financial assets	8	–	–	48 750 000	–	–	–	–	48 750 000
Cash and cash equivalents	12	–	37 353 583	–	–	–	–	–	37 353 583
		–	**51 715 161**	**48 750 000**	**–**	**–**	**–**	**410 327**	**100 875 488**
Total Assets		**–**	**51 715 161**	**48 750 000**	**–**	**–**	**–**	**2 599 561 753**	**2 700 026 914**
Equity and Liabilities									
Equity									
Equity Attributable to Equity Holders of Parent:									
Share capital		–	–	–	–	–	–	235 461 569	235 461 569
Retained income		–	–	–	–	–	–	1 371 375 506	1 371 375 506
		–	**–**	**–**	**–**	**–**	**–**	**1 606 837 075**	**1 606 837 075**
Non-controlling interest		–	–	–	–	–	–	62 267 827	62 267 827
Total Equity		**–**	**–**	**–**	**–**	**–**	**–**	**1 669 104 902**	**1 669 104 902**

Figures in Rands	Note(s)	Financial assets at fair value through profit (loss)	Debt instruments at amortised cost	Equity instruments at cost less impairment	Financial liabilities at fair value through profit (loss)	Financial liabilities at amortised cost	Leases	Equity and non-financial assets and liabilities	Total
Liabilities									
Non-Current Liabilities									
Other financial liabilities	10	–	–	–	–	647 719 493	–	–	647 719 493
Operating lease liability	6	–	–	–	–	–	–	545 755	545 755
Deferred tax	11	–	–	–	–	–	–	246 982 027	246 982 027
		–	–	–	–	**647 719 493**	–	**247 527 782**	**895 247 275**
Current Liabilities									
Trade and other payables	9	–	–	–	–	38 314 899	–	13 400 285	51 715 184
Loans from shareholders	5	–	–	–	–	517 012	–	–	517 012
Other financial liabilities	10	–	–	–	–	82 969 162	–	–	82 969 162
Current tax payable		–	–	–	–	–	–	473 379	473 379
		–	–	–	–	**121 801 073**	–	**13 873 664**	**135 674 737**
Total Liabilities		–	–	–	–	**769 520 566**	–	**261 401 446**	**1 030 922 012**
Total Equity and Liabilities		–	–	–	–	**769 520 566**	–	**1 930 506 348**	**2 700 026 914**
Categories of financial instruments – 2016									
Assets									
Non-current Assets									
Property, plant and equipment	2	–	–	–	–	–	–	59 445	59 445
Investment property	3	–	–	–	–	–	–	2 106 429 077	2 106 429 077
Investments in associates	4	–	–	–	–	–	–	166 969 612	166 969 612
Operating lease asset	6	–	–	–	–	–	–	58 843 358	58 843 358
		–	–	–	–	–	–	**2 332 301 492**	**2 332 301 492**

Figures in Rands	Note(s)	Financial assets at fair value through profit (loss)	Debt instruments at amortised cost	Equity instruments at cost less impairment	Financial liabilities at fair value through profit (loss)	Financial liabilities at amortised cost	Leases	Equity and non-financial assets and liabilities	Total
Current Assets									
Loans to shareholders	5	–	350	–	–	–	–	–	350
Trade and other receivables	7	–	12 303 592	–	–	–	–	369 183	12 672 775
Other financial assets	8	–	–	43 249 999	–	–	–	–	43 249 999
Cash and cash equivalents	12	–	61 355 178	–	–	–	–	–	61 355 178
		–	**73 659 120**	**43 249 999**	–	–	–	**369 183**	**117 278 302**
Total Assets		–	**73 659 120**	**43 249 999**	–	–	–	**2 332 670 675**	**2 449 579 794**
Equity and Liabilities									
Equity									
Equity Attributable to Equity Holders of Parent:									
Share capital		–	–	–	–	–	–	235 461 569	235 461 569
Retained income		–	–	–	–	–	–	1 079 659 270	1 079 659 270
		–	–	–	–	–	–	**1 315 120 839**	**1 315 120 839**
Non-controlling interest		–	–	–	–	–	–	55 264 185	55 264 185
Total Equity		–	–	–	–	–	–	**1 370 385 024**	**1 370 385 024**
Liabilities									
Non-Current Liabilities									
Other financial liabilities	10	–	–	–	–	726 191 273	–	–	726 191 273
Operating lease liability	6	–	–	–	–	–	–	520 815	520 815
Deferred tax	11	–	–	–	–	–	–	215 258 923	215 258 923
		–	–	–	–	**726 191 273**	–	**215 779 738**	**941 971 011**

Figures in Rands	Note(s)	Financial assets at fair value through profit (loss)	Debt instruments at amortised cost	Equity instruments at cost less impairment	Financial liabilities at fair value through profit (loss)	Financial liabilities at amortised cost	Leases	Equity and non-financial assets and liabilities	Total
Current Liabilities									
Trade and other payables	9	–	–	–	–	35 500 452	–	26 830 172	62 330 624
Loans from shareholders	5	–	–	–	–	3 442 090	–	–	3 442 0909
Other financial liabilities	10	–	–	–	–	71 350 722	–	–	71 350 722
Current tax payable		–	–	–	–	–	–	100 323	100 323
		–	**–**	**–**	**–**	**110 293 264**	**–**	**26 930 495**	**137 223 759**
Total Liabilities		**–**	**–**	**–**	**–**	**836 484 537**	**–**	**242 710 233**	**1 079 194 770**
Total Equity and Liabilities		**–**	**–**	**–**	**–**	**836 484 537**	**–**	**1 613 095 257**	**2 449 579 794**
Categories of financial instruments – 2015									
Assets									
Non-current Assets									
Property, plant and equipment	2	–	–	–	–	–	–	38 504	38 504
Investment property	3	–	–	–	–	–	–	1 936 079 399	1 936 079 399
Investments in associates	4	–	–	–	–	–	–	166 672 205	166 672 205
Operating lease asset	6	–	–	–	–	–	–	51 496 594	51 496 594
		–	**–**	**–**	**–**	**–**	**–**	**2 154 286 702**	**2 154 286 702**
Current Assets									
Trade and other receivables	7	–	10 154 357	–	–	–	–	10 625 730	20 780 087
Current tax receivable								738 886	738 886
Cash and cash equivalents	12	–	71 589 122	–	–	–	–	–	71 589 122
		–	**81 743 479**	**–**	**–**	**–**	**–**	**11 364 616**	**93 108 095**
Total Assets		**–**	**81 743 479**	**–**	**–**	**–**	**–**	**2 165 651 318**	**2 247 394 797**

Figures in Rands	Note(s)	Financial assets at fair value through profit (loss)	Debt instruments at amortised cost	Equity instruments at cost less impairment	Financial liabilities at fair value through profit (loss)	Financial liabilities at amortised cost	Leases	Equity and non-financial assets and liabilities	Total
Equity and Liabilities									
Equity									
Equity Attributable to Equity Holders of Parent:									
Share capital		–	–	–	–	–	–	235 461 569	235 461 569
Retained income		–	–	–	–	–	–	956 292 135	956 292 135
		–	–	–	–	–	–	**1 191 753 704**	**1 191 753 704**
Categories of financial instruments – 2015									
Non-controlling interest		–	–	–	–	–	–	49 723 990	49 723 990
Total Equity		–	–	–	–	–	–	**1 241 477 694**	**1 241 477 694**
Liabilities									
Non-Current Liabilities									
Other financial liabilities	10	–	–	–	–	415 914 972	–	–	415 914 972
Operating lease liability	6	–	–	–	–	–	–	1 140 029	1 140 029
Deferred tax	11	–	–	–	–	–	–	183 068 121	183 068 121
		–	–	–	–	**415 914 972**	–	**184 208 150**	**600 123 122**
Current Liabilities									
Trade and other payables	9	–	–	–	–	27 338 878	–	17 254 921	44 593 799
Loans from shareholders	5	–	–	–	–	6 204 163	–	–	6 204 163
Other financial liabilities	10	–	–	–	–	354 996 019	–	–	354 996 019
		–	–	–	–	**388 539 060**	–	**17 254 921**	**405 793 981**
Total Liabilities		–	–	–	–	**804 454 032**	–	**201 463 071**	**1 005 917 103**
Total Equity and Liabilities		–	–	–	–	**804 454 032**	–	**201 463 071**	**2 247 394 797**

26. RISK MANAGEMENT

Capital risk management

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the group consists of debt, which includes the borrowings disclosed in notes 10 cash and cash equivalents disclosed in note 12, and equity as disclosed in the statement of financial position.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholder, return capital to shareholder, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the group monitors capital on the basis of the gearing ratio.

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

There are no externally imposed capital requirements.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

Gearing ratio	61.77%	78.75%	81.03%

Financial risk management

The group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance

Liquidity risk

The group's risk to liquidity is a result of the funds available to cover future commitments. The group manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the group's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. The below repayment schedule does also not include loan facilities with no fixed terms of repayment.

Figures in Rands	February 2017	February 2016	February 2015
Less than 1 year	143 965 723	140 837 608	391 608 427
Between 1 and 2 years	139 129 250	149 876 912	98 347 861
Between 2 and 5 years	392 158 249	383 415 089	216 594 102
Over 5 years	374 934 861	530 480 158	202 274 679

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party. Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis.

Interest rate risk

The group's interest rate risk arises from long term borrowings. Borrowings issued at variable rate expose the group to cash flow interest rate risk.

At 28 February 2017, if interest rates on Rand-denominated borrowings had been 2% higher/lower with all other variables held constant, post tax profits for the year would have been R10 529 362 (2016: R11 518 778) (2015: R11 150 408) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

At 28 February 2017, if interest rates on cash and cash equivalents had been 2% higher/lower with all other variables held constant, post tax profits for the year would have been R537 892 (2016: R883 515) (2015: R1 030 883) higher/lower, mainly as a result of higher/lower interest received on cash and cash equivalents.

27. **GOING CONCERN**

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

28. **EVENTS AFTER THE REPORTING PERIOD**

The directors are not aware of any material events requiring adjustment or disclosure in these consolidated Financial Statements, which occurred after the reporting date and up to the date of this report which require adjustment or disclosure to interpret these consolidated Financial Statements adequately.

29. **SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTERESTS**

Figures in Rands	**February 2017**	**February 2016**	**February 2015**
The Group includes three subsidiaries, Blouberg Mall Proprietary Limited, Olievenhout Plaza Proprietary Limited and Theku Plaza Proprietary Limited, with material non-controlling interests (NCI):			
Proportion of ownership interests and voting rights held by NCI			
Blouberg Mall Proprietary Limited	20%	20%	20%
Olievenhout Plaza Proprietary Limited	25%	25%	25%
Theku Plaza Proprietary Limited	35%	35%	35%
Total comprehensive income			
Blouberg Mall Proprietary Limited	9 919 525	13 549 472	12 908 889
Olievenhout Plaza Proprietary Limited	16 759 443	2 127 772	7 345 836
Theku Plaza Proprietary Limited	9 942 503	10 467 533	11 434 236
Total	**36 621 471**	**26 144 777**	**31 688 961**
Income allocated to NCI			
Blouberg Mall Proprietary Limited	1 983 905	2 709 894	2 581 777
Olievenhout Plaza Proprietary Limited	4 189 861	531 943	1 836 459
Theku Plaza Proprietary Limited	3 479 876	3 663 637	4 001 983
Total	**9 653 642**	**6 905 474**	**8 420 219**
Accumulated NCI			
Blouberg Mall Proprietary Limited	20 481 058	20 517 153	17 807 259
Olievenhout Plaza Proprietary Limited	20 124 754	15 934 892	15 402 950
Theku Plaza Proprietary Limited	21 662 015	18 812 140	16 513 781
Total	**62 267 827**	**55 264 185**	**49 723 990**
Dividends paid to the NCI			
Blouberg Mall Proprietary Limited	2 020 000	–	–
Olievenhout Plaza Proprietary Limited	–	–	–
Theku Plaza Proprietary Limited	630 000	1 365 279	–
Total	**2 650 000**	**1 365 279**	**–**
Summarised financial information for Blouberg Mall Proprietary Limited, before intragroup eliminations, is set out below:			
Non-current	191 847 000	188 938 000	175 599 999
Current assets	4 722 615	8 042 876	7 863 880
Total assets	**196 569 615**	**196 980 876**	**183 463 879**

Figures in Rands	February 2017	February 2016	February 2015
Non-current liabilities	85 221 802	87 666 828	82 766 266
Current liabilities	8 942 522	6 728 283	11 661 320
Total liabilities	**94 164 324**	**94 395 111**	**94 427 586**
Equity attributable to owners of the parent	81 924 233	82 068 612	71 229 034
Non-controlling interests	20 481 058	20 517 153	17 807 259
Revenue	17 401 845	17 912 218	16 587 364
Profit for the year attributable owners of the parent	7 935 620	10 839 578	10 327 111
Profit for the year attributable to NCI	1 983 905	2 709 894	2 581 778
Profit for the year	**9 919 525**	**13 549 472**	**12 908 889**
Other comprehensive income for the year (all attributable to owners of the parent)	–	–	–
Total comprehensive income for the year attributable to owners of the parent	7 935 620	10 839 578	10 327 111
Total comprehensive income for the year attributable to NCI	1 983 905	2 709 894	2 581 778
Total comprehensive income for the year	**9 919 525**	**13 549 472**	**12 908 889**
Net cash from operating activities	11 097 404	8 539 821	9 992 361
Net cash used in investing activities	(191 404)	–	(8 260 284)
Net cash from (used in) financing activities	(11 388 762)	(10 942 440)	5 717 276
Net cash inflow	**(482 762)**	**(2 402 619)**	**7 449 353**
Summarised financial information for Olievenhout Plaza Proprietary Limited, before intragroup eliminations, is set out below:			
Non-current	241 343 000	224 711 000	223 228 490
Current assets	4 606 619	9 349 115	3 435 577
Total assets	**245 949 619**	**234 060 115**	**226 664 067**
Non-current liabilities	144 950 994	144 370 677	14 623 217
Current liabilities	20 499 611	25 949 867	150 429 051
Total liabilities	**165 450 605**	**170 320 544**	**165 052 268**
Equity attributable to owners of the parent	60 374 261	47 804 679	46 208 849
Non-controlling interests	20 124 754	15 934 892	15 402 950
Revenue	22 801 487	22 402 414	11 255 153
Profit for the year attributable owners of the parent	12 569 582	1 595 829	5 509 377
Profit for the year attributable to NCI	4 189 861	531 943	1 836 459
Profit for the year	**16 759 443**	**2 127 772**	**7 345 836**
Other comprehensive income for the year (all attributable to owners of the parent)	–	–	–
Total comprehensive income for the year attributable to owners of the parent	12 569 582	1 595 829	5 509 377
Total comprehensive income for the year attributable to NCI	4 189 861	531 943	1 836 459
Total comprehensive income for the year	**16 759 443**	**2 127 772**	**7 345 836**
Net cash from operating activities	6 207 747	6 630 388	15 998 466
Net cash used in investing activities	(317 356)	(1 661 423)	(9 259 937)
Net cash from (used in) financing activities	(10 607 360)	737 514	(3 962 862)
Net cash inflow	**(4 716 969)**	**5 706 479**	**2 775 667**

Figures in Rands	February 2017	February 2016	February 2015
Summarised financial information for Theku Plaza Proprietary Limited, before intragroup eliminations, is set out below:			
Non-current	174 572 000	166 799 000	155 668 001
Current assets	3 145 468	2 936 390	6 346 918
Total assets	**177 717 468**	**169 735 390**	**162 014 919**
Non-current liabilities	110 201 792	110 328 130	107 859 634
Current liabilities	5 624 203	5 658 289	6 973 052
Total liabilities	**115 825 995**	**115 986 419**	**114 832 686**
Equity attributable to owners of the parent	40 229 457	34 936 831	30 668 451
Non-controlling interests	21 662 016	18 812 140	16 513 782
Revenue	16 730 472	18 527 190	17 470 305
Profit for the year attributable owners of the parent	6 462 627	6 803 896	7 432 253
Profit for the year attributable to NCI	3 479 876	3 663 637	4 001 983
Profit for the year	**9 942 503**	**10 467 533**	**11 434 236**
Other comprehensive income for the year (all attributable to owners of the parent)	–	–	–
Total comprehensive income for the year attributable to owners of the parent	6 462 627	6 803 896	7 432 253
Total comprehensive income for the year attributable to NCI	3 479 876	3 663 637	4 001 983
Total comprehensive income for the year	**9 942 503**	**10 467 533**	**11 434 236**
Net cash from operating activities	4 776 946	7 248 496	6 586 752
Net cash used in investing activities	(114 069)	(532 269)	(874 798)
Net cash from (used in) financing activities	(4 485 189)	(9 963 110)	367 728
Net cash inflow	**177 688**	**(3 252 883)**	**6 079 682**

Detailed Statement of Profit or Loss and Other Comparisons including for the year ended 28 February 2017

Figures in Rands	February 2017	February 2016	February 2015
Revenue			
Rental income	231 859 469	208 165 952	159 466 097
Operating lease equalisation on rent	11 093 887	9 874 037	3 004 164
	242 953 356	**218 039 989**	**162 470 261**
Operating income			
Sundry income	2 486 402	2 150 289	1 488 590
Expenses	(39 638 497)	(30 082 666)	(22 808 758)

Figures in Rands	February 2017	February 2016	February 2015
Operating profit	**205 801 261**	**190 107 612**	**141 150 093**
Interest received	2 279 908	2 596 272	2 471 860
Finance costs	(79 089 427)	(76 332 135)	(46 536 236)
Income from equity accounted associate	51 066 301	(14 567 237)	60 397 348
Other non-operating gains (losses)			
Losses on disposal of assets or settlement of liabilities	–	(10 400 000)	(15 147 983)
Impairment losses	–	–	(1 765 135)
Fair value adjustments	184 496 662	106 000 282	119 289 168
Profit before taxation	**364 554 705**	**197 404 794**	**259 859 115**
Taxation	**(43 411 885)**	**(52 188 484)**	**(29 363 307)**
Profit for the year	**321 142 820**	**145 216 310**	**230 495 808**
Operating expenses			
Accounting fees	(245 274)	(186 806)	(104 017)
Administration and management fees	(8 131 283)	(7 226 410)	(5 551 481)
Advertising	(35 814)	(39 976)	–
Auditors remuneration	(764 364)	(730 794)	(577 297)
Bad debts	(662 801)	(741 649)	(830 217)
Bank charges	4 265	(825 968)	(24 204)
Collection fees	(165 620)	(125 395)	(119 383)
Commissions paid	(108 150)	–	(28 417)
Depreciation	(13 988)	(29 676)	(56 961)
Employee costs	(1 428 930)	(1 228 181)	(886 299)
General expenses	(550 302)	(178 246)	(125 562)
Insurance	(1 357 319)	(1 172 828)	(883 740)
Leasing fees	(851 278)	(422 624)	(318 884)
Legal expenses	(1 002 033)	(1 015 674)	(1 145 366)
Net (recoveries) cost of municipal expenses	2 542 695	2 029 382	1 269 811
Promotions	(664 054)	(562 751)	(646 206)
Printing and stationery	(101 172)	(54 748)	(31 893)
Repairs and maintenance	(3 240 317)	(2 635 860)	(1 932 410)
Security	(6 179 096)	(5 528 466)	(4 144 029)
Telephone and fax	(128 275)	(127 340)	(90 797)
Travel – local	(185 268)	(422 992)	(149 817)
Staff welfare	(1 983)	(2 035)	(48 716)
Vukile expenses	(15 215 834)	(7 832 392)	(5 606 367)
Wages	(1 152 302)	(1 009 019)	(776 506)
Donations	–	(8 400)	–
Impairment – Loans	–	(3 818)	–
	(39 638 497)	**(30 082 666)**	**(22 808 758)**

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE AUDITED HISTORICAL FINANCIAL INFORMATION

The Board of Directors
Exemplar REITail Limited
Lyttelton Road and Leyden Avenue
Clubview
Centurion
0157

11 May 2018

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE HISTORICAL COMBINED FINANCIAL INFORMATION INCLUDED IN THE EXEMPLAR REITAIL LIMITED ("EXEMPLAR") PROSPECTUS

Opinion

We have audited the historical combined financial information of the Exemplar Group, to be restructured as Exemplar REITail Limited and subsequently listed on the JSE Limited, as set out in **Annexure 19** of the prospectus to be issued on or about 30 May 2018 ("the Prospectus") in compliance with the JSE Limited ("JSE") Listings Requirements.

The historical combined financial information comprise the statements of financial position as at 28 February 2017, 29 February 2016 and 28 February 2015, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the combined historical financial information, including a summary of significant accounting policies.

In our opinion, the historical combined financial information of the Exemplar Group presents fairly, in all material respects, for the purposes of the Prospectus, the combined financial position of the Exemplar Group as at 28 February 2017, 29 February 2016 and 28 February 2015 respectively and its combined financial performance and combined cash flows for the years then ended in accordance with International Financial Reporting Standards and the JSE Listings Requirements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Reporting accountant's responsibilities for the audit of the financial information* section of our report. We are independent of the Exemplar Group in accordance with the Independent Regulatory Board for Reporting Accountants *Code of Professional Conduct for Registered Reporting Accountants (IRBA Code)* and other independence requirements applicable to performing audits of financial information in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the historical combined financial information as at 28 February 2017, 29 February 2016 and 28 February 2015. These matters were addressed in the context of our audit of the historical combined financial information as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter (KAM)	How our audit addressed the KAM
Valuation of Investment property Investment property is the Exemplar Group's most significant asset amounting to R2.4 billion, R2.2 billion and R2.0 billion as at 28 February 2017, 29 February 2016 and 28 February 2015 respectively. The properties are fair valued on an annual basis in accordance with IAS 40 Investment Property. Significant judgement is required by the directors in determining the fair value of investment properties and for the purposes of our audit, we identified the valuation of investment properties as a key audit matter due to the significance of the balance to the financial information as a whole, combined with the judgement associated with determining the fair value. The Exemplar Group performs internal valuations using the discounted cash flow model. The inputs with the most significant impact on these valuations are disclosed in note 3.	Our audit procedures included, among others, assessing the competence, capabilities and objectivity of the director who performs the internal valuation, and verified his qualifications, experience and professional reputation. Comparisons of the director's significant assumptions were performed against market data where available and unusual or unexpected movements were investigated and further testing conducted as necessary. The inputs were tested and the assumptions scrutinised for reasonableness. The valuations were also re-performed using the tested assumptions and inputs. We also focused on the adequacy of the Group's disclosures (refer note 3) about these fair values and the assumptions to which the outcome of the valuations are most sensitive, that is, those that have the most significant effect on the determinations of the fair value of the investment properties.

Consent

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

Responsibility of the directors for the historical financial information

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

In preparing the financial information the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Reporting accountant's responsibilities for the audit of the financial information

Our objectives are to obtain reasonable assurance about whether the financial information as a whole is free from material misstatement, whether due to fraud or error, and to issue a Reporting Accountant's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial information.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Reporting Accountant's report to the related disclosures in the financial information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Reporting Accountant's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial information, including the disclosures, and whether the financial information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

GRANT THORNTON
Registered Auditors
Practice Number: 903485E

GM Chaitowitz
Partner
Registered Auditor
Chartered Accountant (SA)

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE INTERIM FINANCIAL INFORMATION

The Board of Directors
Exemplar REITail Limited
Lyttelton Road and Leyden Avenue
Clubview
Centurion
0157

11 May 2018

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE COMBINED INTERIM FINANCIAL INFORMATION INCLUDED IN THE HISTORICAL FINANCIAL INFORMATION INCLUDED IN THE EXEMPLAR REITAIL LIMITED ("EXEMPLAR") PROSPECTUS

We have reviewed the combined interim financial information of the Exemplar Group as set out in **Annexure 19** of the prospectus to be issued on or about 30 May 2018 ("the Prospectus") in compliance with the JSE Limited ("JSE") Listings Requirements.

The combined interim financial information comprises the statement of financial position as at 31 August 2017 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six month period then ended and selected explanatory notes.

Director's responsibility for the interim financial information

The directors are responsible for the preparation and presentation of the combined interim financial information in accordance with International Financial Reporting Standards and the requirements of the JSE Listings Requirements, and for such internal control as the directors determine is necessary to enable the preparation of combined interim financial information that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a review conclusion on the combined interim financial information. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the combined interim financial information is not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of combined interim financial information in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures performed in a review are substantially less than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on the combined interim financial information.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the combined interim financial information of the Exemplar Group for the six month period ended 31 August 2017 is not prepared, in all material respects, in accordance with the recognition and measurement requirements of the International Financial Reporting Standards and in compliance with the JSE Listings Requirements for the purpose of the Prospectus.

GRANT THORNTON
Registered Auditors
Practice Number: 903485E

GM Chaitowitz
Partner
Registered Auditor
Chartered Accountant (SA)

ACCOUNTING POLICIES

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

1. ACCOUNTING POLICIES

Exemplar REITail Limited ("**Exemplar**" or the "**company**") is a corporate REIT incorporated and registered in South Africa.

1.1 Basis of preparation

The company financial statements and group financial statements are prepared on the historical cost basis except for investment properties and certain financial instruments which are measured at fair value. The financial statements are prepared on the going concern basis. They are presented in rand, which is the group and company's functional currency, and all values are rounded to the nearest thousand (R'000), except where otherwise indicated.

1.2 Statement of compliance

The company financial statements and group financial statements are prepared in accordance with International Financial Reporting Standards ("**IFRS**"), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the requirements of the South African Companies Act, 2008 ("**the Companies Act**") and the Listings Requirements of the JSE Limited.

1.3 Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under circumstances, the results of which form the basis of making its judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or the period of the revision and future periods if the revision affects both current and future periods.

1.4 Basis of consolidation

Subsidiaries

The consolidated annual financial statements incorporated in the annual financial statements of the group and entities controlled by the company and its subsidiaries.

The group re-assesses whether or not it controls an investee if the facts and circumstances indicate that there are changes to one or more of the elements of control.

The results of subsidiaries are included from the date control was acquired up to the date control ceased. Cost comprises the fair value of any assets transferred, liabilities or obligations assumed and equity instruments issued and excludes transaction costs.

Investments in subsidiaries of the group are reflected at cost less accumulated impairment losses.

Inter-company transactions, balances and unrealised gains or losses on transactions between group companies are eliminated in the preparation of the consolidated annual financial statements.

The accounting policies of the subsidiaries are consistent with those of the group.

1.5 Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the group. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another.

The group measures goodwill at the acquisition date as follows:

- the fair value of the consideration transferred; plus
- the recognised amount of the non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

Where the excess is negative this is immediately recognised in profit or loss as a gain on a bargain purchase.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities that the group incurs in connection with a business combination are expensed as incurred. Costs associated with the issue of debt or equity securities are recorded directly in the statement of changes in equity.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

1.6 Investment property

Investment property

The cost of investment property comprises the purchase price and directly attributable expenditure. Subsequent expenditure relating to investment property is capitalised when it is probable that there will be future economic benefits from the use of the asset. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

After initial recognition, investment property is measured at fair value. Fair values are determined annually by external independent registered valuers on the open market value basis. The valuers use either the discounted cash flow method or the capitalisation of net income method or a combination of both methods to determine fair value.

Gains or losses arising from changes in the fair values of investment property are included in profit or loss for the year in which they arise. Immediately prior to disposal of investment property, the investment property is revalued to the net sales proceeds and such revaluation is recognised in profit or loss in the period during which it occurs.

When the group begins to redevelop an existing investment property, consideration is given to whether or not the property needs to be reclassified as investment property under development or should remain as investment property, which is measured based at the fair value model.

Tenant installation and lease commission costs are capitalised and amortised over the period of the lease. The carrying value of lease commissions and tenant installations are included with investment properties.

Investment property under development

Investment property under development comprises the cost of the land and development and is stated at cost as the fair value of the developments cannot be reliably measured. On completion, investment property under development is transferred to investment property, where it is measured at fair value.

All costs directly associated with the purchase and construction of a property, and all subsequent capital expenditure for the development qualifying as acquisition costs, are capitalised.

Borrowing costs are capitalised to the extent that they are directly attributable to the acquisition, construction or production of a qualifying asset. Capitalisation of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Capitalisation of borrowing costs may continue until the asset is substantially ready for its intended use. If the resulting carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised. The capitalisation rate is arrived at by reference to the actual rate payable on borrowings for development purposes or, with regard to that part of development cost financed out of general group facilities, the weighted average cost of borrowings.

Leased property

Leases in terms of which the group assumes substantially all the risks and rewards incidental to ownership are classified as finance leases.

The property acquired by way of finance lease is stated at an amount equal to the lower of its fair value and the present value of future minimum lease payments at inception of the lease.

Property held under finance leases and leased out under operating leases is classified as investment property and stated at fair value.

Leases in terms of which the group does not assume substantially all risks and rewards of ownership are classified as operating leases.

1.7 **Property, plant and equipment**

Property, plant and equipment is carried at cost less accumulated depreciation and impairment losses.

Depreciation is calculated on the straight-line method, to write off the costs to their residual values over their estimated useful lives. The depreciation rate applicable is as follows:

Land	not depreciated
Buildings	2% per annum
Computer equipment	3 years
Furniture, fittings and equipment	10 years
Motor vehicles	5 years

The useful lives and residual values of property, plant and equipment are assessed annually.

1.8 **Financial instruments**

The group's financial instruments consist mainly of investments, trade and other receivable, trade and other payables, cash and borrowings.

Financial instruments are initially measured at fair value plus, in the case of financial instruments not measured at fair value through profit and loss, transaction costs.

Subsequent to initial recognition these instruments are measured as set out below:

Cash and equivalents	– Carried at amortised cost.
Investments	– Carried at fair value, being the quoted closing price at the reporting date, through profit and loss.
Trade and other receivables	– Stated at amortised cost using the effective interest rate method less accumulated impairment losses.
Trade and other payables	– Stated at amortised cost using the effective interest rate method.
Related party loans receivable	– Stated at amortised cost using the effective interest rate method less accumulated impairment losses.
Related party loans payable	– Stated at amortised cost using the effective interest rate method.
Financial liabilities	– Non-derivative financial liabilities not at fair value through profit and loss are recognised at amortised cost using the effective interest rate method.

For all financial instruments carried at amortised cost, where the financial effect of the time value of money is not considered to be material, discounting is not applied as the fair values of these instruments approximate their carrying values.

1.8.1 *Derecognition*

Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised where:

– the contractual rights to receive cash flows from the asset have expired;
– the group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
– the group has transferred its rights to receive cash flows from the asset and either:
  • has transferred substantially all the risks and rewards of the asset; or
  • has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the group has transferred its rights to receive cash flow from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Offset

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when the company has a legally enforceable right to set-off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

1.8.2 *Derivative financial instruments*

The group uses derivative financial instruments to hedge its exposure to interest rate risks arising from financing activities. In accordance with its treasury policy, the group does not hold or issue derivative financial instruments for trading purposes.

Derivative financial instruments are recognised initially and subsequently stated at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. Directly attributable transaction costs are recognised in profit or loss when incurred.

The fair value of derivatives is the estimated amount that the group would receive or pay to terminate the derivative at the reporting date, taking into account relevant interest rates and exchange rates and the creditworthiness of the counterparties.

1.8.3 *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Bank overdrafts that are repayable on demand and that form an integral part of the group's cash management are included as a component of cash and cash equivalents for the purpose of the statements of cash flows.

1.8.4 *Interest-bearing borrowings*

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

1.9 Impairment

Non-financial assets

The carrying amounts of the group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment.

If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount and is recognised in profit or loss.

Impairment losses recognised are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets in the unit on a pro rata basis.

The recoverable amount of an asset or a cash-generating unit is the greater of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For any asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and there is an indication that the impairment loss no longer exists.

An impairment loss is reversed only to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss has been recognised.

Financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss in respect of an available for sale financial asset is calculated by reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit characteristics.

All impairment losses are recognised in profit or loss.

An impairment loss is reversed only to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined had no impairment loss initially been recognised. An impairment loss is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

1.10 Provisions

Provisions are recognised when the group has present legal or constructive obligations arising from past events, from which outflows of economic benefits are probable, and where the amount of the obligations can be reliably estimated.

Where the effect of discounting is material, provisions are discounted. The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

1.11 Revenue

Revenue comprises gross rental revenue including all recoveries from tenants, excluding VAT. Rental revenue from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income over the lease period. Contingent rents (turnover rentals) are included in revenue when the amount can be reliably measured.

Dividend income is recognised when the right to receive payment is established.

1.12 Property operating expenses

Service costs for service contracts entered into and property operating expenses are expensed as incurred.

Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Associated costs, such as maintenance and insurance, are expenses as incurred.

1.13 **Financing costs**

Finance costs comprise interest payable on borrowings calculated using the effective interest rate method.

1.14 **Finance income**

Finance income comprises interest received and is recognised as it accrues, taking into account the effective yield on the asset.

1.15 **Income tax**

Income tax on subsidiaries' profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

To the extent that the current tax is due to the tax authorities at year-end, it is recognised as a current liability.

Deferred tax is provided using the statement of financial position method, based on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

1.16 **Segmental reporting**

A segment is a distinguishable component of the group that is engaged either in providing services (business segment), or in providing services within a particular economic environment (geographical segment), which is subject to risks and returns that are different from those of other segments. The group's primary segment is based on business segments.

There are no secondary segments. The business segments are determined based on the group's management and internal reporting structure which will be determined by the group's executive committee.

On a primary basis, the group operates in the retail segment.

Segments results include revenue and expenses directly attributable to a segment and the relevant portion of group revenue and expenses that can be allocated on a reasonable basis to a segment. Segmental assets comprise those assets that are directly attributable to the segment or can be allocated to the segment on a reasonable basis.

1.17 **Related parties**

Related parties in the case of the group include any shareholder who is able to exert a significant influence on the operating policies of the group. Directors, their close family members and any employee who is able to exert a significant influence on the operating policies of the group are also considered to be related parties.

In the case of the company, related parties would also include subsidiaries.

1.18 **Earnings per share**

The group presents basic earnings per share and headline earnings per share for its shares.

Basic earnings per share is calculated by dividing the profit attributable to equity holders by the weighted average number of shares in issue during the year.

Headline earnings per share is calculated by dividing the headline earnings attributable to equity holders by the weighted average number of shares in issue during the year.

There are no dilutionary instruments in issue.

CORPORATE GOVERNANCE STATEMENT

The board recognises the importance of sound corporate governance and endorses and monitors compliance with the King IV. The board confirms that the company will, from the date of the listing, be compliant with the provisions of King IV in all material respects.

The directors recognise that, through good governance, the company will realise an ethical culture, good performance, effective control and legitimacy. The directors in particular recognise the need to manage the group with integrity and to provide effective leadership based on an ethical foundation. This includes timely, relevant and meaningful reporting to shareholders and other stakeholders, that provide a proper and objective overview on the company and its activities, directing the strategy and operations of the group with the intention of building a sustainable business, and considering the short and long-term impact of this strategy on the economy, society and the environment. The board will ensure that the group is a responsible corporate citizen through the corporate governance policies detailed below.

BOARD OF DIRECTORS

The board comprises 4 independent non-executive directors and 3 executive directors. The roles of chairman and CEO are clearly defined to ensure a balance of power. The chairman, Frank Berkeley, is an independent non-executive director. The board's main functions include:

– adopting strategic plans and ensuring they are carried out by management;
– considering and approving major issues, including acquisitions, disposals and reporting;
– monitoring Exemplar's operational performance, and
– overseeing the effectiveness of the internal controls designed to ensure that assets are safeguarded, proper accounting records are maintained and that the financial information on which business decisions are made and which is issued for publication is reliable.

The directors' varied backgrounds and experience provide Exemplar with an appropriate mix of knowledge and expertise that is necessary to manage the business effectively. Furthermore, a clear division of responsibilities at board level will ensure a balance of power and authority, so that no individual can take unilateral decisions. The board aims to meet formally at least quarterly. Company policies and procedures will be adopted by all subsidiaries.

The board is confident that the group has established an effective framework and processes for compliance with laws, codes, rules and standards.

The board has constituted the following committees:

1. REMUNERATION COMMITTEE

Members: Gregory Azzopardi (Chairman), Frank Berkeley and Peter Katzenellenbogen

The remuneration committee assesses and recommends to the board the remuneration and incentivisation of the company's directors. The remuneration committee meets at least two times per financial year. Ad hoc meetings are held to consider special business, as required. The chief executive officer attends meetings of the remuneration committee, or part thereof, if needed to contribute pertinent insights and information.

2. AUDIT AND RISK COMMITTEE

Members: Peter Katzenellenbogen (Chairman), Frank Berkeley and Phatudi Maponya

The audit and risk committee (the "**committee**"), comprising three independent non-executive directors, meets at least four times a year and is primarily responsible for:

– providing independent oversight of among others, the effectiveness of the company's assurance functions and services, with particular focus on combined assurance arrangements, external assurance service providers, internal audit and the finance function, as well as the integrity of the annual financial statements and external reports issued by the company. The committee adopts a model that incorporates and optimises all assurance services and functions so that, taken as a whole, an effective control environment is achieved, the integrity of information used for internal decision-making by management, the board and its committees is supported, and the integrity of external reports are supported. The committee further oversees that this combined assurance model is implemented so as to effectively cover the company's significant risks and material matters; and

- developing a risk management policy and monitoring its implementation. The group's risk management policies identify and analyse group risks, set appropriate limits and controls and monitor risks and adherence to limits. The directors have overall responsibility for the group's internal control and for reviewing its effectiveness. The controls identify and manage group risks rather than completely eliminating failure. Therefore, internal controls provide reasonable, but not absolute, assurance against material misstatement or loss. The implementation and operation of these systems is the responsibility of management and processes are communicated regularly to employees informing them of their responsibilities. Systems include strategic planning, appointment of qualified staff, regular reporting and monitoring of performance and effective control over investments. Internal financial control is appropriate for the size and activities of the group. Significant risks identified are communicated to the board, together with the recommended actions.

The CFO may attend committee meetings by invitation. The committee ensures that the group's financial performance is being properly reported on and monitored, including reviewing the annual and interim accounts, results announcements, internal control systems and procedures, and accounting policies. All members of the board should have adequate financial literacy skills. The committee further oversees the management of financial and other risks that affect the integrity of external reports issued by the company and monitors whether the group's assurance model is effective and sufficiently robust to ensure that the board is able to place reliance on the assurance underlying statements that the board makes concerning the integrity of the group's external reports. Internal financial controls are based on comprehensive and regular reporting. Detailed revenue, cash flow and capital forecasts are prepared and updated throughout the year, and approved by the board.

The board will approve an internal audit charter that defines the role and associated responsibilities and authority of internal audit on an annual basis. The committee is satisfied that arrangements for internal audit provide for the necessary skills and resources to address the complexity and volume of risk faced by the organisation, and will supplement internal audit as required. The committee monitors on an ongoing basis that internal audit follows an approved risk-based internal audit plan, reviews the organisational risk profile and proposes adaptations to the internal audit plan accordingly.

The committee oversees and makes recommendations to the board regarding the appointment, re-appointment and removal of the independent external auditor. In assessing the suitability for appointment of a current or prospective audit firm and designated individual auditor, the committee will (unless unlawful) request and consider:

(i) the decision letter and findings report of the inspection performed by the professional/regulatory body for auditors in the relevant jurisdiction, on both the audit firm and the designated individual auditor;

(ii) the findings report of the internal engagement monitoring inspection performed by the audit firm on their designated individual auditor; and

(iii) the outcome and details of any legal or disciplinary proceedings instituted by any professional body of which they are a member or regulatory body to whom they are accountable.

The committee ensures the scope of the auditor's work is sufficient and that they are fairly remunerated. In accordance with company policy, the committee also supervises the appointment of the auditor for non-audit services and reviews external audit plans and the results of their work. The committee meets with the external auditor at least annually to facilitate an exchange of views and concerns that may not be appropriate for discussion in an open forum, as well as to discuss and review the accounts and audit procedures.

The board has concluded that committee members have the necessary financial literacy, skills and experience to execute their duties effectively and make worthwhile contributions to the committee's deliberations. Additionally, the Chairman has the requisite accounting and financial management experience. The committee has considered and found the expertise and experience of the CFO appropriate for the position. In order to fulfil its responsibility of monitoring the integrity of financial reports issued to shareholders, the committee will review the accounting principles, policies and practices adopted during the preparation of financial information and examine documentation relating to any Annual Reports and interim financial statements of the company. The clarity of disclosures included in financial statements will also be reviewed by the committee, as well as the basis for significant estimates and judgements.

The committee meets at least three times a year. Ad hoc meetings are held to consider special business, as required. The chief executive officer and/or other executive directors attend meetings of the committee, or part thereof, if needed to contribute pertinent insights and information.

3. **SOCIAL AND ETHICS COMMITTEE**

Members: Phatudi Maponya (Chairman), Gregory Azzopardi and Jason McCormick

The social and ethics committee oversees and reports on the group's organisational ethics, responsible corporate citizenship (including the promotion of equality, prevention of unfair discrimination, the environment, health and public safety, including the impact of the company's activities and of its products or services), sustainable development and stakeholder relationships. The social and ethics committee draws to the attention of the board matters within its mandate as occasion requires and reports to shareholders at the company's annual general meeting.

The social and ethics committee meets a minimum of two times per financial year. Ad hoc meetings are held to consider special business, as required.

4. **APPOINTMENT OF DIRECTORS**

Directors are appointed by the board or at the company's annual general meeting ("**AGM**"). Board appointed directors need to be re-appointed by the shareholders at the subsequent AGM. The longest serving third of the directors must be re-appointed by the shareholders annually. Board appointments are conducted in a formal and transparent manner by the entire board following recommendations made by the remuneration and nomination committee.

5. **DIRECTORS' DEALINGS**

Dealing in company securities by directors, their associates, and company officials is regulated and monitored in accordance with the JSE Listings Requirements. Exemplar will maintain a closed period from the end of a financial period to publication of the financial results.

6. **INSIDER TRADING**

The group prohibits all directors and employees from using confidential information, not generally known or available to the public, for personal gain.

7. **EMPLOYEES**

The group's employees are essential to its success and the company is committed to treating them with dignity, trust and respect, and to build long-term relationships based on enforceable employment legislation and respect for human rights.

8. **TENANTS**

Tenant satisfaction is an overriding concern for the group, and plays a vital role in property management. In the current highly competitive environment, the group's success depends on meeting tenant's needs.

9. **GOVERNMENT**

The group seeks to build and manage a sound relationship with governmental authorities on an arm's length basis. No attempts to improperly influence governmental decisions by offering, paying, soliciting, or accepting bribes, in any shape or form are tolerated.

10. **SOCIAL AND ENVIRONMENTAL RESPONSIBILITY**

The group is an integral part of the community in which it operates and is committed to building sound relationships, based on trust, honesty, and fairness. Not only is environmental compliance legally obligatory, but it is also an important component of the group's commitment to the community and developing its good reputation. Exemplar therefore is dedicated to minimising the environmental impact of its activities by reducing waste, emissions and discharges, and using energy efficiently.

11. **KING IV**

So as to allow shareholders to make an informed assessment of the quality of governance insofar as the application of each of the 17 principles of King IV is concerned, set out below is a narrative explanation of the company's application of each principle.

11.1 The board of directors should lead ethically and effectively

Exemplar is committed to ethical behaviour throughout its business, adopting the principles of integrity, competence, responsibility, accountability, fairness and transparency in order to offer effective leadership that achieves the group's strategic objectives and positive outcomes over time. The directors of the company are required to individually and collectively exhibit the following characteristics in their conduct.

11.1.1 *Integrity*

Individuals are responsible for their own ethical behaviour, and are expected to act, at all times and in all ways, in good faith and in the best interests of the company, and ethical behaviour beyond mere legal compliance is encouraged. A conflict of interest arises whenever there is a direct or indirect conflict, in fact or in appearance, between the interests of an individual and that of the company or where an individual's position or responsibilities present an opportunity for personal gain inconsistent with the group's best interest. Conflicts of interest should be avoided. If and when a conflict of interest does arise, the company's compliance officer is to be notified immediately, such that it can be proactively managed. A dedicated compliance register is regularly updated and submitted to the board for review and approval.

11.1.2 *Competence*

Directors are required to take steps to ensure that they have sufficient working knowledge of the company, its industry, the context of the economy, society and environment in which it operates, the capitals (financial, manufactured, intellectual, human, social and relationship) it uses and affects as well as of the key laws, rules, codes, and standards applicable to the group. Directors must act with due care, skill and diligence, and take reasonably diligent steps to become informed about matters for decision. Directors are also required to continuously develop their competence to lead effectively.

11.1.3 *Responsibility*

Directors of the company assume collective responsibility for steering and setting the direction of the group; approving policy and planning; overseeing and monitoring of implementation and execution by management; and ensuring accountability for organisational performance. Directors are also responsible for anticipating, preventing and otherwise ameliorating the negative outcomes of the organisation's activities and outputs on the context of the economy, society and environment in which it operates, and the capitals (financial, manufactured, intellectual, human, social and relationship) that it uses and affects.

Risks are taken and opportunities sought in a responsible manner and in the best interests of the company. Directors attend board meetings and board committee meetings and devote sufficient time and effort to prepare for those meetings.

11.1.4 *Accountability*

Directors are willing to answer for the execution of their responsibilities, even when these were delegated.

11.1.5 *Fairness*

Directors adopt a stakeholder-inclusive approach in the execution of their governance role and responsibilities, and the company is directed in a way that does not adversely affect the natural environment, society or future generations.

11.1.6 *Transparency*

Directors are transparent in the manner in which they exercise their governance role and responsibilities.

11.2 The board of directors should govern the ethics of the company in a way that supports the establishment of an ethical culture

The directors of the company recognise that they are ultimately responsible for the governance of ethics within the group, and for setting the direction for how ethics are approached and addressed, and that it is their role to set the tone for an ethical organisational culture where the above characteristics are cultivated across the business and adopted by all employees. For this purpose, the company will adopt a code of conduct and ethics policy to provide for arrangements that familiarise employees and other stakeholders with the company's ethical standards.

The group maintains the highest ethical standard and complies with all applicable legislation, rules, and regulations. The group's continued success depends on employing the most qualified people and establishing a working environment free from discrimination, harassment, intimidation or coercion based on race, religion, gender, age, nationality or disability.

The board has delegated the responsibility for implementation and execution of the codes of conduct and ethics policies to management, however exercises ongoing oversight of the management of ethics.

11.3 **The board of directors should ensure that the company is and is seen to be a responsible corporate citizen**

The company's core purpose and values, strategy and conduct are consistent with it being a responsible corporate citizen in all markets in which it conducts business, and the strategy and operations of the group are intended to build a sustainable business that is considerate of the short and long-term impact on the economy, society and the environment.

It is recognised that the group is an integral part of the communities in which it operates and is committed to building sound relationships, based on trust, honesty, and fairness. Not only is environmental compliance legally obligatory, but it is also an important component of the group's commitment to the community and developing its good reputation. Exemplar is therefore dedicated to minimising the environmental impact of its activities by reducing waste, emissions and discharges, and using energy efficiently.

The board of directors is responsible for ensuring the company's corporate citizenship on an ongoing basis and sets the direction for how the achievement of this corporate citizenship is to be approached and addressed, ensuring that the company's efforts in this regard are in compliance with all applicable laws, leading standards and its own codes of conduct and policies. The oversight and monitoring of the company's corporate citizenship is performed against measures and targets agreed with management in terms of the workplace, the economy, society and the environment.

11.4 **The board of directors should appreciate that the company's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process**

Responsibility for the organisation performance of the company lies with the board of directors, who steer and set the direction of the group for the realisation of its core purpose and values through its strategy. The formulation and development of the group's short, medium and long-term strategy, including policies and operational plans to give effect to this strategy, has been delegated to management, for approval by the board of directors. Actual implementation and execution of approved policies and operational plans has also been delegated to management, with ongoing oversight against agreed performance measures and targets.

11.5 **The board of directors should ensure that reports issued by the company enable stakeholders to make informed assessments of the company's performance and its short, medium and long-term prospects**

The board of directors approves management's determination of the group's reporting frameworks and reporting standards to be used, taking into account legal requirements and the intended audience and purpose of each report. In particular, the board oversees that annual financial statements, sustainability reports, social and ethics committee reports and other information or reports that are issued comply with legal requirements and meet the legitimate and reasonable information needs of material stakeholders.

The board accepts its accountability to shareholders for the group's performance and activities. Exemplar communicates with shareholders principally through its website, Annual Report and announcements. The annual general meeting and any other general meetings give the directors the opportunity to inform shareholders about current, and proposed, operations and enables them to express their views on business activities.

The board of directors also ensures the integrity of external reports.

11.6 **The board of directors should serve as the focal point and custodian of corporate governance in the company**

The board of directors exercises its leadership role by:

11.6.1 steering the organisation and setting its strategic direction;

11.6.2 approving policy and planning that gives effect to the direction provided;

11.6.3 overseeing and monitoring implementation and execution by management; and

11.6.4 ensuring accountability for organisational performance by means of, amongst others, reporting and disclosure.

The roles, responsibilities, membership requirements and procedural conduct of the board of directors is documented in the board charter, which is regularly reviewed in order to guide its effective functioning.

The board aims to meet formally at least quarterly. There are no external advisors who will regularly attend, or be invited to attend, board committee meetings. Company policies and procedures will be adopted by all subsidiaries.

The board is confident that the group has established an effective framework and processes for compliance with laws, codes, rules and standards.

11.7 **The board of directors should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively**

The board of directors comprises a majority of non-executive directors, the majority of which are independent. There are 2 executive directors, being the chief executive officer and the chief financial officer, ensuring multiple points of direct interaction with management.

As the chairman of the board is an independent non-executive director, the board does not deem it necessary to appoint a lead independent non-executive director.

The board of directors will at all times maintain an appropriate balance of power, skills and experience (including business, commercial and industry experience), diversity and independence to objectively and effectively discharge its governance role and responsibilities. In determining the make-up of the board of directors, factors considered include the appropriate mix of executive, non-executive and independent non-executive directors, regulatory requirements, and diversity targets.

The board of directors promotes diversity in its membership across a variety of attributes relevant for promoting better decision-making and effective governance. The group supports the principles of race and gender diversity at board level and has a race and gender diversity policy in place. No voluntary target has yet been set, however the board is analysing and discussing the implementation of an appropriate policy in this respect.

11.7.1 ***Nomination, election and appointment of directors***

Directors are appointed by the board or at the company's annual general meeting ("**AGM**"), with board appointed directors re-appointed by shareholders at the company's next AGM. The longest serving third of the directors must be reappointed by the shareholders annually. Board appointments are conducted in a formal and transparent manner by the entire board following recommendations made by the remuneration and nomination committee.

11.7.2 ***Independence and conflicts***

Each director is required to submit to the board a declaration of all financial, economic and other interests held by that director and related parties at least annually, or whenever there are significant changes.

Directors are required to declare whether any of them has any conflict of interest in respect of any matter on the agenda of any meeting of the board or board committee. Conflicts of interest are managed as set out under Principle 1 above.

11.8 **The board of directors should ensure that its arrangements for delegation within its own structures promote independent judgment, and assist with balance of power and the effective discharge of its duties**

The board has delegated particular roles and responsibilities to the committees set out below, each of which has the collective knowledge, skills, experience and capacity to execute its duties effectively. Such delegation is subject to formal terms of reference that are approved and renewed annually by the board. The delegation by the board of directors of its responsibilities to any committee does not by or of itself constitute a discharge of the board's accountability, and the board will continue to apply its collective mind to the information, opinions, recommendations, reports and statements presented by any committee or director.

Executive directors and senior management will be invited to attend committee meetings on an ad hoc basis to provide pertinent information and insights in their areas of responsibility. Every director is entitled to attend any committee meeting as an observer.

11.9 **The board of directors should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness**

The board is responsible for evaluating its own performance, that of its committees, chair and individual members, and determines how such evaluation is to be approached and conducted in terms of a formal process undertaken at least every two years where performance is considered, reflected on and discussed so as to ensure that performance and effectiveness is always improving.

Peter Katzenellenbogen has been appointed to lead the evaluation of the chairman's performance.

11.10 **The board of directors should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibility**

The board has appointed Jason McCormick as chief executive officer, to be responsible for leading the implementation and execution of the group's approved strategy, policy and operational planning, and to serve as a link between management and the board. The chief executive officer is accountable and reports to the board of directors.

The board has access to professional and independent guidance on corporate governance and its legal duties, as well as support to coordinate the functioning of the board and its committees. All directors have access to the advice of the company secretary, who provides professional corporate governance services and guidance to the board and to individual members regarding how to properly discharge their responsibilities. The board has considered and endorsed the company secretary's ability to perform his duties, including his qualifications, experience, competence, effectiveness, gravitas and objectivity, and will continue to do so on an annual basis. While the company secretary has unfettered access to the board, the directors have concluded that the relationship with the company secretary, who is not be a member of the board of directors and who is not involved in the day to day management of the company, is at arm's length and that there is no conflict of interests. The board is also satisfied that the office of the company secretary is empowered and carries the necessary authority.

The company secretary reports to management on all duties performed and administrative matters.

The direction and parameters for the powers of the board of directors, and those delegated to management via the chief executive officer, including a delegation of authority framework that contributes to role clarity and the effective exercise of authority and responsibilities, are set out in a board charter. The board is responsible for ensuring that key management functions are headed by an individual with the necessary competence and authority and adequately resourced.

While there is currently no succession planning in place, succession planning for the chief executive officer position, executive management and other key positions is reviewed by the board of directors periodically, providing for succession in emergency situations and continuity of leadership over the longer term. The performance of the chief executive officer is formally evaluated against agreed performance measures and targets at least annually.

The chief executive officer does not have any other professional commitments or membership of governing bodies outside of the group.

The salient terms of the chief executive officer's executive service contract are set out in **Annexure 5** of the company's prospectus.

11.11 **The board of directors should govern risk in a way that supports the company in setting and achieving its strategic objectives**

The company treats risk as integral to the way it makes decisions and executes its duties. The group's risk governance encompasses both the opportunities and associated risks in developing strategy and the potential positive and negative effects of such risks on the achievement of its organisational objectives. While the board exercises ongoing oversight of risk management, the group's risk governance function is delegated to the audit and risk committee on the terms of reference set out above, with the responsibility for implementing and executing effective risk management delegated to management.

11.12 **The board of directors should govern technology and information in a way that supports the company setting and achieving its strategic objectives**

The board is responsible for the governance of and ongoing oversight of technology and information and the management thereof, and confirms that processes exist ensuring timely, relevant, accurate and accessible reporting, communication and data storage. Management is in turn responsible for implementing and executing effective technology and information management.

11.13 **The board of directors should govern compliance with applicable law and adopted, non-binding rules, codes and standards in a way that supports the company being ethical and a good corporate citizen**

Compliance with applicable laws and adopted non-binding rules, codes and standards is the responsibility of the board. Management is in turn responsible for implementing and executing effective compliance management. Where the group incurs material or repeated regulatory penalties, sanctions or fines for contraventions of, or non-compliance with, statutory obligations, this will be disclosed to shareholders.

11.14 **The board of directors should ensure that the company remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objects and positive outcomes in the short, medium and long term**

The board has adopted and oversees the implementation and execution of a policy that articulates and gives effect to fair, responsible and transparent remuneration across the group. Responsibility for the governance of remuneration has been delegated to the remuneration and nomination committee, on the terms of reference set out above. Remuneration policy is aligned with the group's strategic objective of creating long-term sustainable value for shareholders. Directors receive base pay only. Executive salaries are competitive and increases are determined by reference to individual performance, inflation and market-related factors.

The remuneration policy and implementation report will be table every year for separate non-binding advisory notes by shareholders at the AGM. The remuneration policy will record the measures that the board of directors commits to take in the event that either the remuneration policy or implementation report, or both, are voted against by shareholders exercising 25% or more of the votes exercised. In order to give effect to the minimum measures referred to in the King Code, in the event that either the remuneration policy or the implementation report, or both, are voted against by shareholders exercising 25% or more of voting rights exercised, Exemplar will in its voting results announcement pursuant to paragraph 3.91 of the Listings Requirements provide for the following:

– an invitation to dissenting shareholders to engage with Exemplar; and
– the manner and timing of such engagement.

11.15 **The board of directors should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the company's external reports**

The board has delegated responsibility for overseeing that arrangements for assurance services and functions are effective in:

(i) enabling an effective internal control environment;
(ii) supporting the integrity of information used for internal decision-making by management, the board and its committee; and
(iii) supporting the integrity of external reports

to the audit and risk committee, on the terms of reference set out above. The board and its committees will assess the output of the company's combined assurance with objectivity and professional scepticism, and by applying an enquiring mind, form their own opinion on the integrity of information and reports and the degree to which an effective control environment has been achieved.

11.15.1 ***External audit***

The external auditor is required to confirm to the audit and risk committee its independence from the group during each financial year. The committee considers the information pertaining to the external auditor's relationships with the group that might reasonably have a bearing on the external auditor's independence and the audit engagement partner and employees' objectivity, as well as related safeguards and procedures, in order to concluded whether the external auditor's independence is impaired. The committee is also responsible for approving the external auditor's terms of engagement and scope of work.

11.15.2 ***Internal audit***

The group's internal audit function will be performed by an independent, professional firm that will report directly to the chief executive officer and the Chairman of the audit and risk committee. An internal audit manager optimises business processes as well as identifies and mitigates related operational risks. The internal auditor carries out risk-oriented audits of operational and functional activities, based on the guidance of the audit and risk committee. The audit and risk committee also examines and discusses with the auditor the appropriateness of internal controls and the utilisation of the internal auditor and made recommendations to the board. The board will conduct an external, independent quality review of the group's internal audit function at least once every five years.

11.16 **In the execution of its governance role and responsibilities, the board of directors should adopt a stakeholder-inclusive approach that balances the needs, interests and expectation of material stakeholders in the best interests of the company over time**

The board exercises ongoing oversight of stakeholder relationship management, but responsibility for implementation and executive of effective stakeholder relationship management has been delegated by the board to management. The company's main stakeholders are considered to be shareholders, bond holders, employees, tenants, suppliers, banks and fiscal administrations of the locations where the group carries out its activities. Exemplar has a transparent information communication policy, to enable stakeholders to assess the group's economic value and prospects.

The company encourages proactive engagement with shareholders, including at the company's annual general meetings, where all directors are available to respond to shareholders' queries on how the board has executive its governance duties.

The board is responsible for governance across the group and ensures that a group governance framework is implemented across the group.

11.17 **The governing body of an institutional investor organisation should ensure that responsible investment is practiced by the organisation to promote the good governance and the creation of value by the companies in which it investments**

Not applicable as the company is not an institutional investor.

EXTRACTS FROM THE EMPLOYEE SHARE SCHEME

1. **"INTERPRETATION AND PRELIMINARY**

1.1.25 "**Purchase Price**" – the price per Share contained in the Offer to an Eligible Employee as determined by the Board, and which price shall neither exceed the closing price of the Shares on the JSE on the trading day immediately preceding the Offer Date nor be less than 95% of the closing price of the Shares on the JSE on the trading day immediately preceding the Offer Date; provided that the Purchase Price per Share in respect of the Offer to be extended to the initial Eligible Employees who are to be the first Participants under this Plan and who are identified in Annexure B shall be R10;

2. **PURPOSE**

The purpose of the Plan is to align the interests of the Group's employees with those of the shareholders of the Company by providing such persons an opportunity to acquire Shares in the Company.

3. **OFFER OF SHARES**

3.1 The Board may from time to time, having regard to the recommendations of Remco and on behalf of the relevant Employer Company of an Eligible Employee, offer Shares to that Eligible Employee for subscription or purchase in terms of an Offer at the Purchase Price.

3.2 Plan Shares may be –

3.2.1 issued by the Company to Participants; or

3.2.2 purchased by any member of the Group and held as treasury shares for a subsequent Offer to Participants; or

3.2.3 held by any member of the Group as treasury shares for a subsequent Offer to Participants; or

3.2.4 purchased by Participants in the market by means of credit extended to them in terms of 3.4; or

3.2.5 Shares previously acquired and funded by a third party, the funding of which has been taken over by the Employer Company.

3.3 Those Shares referred to in 3.1 shall be allotted and issued or acquired subject to the provisions of this Plan and each such allotment or purchase shall, without limiting the generality of the aforegoing, be upon the following terms, namely that –

3.3.1 the full purchase price due to the Employer Company by a Participant on account of his accepting an Offer shall be paid as provided in 9;

3.3.2 they will constitute Plan Shares;

3.3.3 *vis-à-vis* a Participant, such Plan Shares (and any Rights Issue Shares and Capitalisation Shares linked thereto) which are the subject of an Offer which has been accepted shall participate in full in all Rights Issues and Capitalisation Issues and in the dividends (or other distributions) declared from time to time by the Company.

3.4 Subject to compliance with sections 44 and 45 of the Act (to the extent applicable), an Employer Company shall extend credit to enable Participants employed by it to purchase and/or subscribe for Plan Shares which Plan Shares shall be held by such Participants as owner on the basis that the terms of credit shall be as reflected in 9.1, the provisions of which shall apply mutatis mutandis. Such credit may be repaid at any time by the Participant concerned provided that such credits shall be paid in full by no later than 10 years from the date upon which it is made available to the Participant concerned and provided that the provision of such credit falls outside of the scope of the NCA.

4. **FUNDING OF PLAN SHARES**

The costs of issuing or acquiring scheme shares and making a loan/extending credit to a Participant as contemplated in 3.4 shall be borne by the Employer Company.

5. **SHARES AVAILABLE FOR THE PLAN**

5.1 Subject to 5.2 and 5.3, the maximum number of Shares –

5.1.1 which may be utilised in terms of this Plan shall not exceed the Plan Allocation; and

5,1.2 in respect of which any single Participant shall be entitled to accept an Offer pursuant to this Plan shall not exceed 2 000 000 Shares.

5.2 In the event of –

5.2.1 any sub-division or consolidation of Issued Shares, the rights of Participants under the Plan must be adjusted;

5.2.2 any (i) issue of additional Shares whether by way of a Capitalisation Issue, or (ii) Rights Issue, the rights of Participants under the Plan may, if so determined by the Board, be adjusted,

in the manner stipulated in 5.3.

5.3 Any adjustment in terms of 5.2 will result in an adjustment to the limits in 5.1 and (i) must be certified by the auditors in their opinion to be fair to Participants, and (ii) must give a Participant an entitlement to the same proportion of the Shares as that to which he was entitled before the event contemplated in 5.2.1 or 5.2.2 which gave rise to the adjustment.

5.4 Upon finalisation of any adjustment in terms of 5.2, the Auditors shall confirm to the JSE, in writing, that such adjustment was made in accordance with the terms of the Plan.

6. **ELIGIBILITY**

6.1 Eligible Employees shall be entitled to, and shall, participate in the Plan only if and to the extent that Offers are made to and are accepted by them.

6.2 The Board, in its discretion, but having regard to the recommendations of Remco and subject to the provisions of the Act, the Listings Requirements and the provisions of this Plan (including 3.1 and 7.1) may from time to time resolve that the relevant Employer Company should Offer Shares to Eligible Employees and on acceptance of such Offer grant credit to Participants; provided that the provision of such credit to such Participants falls outside of the scope of the NCA.

7. **OFFERS**

7.1 An Offer –

7.1.1 shall be made at the Purchase Price determined by the Board in accordance with the provisions of 1.1.23 as at the Offer Date;

7.1.2 shall specify –

7.1.2.1 the name of the Eligible Employee;

7.1.2.2 the number of Shares offered;

7.1.2.3 the Purchase Price payable in respect of such Shares;

7.1.2.4 the Offer Date;

7.1.2.5 the time period within which the Offer shall be accepted which shall be no later than 5 Business Days after it is actually made or granted; and

7.1.2.6 any other relevant terms and conditions;

7.1.3 shall be governed by the provisions of this Plan and shall, without limiting the generality of the aforegoing, be subject to 9 and the succeeding provisions of this 7.1.3, namely, that until the full Share Debt attaching to any Plan Share has been paid to the Employer Company –

7.1.3.1 ownership in such Plan Share (and any Rights Issue Shares and Capitalisation Shares linked thereto) shall vest in the relevant Participant but such Plan Share/s shall be ceded in security to the Employer Company as required in terms of 7.1.3.2 and accordingly may not in any way be mortgaged, pledged or otherwise encumbered, unless the Board in its discretion consents thereto in writing;

7.1.3.2 the proceeds of the sale or other disposal of such Plan Shares (and any Rights Issue Shares and Capitalisation Shares linked thereto) shall be ceded in security to the Employer Company as security for the payment of the full Share Debt payable by such Participant to the Employer Company in respect of such Plan Shares;

7.1.3.3 those Plan Shares (and any Rights Issue Shares and Capitalisation Shares linked thereto) may be freely sold or transferred by the Participant;

7.1.3.4 the Plan Shares (and any Rights Issue Shares and Capitalisation Shares linked thereto) may be re-acquired in terms of 10;

7.1.3.5 the voting rights attaching to all Plan Shares owned by Participants in terms of this Plan (and any Rights Issue Shares and Capitalisation Shares linked thereto) shall at all times vest in the Participants and be exercised by the Participants;

7.1.3.6 on a winding-up of the Company, the proceeds payable in respect of the Plan Shares shall first be applied in discharging the amount due to the Employer Company;

7.1.3.7 shall be personal to and only accepted by the Eligible Employee to whom it is addressed;

7.1.4 shall, unless otherwise specified in it, be accepted by notice in writing in such form as the Board may stipulate;

7.1.5 shall embody or attach a security cession in respect of any credit to be advanced to the Participant, in such form as may be determined by the Board;

7.1.6 may be accepted in part or in full.

7.2 Each acceptance of an Offer shall –

7.2.1 specify the number of Shares in respect of which the Offer is accepted;

7.2.2 be regarded as complete upon the Secretary's receipt of (i) the acceptance of the Offer in writing within the period specified in the Offer, and (ii) a duly executed security cession in respect of the proceeds of the sale or other disposal of Shares for which the Offer is accepted to the extent that credit is going to be granted by an Employer Company to fund the Participant's acquisition of such Shares;

7.2.3 be in terms of and be subject to and governed by the provisions of this Plan;

7.2.4 specify an address for purposes of 23.

7.3 Notwithstanding anything to the contrary contained in this Plan the risk in, and benefits attaching to, the Plan Shares will pass to the Participant on the acceptance of an Offer in accordance with 7.2.

9. PAYMENT OF PURCHASE PRICE

9.1 Interest and distributions

9.1.1 The Share Debt in respect of any Plan Shares shall, until the Share Debt has been repaid in full, bear interest from time to time at the Funding Rate.

9.1.2 Subject to the provisions of 9.1.3 and 9.1.4, any interest from time to time accrued on the Share Debt shall be payable within 20 business days following the date on which any dividends (or other distributions) on the Plan Shares are paid and the Company shall be entitled to apply, or procure the application, of such dividends (or other distributions) towards payment of such interest to the Employer Company at any time. In this regard the Participant, by his acceptance of the Offer and the execution of the security cession which accompanies such Offer, shall authorise and mandate the Company to retain, appropriate and set-off the dividends (or other distributions) against payment of such interest to the relevant Employer Company, subject to the provisions of 9.1.3 and 9.1.4.

9.1.3 If the interest payable by a Participant to the Employer Company in respect of the outstanding balance of the Share Debt in respect of such Participant's Plan Shares exceeds the dividends (or other distributions) in respect of the period for which such dividends (or other distributions) are declared, then such excess shall be added to and shall be deemed to form part of the Share Debt of the Participant.

9.1.4 If the dividends (or other distributions) payable to a Participant on his Plan Shares in respect of the period for which such dividends (or other distributions) are declared exceed the interest payable for such period, then such excess shall, as soon as it has been determined, be made available to the Participant unless the Participant has indicated, in writing, that such excess is to be applied in reducing the Participant's Share Debt.

9.2 Prepayment of outstanding balance

Subject to the provisions of 10 which provides for the Company, in certain circumstances, to repurchase Plan Shares, a Participant shall be entitled to pay the outstanding balance of the Share Debt before the due date of payment thereof.

9.3 Death

If a Participant ceases to be an employee of an Employer Company by reason of death then, in respect of those of the Participant's Plan Shares the Share Debt of which has not been paid in full on the date of death ("Termination Date"), the following provisions shall apply –

9.3.1 the Share Debt outstanding in respect of such Shares shall become payable by the executor of the Participant's estate within six months after the Termination Date, it being recorded for the avoidance of doubt that the Share Debt shall continue to accrue interest from the Termination Date until the date of payment thereof; and

9.3.2 as soon as the Share Debt has been paid in full, a Participant shall be released from security cession as provided for in 7.1.3.2.

9.4 Retirement or Disability

If a Participant ceases to be an employee of and Employer Company by reason of serious incapacity, serious disability or Retirement then, in respect of those of the Participant's Plan Shares the Share Debt of which has not been paid in full as at the date of such cessation of employment (the "Termination Date"), the following provisions shall apply –

9.4.1 the Share Debt outstanding in respect of such Shares shall become payable within 3 months after the Termination Date, it being recorded for the avoidance of doubt that the Share Debt shall continue to accrue interest from the Termination Date until the date of payment thereof; and

9.4.2 as soon as the Share Debt has been paid in full, a Participant shall be released from security cession as provided for in 7.1.3.2.

9.5 Dismissal or resignation

If a Participant ceases to be an employee of an Employer Company by reason of such Participant's resignation or the dismissal, then, in respect of the Share Debt of those of the Participant's Plan Shares which has not been paid in full as at the date of such cessation of employment (the "Termination Date"), the following provisions shall apply –

9.5.1 the Share Debt outstanding in respect of such Plan Shares shall become payable within 30 days after the Termination Date, it being recorded for the avoidance of doubt that the Share Debt shall continue to accrue interest from the Termination Date until the date of payment thereof; and

9.5.2 as soon as the Share Debt has been paid in full, a Participant shall be released from the security cession as provided for in 7.1.3.2.

9.6 Other Reasons for Cessation of Employment

If a Participant ceases to be an employee of an Employer Company in circumstances other than those set out in 9.3, 9.4 and 9.5, then the provisions of 9.5, shall apply mutatis mutandis and for this purpose the Termination Date shall be deemed to be the date on which the Participant ceases to be an Employee.

9.7 Right to demand payment after 10 years

Subject to 9.8, an Employer Company shall be entitled to demand payment of the Share Debt outstanding in respect of any Plan Shares, at any time after the expiration of 10 years from the date of acceptance of the Offer relating to such Plan Shares.

9.8 Procedure after Plan Shares fully paid

9.8.1 At any time after a Participant has, in respect of any Plan Shares, paid the Share Debt in full, the Participant shall be released from the operation of any security cession.

9.8.2 An Employer Company may, with the approval of the Board, reach alternative arrangements with Participants or the relevant executor or legal representative in the case of cessation of employment pursuant from those arrangements set out in the provisions of 9.3, 9.4, 9.5 or 9.6.

20. AMENDMENTS TO THIS PLAN

20.1 This Plan may be amended from time to time by the Board, but –

20.1.1 no amendment in respect of the following matters shall operate unless such amendment has been approved by equity security holders passing an ordinary resolution (requiring a 75% majority of the votes cast in favour of such resolution by all equity security holders present or represented by proxy at the general meeting to approve such resolution and excluding the votes attaching to those equities securities owned or controlled by persons who are existing participants in the Plan) –

20.1.1.1 the category of persons who may be Eligible Employees;

20.1.1.2 the voting, distribution, transfer and other rights (including those arising on the liquidation of the Company) attaching to Plan Shares;

20.1.1.3 the total number of the securities which may be utilised for purposes of this Plan;

20.1.1.4 a fixed maximum entitlement for any one Participant;

20.1.1.5 the basis for determining the purchase or subscription price of Plan Shares which shall be a fixed mechanism for all Participants under this Plan;

20.1.1.6 the terms of any loans as set out in this Plan, including, without limitation, the term after which the loan must be repaid and the rate of interest accruing on the loan; and

20.1.1.7 the procedure to be adopted on termination of employment or retirement of a Participant.

20.2 Notwithstanding the provisions of 20.1, but subject to the Listings Requirements, if it should become necessary or desirable by reason of the enactment of any new act or regulation at any time after the signing of this Plan, to amend the provisions of this Plan so as to preserve the substance of the provisions contained in this Plan but to amend the form so as to achieve the objectives embodied in this Plan in the best manner having regard to such new legislation and without prejudice to the Participants concerned, then the Board may amend this Plan accordingly.

20.3 Notwithstanding20.1 or 20.2, no amendment shall be made to this Plan which adversely affects the vested rights of any Participant without the consent of that Participant."

EXEMPLAR GROUP RISK FACTORS

With the assistance of the executive committee, the board monitors the significant risks that the company is exposed to. It also ensures that risks are taken within a reasonable appetite and that sufficient safeguards are put in place to mitigate such risks.

Exemplar's risk policy will be further formalised and enhanced in the future to define and provide detailed parameters around the company's risk appetite, which will contribute to the company achieving its strategic objectives.

A summarised risk matrix which includes significant risks, the impact of these risks, and the mitigating response of the company, is set out below:

Risk	Impact on Exemplar	Mitigating response
Tenant failure and recoverability of rent	• Decline in rental income and increase in holding costs • Inability to meet financing commitments and covenants • Negative impact on the market's perception of the property, and possible contagion effect on other tenants, leading to a decline in market value of property	• Proper tenant screening and monitoring • Appropriate tenant mix and type for specific locations • Well-structured, legally binding leases backed by adequate security • Broad understanding of economic conditions affecting tenants and specific nodes • De-risked through pre-letting and/or phase strategy before commencement
Lease expiries	• Decline in rental income due to revision of market rental rates • Increase in letting commission and tenant installation costs	• Proactive management of lease expiries • Tenant-focused approach in asset and property management, ensuring that renewals can be easily renegotiated and vacancies kept to a minimum
Interest rates	• Increase in interest rates leading to heightened finance costs and greater development risk	• Well-managed and monitored strategy, involving fixing at least 60% of interest-bearing debt with swap derivatives with a staggered maturity profile • Monitoring of international and local economic climate and aligning development and hedging strategy with views of future rate movements
Liquidity risk relating to capital commitments	• Large repayments negatively impact working capital • Inability to pursue investment or development opportunities	• Proper cash flow management to ensure commitments are met • Sound relationships with financiers, backed by disciplined asset management, ensuring that the most favourable terms are achieved • Proper management of commitments and covenants • Staggered debt maturity profiles

Risk relating to investments and new projects	• New developments or acquisitions are not as successful as planned, straining cash flows and projected returns • Inability to meet funding commitments with financiers • Delivery risks	• Phased development approach • Strong partnerships with reputable developers • Proper due diligence performed on acquisition targets • Well-structured finance agreements with achievable covenants in place • Strict criteria around developing and approving feasibilities to ensure the investment strategy of the fund is adhered to • Fixed development agreements
Significant rise in the operational and municipal costs of properties	• Inability to sufficiently recover costs from tenants, decreasing profitability and cash flows • High costs leading to tenants being unable to afford costs of occupation and possible business failure • High cost of occupation making properties less attractive to potential tenants	• Management focus on reducing costs of property • Emphasis on reducing utility usage by updating buildings and pursuing new designs, incorporating more efficient materials • Portfolio negotiations with suppliers of services to reduce costs
Business continuity relating to unforeseen or unusual events	• Operational processes disrupted by unexpected occurrences or disasters, leading to inability to adequately service and recover revenues from tenants	• Reputable external service providers are used that have sufficient disaster recovery and continuity plans and structures in place • Sufficient insurance cover
Competitors	• Lost investment opportunities	• Well diversified pipeline and unique offering