

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 5 of this Circular apply *mutatis mutandis* throughout this Circular.

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

1. If you have disposed of all of your Shares in Putprop, then this Circular, together with the attached notice of general meeting and form of proxy should be forwarded to the purchaser to whom, or the broker, agent, CSDP or banker through whom you disposed of your Shares.
2. The General Meeting convened in terms of this Circular will be held at 10:00 on Thursday, 22 August 2019 at the registered office of Putprop, 91 Protea Road, Chislehurst, Sandton, Johannesburg, 2196.
3. **Certificated Shareholders and Dematerialised Shareholders with “own name” registration, who** are unable to attend the General Meeting and wish to be represented thereat, must complete and return the attached form of proxy in accordance with the instructions contained therein.
Dematerialised Shareholders, other than Dematerialised Shareholders with “own name” registration, who:
 - are unable to attend the General Meeting and wish to be represented thereat, must provide their CSDP or broker with their voting instructions, in terms of the Custody Agreement entered into between themselves and the CSDP or broker concerned, in the manner and within the time stipulated therein;
 - wish to attend the General Meeting, must instruct their CSDP or broker to issue them with the necessary letter of representation to attend, in the form of a letter of representation.
4. Putprop does not accept any responsibility and will not be held liable for any failure on the part of any CSDP or broker of a Dematerialised Shareholder to notify such Shareholder of this Circular and/or the General Meeting or any business to be concluded thereat.



PUTPROP LIMITED

Incorporated in the Republic of South Africa
(Registration number 1988/001085/06)
Share code: PPR ISIN: ZAE000072310
("Putprop" or "the Company")

CIRCULAR TO SHAREHOLDERS OF PUTPROP

regarding

- **the development by the Co-owners of the Mamelodi Shopping Centre and the Dobsonville Shopping Centre which is classified as a Category 1 transaction in terms of the Listings Requirements;**

and enclosing

- **a notice convening the General Meeting; and**
- **a form of proxy for use by Certificated Shareholders of Putprop and “own name” registered Dematerialised Shareholders only.**

Corporate adviser and sponsor



Independent reporting accountants



Independent Property Valuer



Date of issue: 19 July 2019

Additional copies of this Circular, in its printed format, may be obtained from the registered office of the Company and the corporate advisor and sponsor at the addresses set out in the “Corporate information” section of this Circular during normal business hours from Friday, 19 July 2019 up to and including, Thursday, 22 August 2019, or on the Company’s website at www.putprop.co.za. Copies of this Circular are available in the English language only.

CORPORATE INFORMATION

Putprop Limited

Date of incorporation: 25 February 1988

Place of incorporation: South Africa

Company Secretary and registered address of Putprop

Acorim Proprietary Limited
Putprop Limited
(Registration number 1988/001085/06)
91 Protea Road
Chislehurst
Sandton, Johannesburg, 2196
(PO Box 41480, Craighall, 2024)

Independent Property Valuer

Jones Lang LaSalle Proprietary Limited
(Registration number 1995/000505/07)
Office 303, 3rd Floor, The Firs
Cnr Biermann and Cradock Ave
Rosebank, 2196
(PO Box 2331, Parklands, 2121)

Corporate adviser and sponsor

Merchantec Capital
(Registration number 2008/027362/07)
13th Floor, Illovo Point
68 Melville Road
Illovo, Sandton, 2196
(PO Box 41480, Craighall, 2024)

Transfer Secretaries

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

Independent reporting accountants

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

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IMPORTANT DATES AND TIMES

2019

Record date to determine which Shareholders are entitled to receive the Circular	Friday, 12 July
Circular distributed to Shareholders and notice convening the General Meeting released on SENS on	Friday, 19 July 2019
Last day to trade to participate in and vote at the General Meeting	Tuesday, 13 August
Voting Record Date to participate in and vote at the General Meeting	Friday, 16 August
Last day to lodge forms of proxy for the General Meeting by 10:00 on	Tuesday, 20 August
General Meeting to be held at 10:00 on	Thursday, 22 August
Results of General Meeting released on SENS on	Thursday, 22 August
Results of General Meeting published in the press on	Friday, 23 August

Notes:

1. The above dates and times are subject to amendment. Any such amendment will be released on SENS.
2. Additional copies of this Circular in its printed format, may be obtained from the registered office of the Company and the Sponsor at the addresses set out in the "Corporate information" section of this Circular during normal business hours from Friday, 19 July 2019 up to and including, Thursday, 22 August 2019, or on the Company's website at www.Putprop.co.za. Copies of this Circular are available in the English language only.

DEFINITIONS AND INTERPRETATIONS

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

“Agreements”	collectively, the Property Sale Agreement, the Co-owners Agreement and the Property Management Agreement;
“Board” or “Directors”	the board of directors of Putprop at the Last Practicable Date whose details are set out on page 8 of this Circular;
“Business Day”	any day other than a Saturday, Sunday or an official public holiday in South Africa;
“Business Enterprise”	the enterprise comprising the Properties and the Shopping Centres;
“Carleo Enterprises”	Carleo Enterprises Proprietary Limited (Registration number 1970/016511/07), a private company duly incorporated in accordance with the laws of South Africa, Putprop’s holding company, and whose ultimate holding company is Carleo Investments;
“Carleo Investments”	Carleo Investments Proprietary Limited (Registration number 1957/001181/07), a private company duly incorporated in accordance with the laws of South Africa and whose shareholders are Luialb Investments Proprietary Limited, Atrani Investments Proprietary Limited, Iniative SA Investments 32 Proprietary Limited and A Senatore Family Investments Proprietary Limited;
“Certificated Shareholder”	a Putprop Shareholder who holds Certificated Shares;
“Certificated Share”	a Putprop Share that has not been Dematerialised, title to which is evidenced by a Document of Title;
“Circular”	this bound document, dated 19 July 2019, including the annexures hereto and incorporating a Notice of General Meeting and a form of proxy;
“Companies Act”	the Companies Act, 2008 (Act 71 of 2008), as amended;
“Computershare Investor Services” or “Transfer Secretaries”	Computershare Investor Services Proprietary Limited (Registration number 2004/003647/07), a private company duly incorporated in accordance with the laws of South Africa;
“Co-owners”	Putprop and McCormick;
“Co-owners Agreement”	the written agreement entered into between Putprop and McCormick on the Signature Date, which governs, <i>inter alia</i> , the terms of the funding, development and project management of the Development;
“CSDP”	a Central Securities Depository Participant, accepted as a participant in terms of the Financial Markets Act, appointed by an individual shareholder for the purposes of, and in regard to Dematerialisation;
“Custody Agreement”	the agreement which regulates the relationship between the CSDP or broker and each beneficial holder of Dematerialised Shares;
“Dematerialisation”	the process by which Certificated Shares are converted into electronic format as Dematerialised Shares and recorded in Putprop’s Uncertificated Securities Register;
“Dematerialised Shareholder”	a Putprop Shareholder who holds Dematerialised Shares;
“Dematerialised Share”	a Putprop Share that has been Dematerialised or has been issued in Dematerialised form, and recorded in Putprop’s Uncertificated Securities Register;
“Development”	the development by the Co-owners of the Mamelodi Shopping Centre and/or the Dobsonville Shopping Centre as more fully set out in paragraph 3 of the Circular and in respect of which Putprop will be liable for the Development Consideration;
“Development Consideration”	the anticipated 50% (fifty percent) equity contribution payable by Putprop in respect of the Development, being: <ul style="list-style-type: none">- in respect of the Mamelodi Property, an amount of R5 910 per square meter of GLA; and- in respect of the Dobsonville Property, an amount of R6 979 per square meter of GLA. Based on the current anticipated GLA, the aggregate consideration payable by Putprop should not exceed R211 202 653;
“Dobsonville Property”	Portion 21 of the Farm Vogelstruisfontein 233, Registration Division IQ, Gauteng Province, measuring 5,0064 hectares in extent and held by virtue of Deed of Title: T1161/1994;

“Dobsonville Shopping Centre”	the shopping centre to be developed on the Dobsonville Property;
“Documents of Title”	share certificates, certified transfer deeds, balance receipts and/or any other form of acceptable documents of title acceptable to Putprop in respect of Putprop Shares;
“Feasibility Study”	the feasibility study indicating the anticipated costs and yields in relation to the Development which the Co-owners are aiming to have completed by 30 September 2019;
“Financial Markets Act”	Financial Markets Act, 2012 (Act 19 of 2012), as amended;
“GDC”	gross development costs with respect to the Development;
“General Meeting”	the general meeting of Shareholders to be held at 10:00 on Thursday, 22 August 2019 at the registered office of Putprop, 91 Protea Road, Chislehurst, Sandton, Johannesburg, 2196, which meeting is convened in terms of the Notice of General Meeting attached to this Circular;
“GLA”	gross lettable area;
“IFRS”	International Financial Reporting Standards, as issued by the International Accounting Standards Board;
“Independent Property Valuer”	Jones Lang LaSalle Proprietary Limited (Registration number 1995/000505/07), a private company duly registered and incorporated under the laws of South Africa;
“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”	JSE Limited (Registration number 2005/022939/06), a public company duly incorporated in accordance with the laws of South Africa and licensed as an exchange under the Financial Markets Act;
“Last Practicable Date”	Friday, 12 July 2019, being the last practicable date prior to the finalisation of this Circular;
“Listings Requirements”	the Listings Requirements of the JSE, as amended from time to time by the JSE;
“Mamelodi Property”	Portion 111 of the Farm Mamelodi 608, Registration Division JR, Gauteng Province, measuring 4,2178 hectares in extent and held by virtue of Deed of Title: T7583/2001;
“Mamelodi Shopping Centre”	the shopping centre to be developed on the Mamelodi Property;
“Management Agent”	Exemplar REITail Limited (Registration number 2018/022591/06), a public company duly registered and incorporated under the laws of South Africa and listed on the JSE, the controlling shareholder of which is JMFT;
“Management Committee”	the management committee formed by the Co-owners in accordance with the Co-owners Agreement. In terms thereof, each Co-owner is entitled to appoint two representatives to the committee and each Co-owner is entitled to a proportionate vote equal to its shareholding;
“McCormick”	McCormick Property Development Proprietary Limited (Registration number 2017/504855/07), a private company duly incorporated in accordance with the laws of South Africa and a wholly-owned subsidiary of JMFT;
“Merchantec Capital” or “Sponsor”	Merchantec Proprietary Limited (Registration number 2008/027362/07), a private company duly registered and incorporated under the laws of South Africa;
“Non-Material”	an increase not exceeding 10%;
“Opening Date”	the date on which the last of the Shopping Centres opens for trading;
“Properties”	collectively, the Mamelodi Property and the Dobsonville Property;
“Property Management Agreement”	the written agreement to be entered into between the Co-owners and the Management Agent on or about 19 July 2019, which governs, <i>inter alia</i> , the terms of the ongoing management of the Properties;
“Property Sale Agreement”	the written agreement entered into between Putprop and McCormick on the Signature Date, which governs, <i>inter alia</i> , the terms of the sale by Putprop of a 50% (fifty percent) undivided share in and to the Properties;
“Putprop or “the Company”	Putprop Limited (Registration number 1988/001085/06), a public company duly registered and incorporated under the laws of South Africa and listed on the JSE;
“Putprop Group” or “Group”	Putprop and its Subsidiaries;
“Putprop Shareholders” or “Shareholders”	holders of Putprop Shares;
“Putprop Shares” or “Shares”	ordinary shares of no par value in the authorised and issued share capital of Putprop;

“Rand” or “R”	South African Rand, the official currency of South Africa;
“Register”	Putprop’s securities register, including the Uncertificated Securities Register;
“SENS”	the Stock Exchange News Service of the JSE;
“Shopping Centres”	collectively, the Mamelodi Shopping Centre and the Dobsonville Shopping Centre;
“Signature Date”	the date of signature of the Property Sale Agreement and Co-owners Agreement, being 5 April 2019;
“South Africa”	the Republic of South Africa;
“Strate”	the settlement and clearing system used by the JSE, managed by Strate Proprietary Limited (Registration number 1998/022242/07), a private company duly incorporated in accordance with the laws of South Africa and which company is a registered Central Securities Depository in terms of the Financial Markets Act;
“Subsidiary”	a subsidiary as defined in the Companies Act;
“Transaction”	collectively, the sale by Putprop of a 50% (fifty percent) undivided share in and to the Properties and the Development;
“Uncertificated Securities Register”	the record of Dematerialised Shares administered and maintained by a CSDP and which forms part of the Register;
“VAT”	value added tax, levied in terms of the provisions of the Value-Added Tax Act, 1991 (Act 89 of 1991), as amended; and
“Voting Record Date”	the date on which Putprop Shareholders must be entered in the Register in order to be entitled to vote at the General Meeting, expected to be Friday, 16 August 2019;



PUTPROP LIMITED

Incorporated in the Republic of South Africa
(Registration number 1988/001085/06)
Share code: PPR ISIN: ZAE000072310
("Putprop" or "the Company")

Directors

Executive

B Carleo (Chief Executive Officer)

J E Smith (Financial Director)

A Carleo-Novello

Non-executive

D Torricelli* (Chairman)

H T Hartley*

G Van Heerden*

R Styber*

*Independent

CIRCULAR TO SHAREHOLDERS OF PUTPROP

1. INTRODUCTION

On 9 April 2019, it was announced on SENS that Putprop had entered into the Agreements in respect of both the sale by Putprop of a 50% (fifty percent) undivided share in and to the Properties and the Development.

The Development Consideration will result in the Development being classified as a Category 1 transaction in terms of the Listings Requirements and is subject to approval by Shareholders in General Meeting.

The purpose of this Circular is to provide Putprop Shareholders with the relevant information relating to the Transaction to enable them to make an informed decision, and to give notice of the General Meeting in order for Putprop Shareholders to consider and, if deemed fit, to pass, *inter alia*, the resolutions necessary to approve and implement the Transaction in accordance with the Listings Requirements. A notice convening such meeting is attached to, and forms part of, this Circular.

2. NATURE OF THE BUSINESS OF PUTPROP

Putprop, a property investment company which has been listed on the Main Board of the JSE since 4 July 1988, owns and manages a portfolio of industrial, retail and commercial properties, deriving its income from contracted rentals.

The Group's property portfolio consists of 14 strategically located properties situated primarily in the Johannesburg and Pretoria metropolitan areas of Gauteng. As at 31 December 2018, the portfolio had a total market value of R591.8 million and a total GLA of 79 702m².

Putprop's primary objective is to build a quality portfolio with strong contractual cash flows resulting in long-term sustainability and capital appreciation. The Company intends to grow through strategic investments, focused on industrial and commercial opportunities where yields are enhancing in the medium and long-term. The Group also considers "Greenfield" development opportunities with suitable joint venture partners in order to increase portfolio values and unlock future value for shareholders.

3. THE TRANSACTION

3.1. Details of the Transaction

Pursuant to the Transaction, McCormick will purchase from Putprop, a 50% (fifty percent) undivided share in and to the Properties. The Co-owners will then develop a retail shopping centre on each of the Properties and conduct the resulting Business Enterprise in respect thereof. The Mamelodi Shopping Centre and the Dobsonville Shopping Centre are expected to constitute approximately 14 655 m² and 17 851 m² of GLA respectively, with the total GLA of the Shopping Centres being subject to final determination.

In terms of the Co-owners Agreement, each Co-owner shall be entitled to share in all revenue earned by the Business Enterprise in proportion to its shareholding (50% each) and shall be responsible for all costs and expenses arising from or in connection with the ownership of the Properties and/or Development of the Properties and/or the running, administration and/or control of the Business Enterprise, in proportion to its shareholding. Accordingly, the Co-owners will be jointly liable and entitled in accordance with their shareholding and all profits and losses of the Business Enterprise shall be shared and borne by the Co-owners according to their respective shareholding.

Construction of the Mamelodi Shopping Centre is expected to commence in October 2019, or once all conditions to the Transaction as set out in paragraph 3.8 below have been fulfilled, with an expected completion date of June 2020. Construction of the Dobsonville Shopping Centre is expected to commence in April 2020 with an expected completion date of February 2021.

Final determination of the GLA in respect of the Development will be included in the finalised Feasibility Study. Finalisation of the Feasibility Study is dependent on finalisation of the site plans and design in respect of the Shopping Centres and, in respect of the Dobsonville Property, the formal findings and sign off by the Council for Geoscience of the Dolomite geotechnical study, as set out in paragraph 3.3.2 below.

3.2. Details of McCormick

McCormick, founded by Chairman John McCormick, has been pioneering the development of retail centres in the rural areas of South Africa since its establishment in 1983. Since inception, McCormick has worked closely with local communities and continues to cement its position as a market leader of retail development in high growth emerging markets.

3.3. The Properties

3.3.1. The Mamelodi Property

The Mamelodi Property consists of Portion 111 of the Farm Mamelodi 608, Registration Division JR, Gauteng Province, measuring 4,2178 hectares (42 178 m²) in extent and held by virtue of Deed of Title: T7583/2001.

The property consists of land held for redevelopment, on which there are currently no structures.

The Mamelodi Shopping Centre is expected to constitute approximately 14 655 m² of GLA.

Further details of the Mamelodi Property are set out in Annexure 1 to this Circular.

3.3.2. The Dobsonville Property

The Dobsonville Property consists of Portion 21 of the Farm Vogelstruisfontein 233, Registration Division IQ, Gauteng Province, measuring 5,0064 hectares (50 064 m²) in extent and held by virtue of Deed of Title: T1161/1994.

The property has a current GLA of 3 500 m² which is fully let. This lease expires in December 2020. A redevelopment clause in the lease has however, been activated with effect from 1 November 2019, with a monthly tenancy from such date. The current use of the Dobsonville Property is that of a bus depot (Industrial sector). The existing above ground structures on the site will be demolished to facilitate the construction of the Dobsonville Shopping Centre.

The Dobsonville Shopping Centre is expected to constitute approximately 17 851 m² of GLA.

The Dobsonville Property is currently under investigation for possible Dolomite risk implications, the outcome of which may affect the final buildable GLA of the Dobsonville Shopping Centre and the costs associated with the development thereof. A Dolomite geotechnical study is in the process of being completed in order for the final report and proposed GLA of the Dobsonville Shopping Centre to be submitted to the Council for Geoscience for formal findings and signoff. Development of the Dobsonville Shopping Centre may only proceed once such signoff has been obtained. This process is ongoing as at the Last Practicable Date. Should the Dolomite geotechnical study be unfavourable or result in feasibility costings that do not meet desired yields, Putprop is entitled to not proceed with development of the Dobsonville Property as per the condition precedent set out in paragraph 3.8.1.1.1 below. The Company will keep shareholders apprised via SENS as to the acceptance or non-acceptance of the development of the Dobsonville Shopping Centre by the Council for Geoscience and its implications on the Transaction.

Further details of the Dobsonville Property are set out in Annexure 1 to this Circular.

3.4. Project management of the Development

The Development shall be project managed by McCormick in accordance with the Co-owners Agreement. In terms thereof, McCormick shall be remunerated as follows:

- a rate equal to 3% (three percent) of GDC and in addition thereto, be reimbursed for all direct expenses at market related rates, for project management and tenant coordination during the construction phase;
- a development fee of 2.5% (two point five percent) of GDC; and
- a leasing fee equal to 2.2 (two point two) months' basic rentals for the sourcing of tenants for the Business Enterprise.

Per the Co-owners Agreement, the fees detailed above are to be reduced by an amount equivalent to what McCormick would have paid for its 50% share in the Properties had it paid an amount of R1 100 per square meter of GLA instead of R800 per square meter of GLA of the Shopping Centres as contemplated in paragraph 3.7.1 below. The fees will be reduced, as aforementioned, and McCormick shall be able to draw down the fees over the span of the Development, from commencement of construction, whilst the final amount payable to McCormick will be determined on the date on which the last of the Shopping Centres opens for trading and any balance would be payable on such date and/or refunded to Putprop. The fees per this paragraph 3.4 have been taken into account in determining the Development Consideration set out in paragraph 3.7.2 below.

3.5. Management of the Properties

3.5.1. As from the Opening Date, the Business Enterprise shall be managed by the Management Agent in terms of the Property Management Agreement, which is available for inspection in terms of paragraph 23 below.

3.5.2. The Property Management Agreement will endure (unless otherwise terminated in accordance with the provisions contained therein) for a fixed period of 3 years. Thereafter (and unless otherwise agreed in writing between the parties), it will continue indefinitely, but is terminable by written notice of not less than 3 calendar months given by either party to the other.

3.5.3. The Property Management Agreement includes such terms as are usually and customarily contained in an agreement of such nature. The responsibilities of the Management Agent in terms thereof include the following:

- Management of all the financial administration of the affairs of the Business Enterprise and keeping of the books and records of the affairs of the Business Enterprise;
- Reporting to and taking instructions from the Management Committee monthly in respect of such financial administration;
- Collection of all income of the Business Enterprise;
- Payment of all expenses for the Business Enterprise;
- Attending to the maintenance and upkeep of the Shopping Centres; and
- The operational management, asset management support, letting and re-letting of the retail and other premises comprising the Business Enterprise, and the managing of said leases.

3.5.4. The directors of the Management Agent are Jason McCormick, Duncan Church, John McCormick, Frank Berkeley, Peter Katzenellenbogen, Gregory Azzopardi and Phatudi Maponya.

3.5.5. The business address of the Management Agent is Sokatumi Estate, Corner Lyttelton and Leyden Road, Clubview, Centurion, 0157.

3.5.6. The Management Agent is a public company listed on the JSE, the controlling shareholder of which is JMFT.

3.5.7. In terms of the Property Management Agreement, the Management Agent will be remunerated as follows:

- A rate of 3% (three percent) of basic rental;
- A leasing fee equal to 40% (forty percent) of 2.2 (two point two) month's basic rentals in respect of renewals and extension of lease agreements. Such remuneration shall not be payable in respect of retailers, including anchor tenants, who merely exercise predetermined renewal options; and
- In respect of non-GLA income (which includes, but is not limited to, income generated from outdoor advertising, in-mall advertising, shopping centre radio events and other promotional events), a rate of 15% (fifteen percent), excluding VAT, of such income.

3.6. Rationale for the Transaction

The Transaction is pursuant to Putprop's primary objective of building a quality portfolio with strong contractual cash flows, resulting in long-term sustainability and capital appreciation. The Development is expected to increase portfolio values to unlock future value for shareholders and diversify the portfolio further into retail properties, while reducing the portfolio weighting in the industrial segment.

3.7. Consideration

3.7.1. Sale of Properties

The sale consideration payable by McCormick to Putprop in terms of the Property Sale Agreement will be calculated at 50% (fifty percent) of an amount of R800 per square meter of GLA of the Shopping Centres, with the total GLA of the Shopping Centres, and as a result, the total sale consideration, being subject to final determination. However, shareholders are referred to the reduction in project management fees payable by Putprop to McCormick in terms of the Co-owners Agreement set out in paragraph 3.4 above which effectively results in the sale consideration being calculated at 50% (fifty percent) of an amount of R1 100 per square meter of GLA of the Shopping Centres. Based on current total expected GLA of the Properties of 32 506 m², the aggregate effective sale consideration should not exceed R17 878 300.

A provisional sale consideration of R10 million is to be settled in cash on the date of transfer of the Properties. Any balance following final determination of the GLA of the Shopping Centres will be payable to Putprop or refunded to McCormick, as the case may be on the Opening Date or as soon as the GLAs of the Shopping Centres are accurately identified and determined, whichever occurs first, with a copy of the certificate of the architect and a written notice advising the final sale consideration.

3.7.2. Development Consideration

Subject to finalisation of the Feasibility Study, the anticipated 50% (fifty percent) equity contribution payable by Putprop:

- 3.7.2.1. in respect of the development of the Mamelodi Shopping Centre is an amount of R5 910 per square meter of GLA and, based on expected GLA of 14 655 m², equates to an amount of R86 615 547; and
- 3.7.2.2. in respect of the development of the Dobsonville Shopping Centre is an amount of R6 979 per square meter of GLA and, based on expected GLA of 17 851 m², equates to an amount of R124 587 106.

3.8. Conditions precedent, resolutive condition and effective date

3.8.1. Conditions precedent to the Transaction

- 3.8.1.1. The Transaction is subject to the fulfilment or waiver, as the case may be, of the following conditions precedent within 12 months of the Signature Date:
 - 3.8.1.1.1. Putprop being satisfied with the Feasibility Study, in its sole and absolute discretion, and informing McCormick of its satisfaction therewith in writing;
 - 3.8.1.1.2. McCormick procuring pre-lease agreements in respect of the Shopping Centres which equals 70% (seventy percent) of anticipated revenue, to render the Development commercially feasible in the sole and absolute satisfaction of Putprop;
 - 3.8.1.1.3. a registered financial institution granting a development/construction loan to the Co-owners in respect of the Development, the value of which loan shall be no less than 75% (seventy five percent) of the estimated Development costs; and
 - 3.8.1.1.4. Putprop obtaining the requisite approvals, including Board, Shareholder and any other relevant approvals, including JSE approval, that may be required to conclude the Transaction.
- 3.8.1.2. The conditions precedent referred to in paragraphs 3.8.1.1.1 and 3.8.1.1.2 are imposed for the benefit of Putprop and may be waived by written notice to McCormick.

3.8.2. Resolutive condition to the Transaction

- 3.8.2.1. The Co-owners Agreement is subject to the resolutive condition that the Co-owners Agreement will terminate if the 50% (fifty percent) undivided shareholding in and to the Properties is not transferred to McCormick in accordance with the Sale Agreement.

The effective date of the Transaction shall be the date of fulfilment or waiver, as applicable, of the last of the conditions precedent.

3.9. Warranties

The Agreements include warranties, indemnities and undertakings which are normal for a transaction of this nature.

4. VALUATION REPORT

A detailed valuation report in respect of the Properties was prepared by the Independent Property Valuer and is available for inspection in terms of paragraph 23 below. The Independent Property Valuer's summary valuation report in respect of the Properties is included as Annexure 2 to this Circular.

5. PRO FORMA STATEMENT OF FINANCIAL POSITION

The *pro forma* statement of financial position of Putprop as at 31 December 2018 showing the effects of the Transaction is included as Annexure 3 to this Circular.

The *pro forma* statement of financial position of Putprop showing the effects of the Transaction, including the assumptions on which they are based and the financial information from which they are prepared, are the responsibility of the Directors. The *pro forma* statement of financial position must be read in conjunction with the Independent reporting accountants' assurance report on the the compilation of *pro forma* financial information included as Annexure 4 to this Circular.

The *pro forma* statement of financial position has been prepared in compliance with IFRS and in accordance with Putprop's accounting policies.

6. FINANCIAL AND PROPERTY SPECIFIC INFORMATION

Putprop has been afforded dispensation by the JSE from preparing a forecast statement of comprehensive income on the Development pursuant to paragraph 13.7(a) of the Listings Requirements on the basis that the Shopping Centres will only be completed from approximately June 2020 onwards and thus no revenue impact on the current or next financial year of the Company will be experienced. The dispensation was granted provided that certain information in respect of the Shopping Centres is included in the Circular as set out in Annexure 1.

7. SHARE CAPITAL OF PUTPROP

The share capital of Putprop before and after the Transaction is set out in the table below.

Before and after the Transaction

Authorised	Rm's
500 000 000 ordinary Shares of no par value	
Issued	
43 897 279 ordinary Shares of no par value	98
Stated capital	98

Putprop has no treasury shares in issue.

8. PROSPECTS

The Company expects trading conditions over the short-term to continue to be challenging. The property market both locally and internationally is also expected to remain subdued over such period. Putprop's strategies of disposing of non-core and poorly-performing portfolio assets, combined with the development, alongside suitable partners, of certain properties situated in densely populated urban areas remain. This process should result in unlocking value for shareholders.

9. IRREVOCABLE LETTERS OF UNDERTAKING

For purposes of the General Meeting, the Company has received irrevocable letters of undertaking from Shareholders holding or representing a total of 28 139 776 Shares, equivalent to 64.10% of all Shares eligible for voting at the General Meeting, or any adjournment thereof. Such Shareholders or representatives have indicated that they will vote in favour of the Transaction, to the extent that they are permitted to do so under the Listings Requirements.

The table below to sets out the undertakings received.

Shareholder	Number of Shares	Percentage shareholding (%)
Carleo Enterprises	28 139 776	64.10
	28 139 776	64.10

10. MAJOR SHAREHOLDERS

Those Shareholders (excluding Directors whose interests are detailed in paragraph 11.1 below) who, as at the Last Practicable Date insofar as is known to Putprop, directly or indirectly, were beneficially interested in 5% or more of the issued share capital of Putprop are set out in the below:

Shareholder	Number of Shares		Percentage shareholding (%)
	Direct shareholding	Indirect shareholding	
Carleo Enterprises	28 139 776	-	64.10
Total	28 139 776	-	64.10

There has been no changes in the controlling Shareholders of the Company over the past 5 (five) years.

11. DIRECTORS OF PUTPROP

11.1. Directors' interests in securities

11.1.1. Directors' interests

At the Last Practicable Date, the Directors of Putprop held, directly or indirectly, beneficial interests in 4 235 391 Shares in Putprop, representing approximately 9.65% of the total issued share capital of Putprop as follows:

Director	Beneficial		Total Shares	Total %
	Direct	Indirect		
Executive Director				
B Carleo	54 806	2 370 614	2 425 420	5.53
A Carleo-Novello	22 336	1 787 635	1 809 971	4.12
	77 142	4 158 249	4 235 391	9.65

Notes:

1. There has been no change in the aforementioned interests of the Directors, between the financial year ended 30 June 2018 and the Last Practicable Date.
2. The Directors' interests will not change as a result of the Transaction.

11.1.2. Former Directors' interests

At the Last Practicable Date, there were no Directors of Putprop who had resigned during the last 18 months who held, directly or indirectly, beneficial interests in Shares in Putprop and this will not change as a result of the Transaction.

11.1.3. Associates' interests in securities

At the Last Practicable Date, as far as the Board is aware, there were no associates of Directors, who held or controlled any Shares in the issued share capital of Putprop.

11.2. Directors' interests in transactions

None of the Directors have had any beneficial interest, either directly or indirectly, in any transactions effected by Putprop during the current or preceding financial year or during any earlier financial year which remains outstanding or unperformed in any respect.

11.3. Directors' emoluments

11.3.1. Shareholders are referred to the Directors' Report forming part of the Putprop Integrated Annual Report 2018, which can be found on the Company's website at <https://www.putprop.co.za/assets/putprop-iar-c4-2018-final-web.pdf>. There will be no change in the remuneration of any of the Directors as a consequence of the Transaction.

11.3.2. Save as set out in paragraph 11.3.1 above, the Directors did not receive any emoluments in the form of:

- 11.3.2.1. fees for services as a Director;
- 11.3.2.2. 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;
- 11.3.2.3. basic salaries;
- 11.3.2.4. bonuses and performance-related payments;
- 11.3.2.5. sums paid by way of expense allowance;
- 11.3.2.6. any other material benefits received;
- 11.3.2.7. contributions paid under any pension scheme;
- 11.3.2.8. any commission, gain or profit-sharing arrangements;
- 11.3.2.9. share options or any other right given to a Director of the Company in respect of providing a right to subscribe for shares in the Company; and
- 11.3.2.10. any shares issued and allotted in terms of a share purchase/option scheme for employees.

11.3.3. Save as set out in paragraph 11.3.1 above, the Directors did not receive any remuneration or benefit in any form from any holding company, Subsidiary, associates of the holding company or Subsidiary, joint venture or other third party management or advisory company.

11.4. Director's service contract

Each of the executive Directors has concluded service contracts with terms and conditions that are standard for such appointments, which service contracts are available for inspection as set out in paragraph 23 below.

No additional Directors are proposed to be appointed as a result of the Transaction.

12. RELATIONSHIP INFORMATION

- 12.1. Both McCormick and the Management Agent share the same controlling shareholder, JMFT.
- 12.2. Save for the Directors' interests in securities as set out in paragraph 11.1.1 and the information included in paragraph 12.1 above, neither the Directors, the directors of a Putprop Subsidiary nor the directors of the Management Agent had any beneficial interests, direct or indirect, in relation to the Properties nor are they contracted to become a tenant of the Shopping Centres. There is no promoter, asset manager or CISIP manager as any such functions are performed internally by Putprop.
- 12.3. Save for the information included in paragraph 12.1 above, there is no relationship between the Directors, the directors of a Putprop Subsidiary nor the directors of the Management Agent and another person that may conflict with a duty to Putprop.
- 12.4. Neither McCormick nor the Management Agent has any beneficial interest, direct or indirect, in any securities or participatory interests to be issued by Putprop in order to finance the Transaction.
- 12.5. Neither the Directors nor the directors of the Management Agent have had a material beneficial interest in the acquisition or disposal of any properties forming part of the Properties during the two years preceding the date of the valuation of such property.

13. MATERIAL CONTRACTS

Save for the Transaction contemplated in this Circular, neither Putprop nor its Subsidiaries have entered into any restrictive funding arrangement or material contract other than in the ordinary course of business within two years prior to the date of this Circular, or entered into at any time and containing an obligation or settlement that is material to Putprop or its Subsidiaries at the date of this Circular.

14. MATERIAL LOANS AND BORROWINGS

- 14.1. At the Last Practicable Date, Putprop and its Subsidiaries had no material loans receivable and had not made any loans or furnished any security to or for the benefit of any Director or manager of any associates of any Director or manager of Putprop.
- 14.2. Details of material loans made to Putprop are set out in Annexure 6.
- 14.3. None of the material borrowings listed in Annexure 6 have any redemption or conversion rights attaching to them.

15. MATERIAL CHANGES

Save for the effects of the Transaction, which have been disclosed in the *pro forma* financial statement of financial position set out in Annexure 3 to this Circular, at the Last Practicable Date there have been no material changes in the financial or trading position of Putprop and its Subsidiaries since the reported financial information of Putprop for the six months ended 31 December 2018.

16. CO-OWNERS

The details of the shareholders of McCormick (who are deemed to be the vendors for purposes of the Listings Requirements) as at the Last Practicable Date are set out in Annexure 5 to this Circular.

17. WORKING CAPITAL STATEMENT

The Board has considered the effects of the Transaction and is of the opinion that, for a period of 12 months subsequent to the date of this Circular:

- the Group, as impacted by the Transaction, will in the ordinary course of business be able to pay its debts;
- the assets of the Group, as impacted by the Transaction, fairly valued, will be in excess of its liabilities. For this purpose the assets and liabilities are recognised and measured in accordance with the accounting policies applied to the latest audited financial results;
- the share capital and reserves of the Group, as impacted by the Transaction, will be adequate for ordinary business purposes; and
- the working capital of the Group, as impacted by the Transaction, will be adequate for ordinary business purposes.

18. LITIGATION STATEMENT

There are no legal or arbitration proceedings, pending or threatened, of which Putprop or any of its Subsidiaries are aware, that may have or have had, in the 12-month period preceding the Last Practicable Date, a material effect on the financial position of the Putprop Group.

19. OPINIONS AND RECOMMENDATION

The Directors, having considered the terms and conditions of the Transaction, are of the opinion that the Transaction is beneficial to Putprop Shareholders and that it will have a beneficial financial effect on the Group. Accordingly, the Directors recommend that Shareholders vote in favour of the resolutions, to be proposed at the General Meeting, to approve the Transaction. The Directors, who are Shareholders of the Group, intend to vote in favour of such resolutions to be proposed at the General Meeting to approve the Transaction.

20. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names are given on page 8 of this Circular, collectively and individually, accept full responsibility for the accuracy of the information contained in the Circular and certify that, to the best of their knowledge and belief that there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the Circular contains all information required by law and the Listings Requirements.

21. EXPERTS' CONSENTS

The Sponsor, the Independent Property Valuer, the reporting accountants and the transfer secretaries have consented in writing to act in the capacities stated and to their names being stated in this Circular and, where applicable, to the inclusion of their reports in the form and context in which they have been reproduced in this Circular in Annexures 2 and 4 have not, prior to the Last Practicable Date, withdrawn their consents prior to publication of this Circular.

22. COSTS

The total costs relating to the Transaction, which amount to approximately R920 743 excluding VAT, are set out in the table below:

	Estimated amount
	R
Merchantec Capital - Corporate adviser and Sponsor to Putprop	600 000
Mazars - Independent reporting accountants	150 000
Jones Lang LaSalle - Independent Property Valuer	70 000
JSE documentation inspection fees	65 543
JSE property valuer application	5 200
WB Corporate Communications - Printing, publication and distribution	20 000
Contingency costs	10 000
Total	920 743

23. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection at the registered office of Putprop and the office of the Sponsor which addresses are set out in the "Corporate information" section of the Circular, during normal business hours from Friday, 19 July 2019 up to and including Thursday, 22 August 2019:

- the Memorandum of Incorporation of the Company and its major Subsidiaries;
- a copy of the Property Sale Agreement;
- a copy of the Co-owners Agreement;
- a copy of the Property Management Agreement;
- copies of the service contracts entered into between the executive Directors and the Company referred to in paragraph 11.4 above;
- copies of the audited annual financial results of Putprop for the financial years ended 30 June 2018, 2017 and 2016;
- a copy of the detailed valuation report in respect of the Properties prepared by the Independent Property Valuer;
- the signed Independent Property Valuer's summary valuation report in respect of the Properties, the text of which is included as Annexure 2 to this Circular;
- the signed Independent reporting accountants' assurance report on the the compilation of *pro forma* financial information, the text of which is included as Annexure 4 to this Circular;
- the written consent letters referred to in paragraph 21 above; and
- a signed copy of this Circular.

24. GENERAL MEETING

A General Meeting of Putprop Shareholders will be held at 10:00 on Thursday, 22 August 2019 at the registered office of Putprop, 91 Protea Road, Chislehurst, Sandton, Johannesburg, 2196, in order to consider and approve, with or without modification, the resolutions set out in the notice of General Meeting included in this Circular.

A notice convening the General Meeting and a form of proxy for use by Certificated Shareholders and Dematerialised Shareholders with "own name" registration who are unable to attend the General Meeting, form part of this Circular.

Certificated Shareholders and Dematerialised Shareholders with "own name" registration, who are unable to attend the General Meeting and wish to be represented thereat, must complete and return the attached form of proxy in accordance with the instructions contained therein.

Dematerialised Shareholders, other than Dematerialised Shareholders with "own name" registration, who:

- are unable to attend the General Meeting and wish to be represented thereat, must provide their CSDP or broker with their voting instructions, in terms of the Custody Agreement entered into between themselves and the CSDP or broker concerned, in the manner and within the time stipulated therein;
- wish to attend the General Meeting, must instruct their CSDP or broker to issue them with the necessary written letter of representation to attend.

SIGNED BY B CARLEO, ON HIS OWN BEHALF AS DIRECTOR AND ON BEHALF OF ALL THE OTHER DIRECTORS OF PUTPROP LIMITED, BEING DULY AUTHORISED IN TERMS OF POWERS OF ATTORNEY GRANTED TO HIM BY SUCH DIRECTORS

By order of the Board

B Carleo
Chief Executive Officer

19 July 2019

FINANCIAL AND PROPERTY SPECIFIC INFORMATION

1. MAMELODI PROPERTY

1.1. Overview of the Mamelodi Property

The Mamelodi Property is located in the Pretoria township of Mamelodi on the corner of Tsamaya Avenue and Shilovhane Street. It is situated along the M8 metropolitan road that travels east-west across the east of Pretoria. Situated 25 km east of the Pretoria CBD, it has easy access to taxi and bus transportation. Surrounding real estate uses include low-cost residential property, schools, health facilities and some retail property.

1.2. Valuation of the Mamelodi Property

The value of the Mamelodi Property in its existing state, based on the valuation performed by the Independent Property Valuer as at 30 June 2019 amounts to R24 624 000.

The anticipated value of the Mamelodi Property as at completion and letting of the Mamelodi Shopping Centre, based on the valuation performed by the Independent Property Valuer as at 30 June 2019 amounts to R218 677 000.

1.3. Analysis of the Mamelodi Shopping Centre

The expected analysis of the Mamelodi Shopping Centre in respect of geographic, sectoral and tenant spread is as follows:

Geographic profile

	Based on GLA	Based on gross rentals
Mamelodi, Pretoria	100%	100%
Total	100%	100%

Sectoral profile

	Based on GLA	Based on gross rentals
Commercial	-	-
Retail	100%	100%
Industrial	-	-
Total	100%	100%

Tenant profile

	Based on GLA	Based on gross rentals
A	70%	70%
B	20%	20%
C	10%	10%
Total	100%	100%

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

- A. Large international and national tenants, large listed tenants, government and major franchisees.
- B. National tenants, listed tenants, franchisees and medium to large professional firms.
- C. Other local tenants and sole proprietors.

1.4. Expected rental per square meter and yield

The expected weighted average monthly rental per square metre for the Mamelodi Property assumed from the date of completion is R114.00 per m².

The expected average annualised property yield in respect of the Mamelodi Property from the date of completion is 10.5%.

1.5. Comparable rental per square meter

As set out in the detailed valuation report prepared by the Independent Property Valuer, the average monthly rentals comparable to the Mamelodi Shopping Centre having regard to recently achieved retail rentals by size and category as follows:

	Area (m ²)	Rental per m ² per month
Anchors	Varies	R90.00
Line shops	0 - 50	R180.00
Line shops	51 - 150	R130.00
Line shops	151 – 300	R110.00
Line shops	Over 300	R100.00

1.6. Expected costs over the development period

As set out in paragraph 3.7.2, the expected costs over the development period in respect of the development of the Mamelodi Shopping Centre is an amount of R5 910 per square meter of GLA and, based on expected GLA of 14 655 m² equates to an amount of R86 615 547.

2. DOBSONVILLE PROPERTY

2.1. Overview of the Dobsonville Property

The Dobsonville Property is located in township of Dobsonville in Soweto on Elias Motsoaledi Road (M77). The M77 is a north-south metropolitan road which connects to Main Reef Road to the north and M68/Old Potch Road to the south. Situated approximately 20 km west of the Johannesburg CBD, the Dobsonville Property has easy access to taxi and bus transportation. Surrounding real estate uses include low to middle-income level residential property and a retail shopping centre, Dobsonville Mall, directly opposite the property.

2.2. Valuation of the Dobsonville Property

The value of the Dobsonville Property in its existing state, based on the valuation performed by the Independent Property Valuer as at 30 June 2019 amounts to R17 472 000.

The anticipated value of the Mamelodi Property as at completion and letting of the Mamelodi Shopping Centre, based on the valuation performed by the Independent Property Valuer as at 30 June 2019 amounts to R306 567 000.

2.3. Analysis of the Dobsonville Shopping Centre

The expected analysis of the Dobsonville Shopping Centre in respect of geographic, sectoral and tenant spread is as follows:

Geographic profile

	Based on GLA	Based on gross rentals
Dobsonville, Johannesburg	100%	100%
Total	100%	100%

Sectoral profile

	Based on GLA	Based on gross rentals
Commercial	-	-
Retail	100%	100%
Industrial	-	-
Total	100%	100%

Tenant profile

	Based on GLA	Based on gross rentals
A	70%	70%
B	11%	11%
C	19%	19%
Total	100%	100%

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

A. Large international and national tenants, large listed tenants, government and major franchisees.

B. National tenants, listed tenants, franchisees and medium to large professional firms.

C. Other local tenants and sole proprietors.

2.4. Expected rental per square meter and yield

The expected weighted average monthly rental per square metre for the Dobsonville Property assumed from the date of completion is R122.01 per m².

The expected average annualised property yield in respect of the Dobsonville Property from the date of completion is 9.5%.

2.5. Comparable rental per square meter

As set out in the detailed valuation report prepared by the Independent Property Valuer, the average monthly rentals comparable to the Dobsonville Shopping Centre having regard to recently achieved retail rentals by size and category as follows:

	Area (m ²)	Rental per m ² per month
Anchors	Varies	R90.00
Line shops	0 - 50	R210.00
Line shops	51 - 150	R160.00
Line shops	151 – 300	R140.00
Line shops	Over 300	R110.00

2.6. Expected costs over the development period

As set out in paragraph 3.7.2, the expected costs over the development period in respect of the development of the Dobsonville Shopping Centre is an amount of R6 979 per square meter of GLA and, based on expected GLA 17 851 m², equates to an amount of R124 587 106.

INDEPENDENT PROPERTY VALUER'S SUMMARY VALUATION REPORT IN RESPECT OF THE PROPERTIES

"The Board of Directors
Putprop Limited
91 Protea Rd
Chislehurst
Johannesburg, 2001

11 July 2019

Dear Sirs

1. INDEPENDENT PROPERTY VALUER'S SUMMARY VALUATION REPORT ON THE PROPERTIES [13.20 (a)] [13.22]

1.1. Introduction

This summary valuation report has been prepared in accordance with Section 13.20 to 13.31 for inclusion in a circular to Putprop Limited shareholders related to the sale by Putprop of a 50% (fifty percent) undivided share in and to two assets held for development in the Putprop Limited property portfolio (being the site and land held at Dobsonville, Soweto - Farm 233 Portion 21 IQ – Vogelstruisfontein – and the site and land held at Mamelodi - Farm 608 Portion 111 JR – Mamelodi ("the properties")) and the development of a retail shopping centre on each of the properties ("Category 1 transaction"), as required in terms of the general provisions of Section 13: Property Companies of the Listings Requirements of the JSE Limited ("Section 13").

Formal written Valuation Reports have been compiled for each of the properties ("Detailed Valuation Report") and these reports have been issued to the nominated representatives of Putprop Limited and are available for inspection at the registered office of Putprop Limited. [13.30]

In accordance with your instruction dated the 15th April 2019, we confirm that we have visited and inspected the properties during April 2019 (Section 13.23 (a) (iii)) and have received all necessary details required to perform an independent valuation in order to provide you with our opinion of the Market Values of each of the two properties as at the 30 June 2019 (Section 13.23 (c)).

The valuation of each of the properties has been carried out by the nominated property valuer, Jones Lang LaSalle ("JLL"), and the valuation process has been overseen by Joshua Askew FRICS, (RICS Registration number 1172535) and Shawn Crous MRICS Registered Professional Valuer (No. 3718/3) (collectively, "the Valuers").

Employees of the property valuer having relevant valuation qualifications have inspected each of the properties and careful consideration has been given to all matters pertaining to the requirements of Section 13 for the purposes of these valuations.

Each of the formal Valuation Reports submitted includes commentary on the nature of the properties, locality, likely tenancies at the completed assets, current and future expected risk profiles, forward rent projections, earning capability and exposure to future expenses and property risk.

The formal Valuation Reports have further addressed the estimated income capability and expenditure for each property taking into account likely contractual income in the future on completion as at the date of valuation, potential annual escalations in contractual income once the developments are completed and also expenditure and development cost estimates based on current supplied and feasibility information.

The values thus determined for each of the properties indicates our opinion of the Market Value thereof at the date of valuation.

1.2. Property Information

The assets forming the Category 1 transaction are as follow:

- A land plot extending to 50,064 sq m situated at Dobsonville Depot, Elias Motsoaledi Road, Dobsonville, Soweto held freehold by Putprop Limited. The land plot is currently being utilised as a Putco bus depot but is being held for the development of a 20,766 sq m township retail shopping centre. JLL have assumed a 27-month time frame for development and completion of the proposed shopping centre.
- A land plot extending to 42,178 sq m situated at Mamelodi Depot, Cnr Tsamaya Ave & Shilovhane St, Mamelodi, Pretoria held freehold by Putprop Limited. The land plot is currently an undeveloped brownfield site previously used as a bus depot but is held for the development of a 15,213 sq m township retail shopping centre. JLL have assumed a 27-month timeframe for the development and completion of the proposed shopping centre.

1.3. Basis of Valuation

The basis of valuation for the properties is Market Value.

Market value (Section 13.23 (d)) is defined by the Royal Institution of Chartered Surveyors, The South African Institute of Valuers and the International Valuations Standards Committee as:

“The estimated amount for which a property should exchange on the date of Valuation between a willing buyer and a willing seller in an arm’s length transaction after proper marketing, wherein the parties had acted knowledgeably, prudently and without compulsion.”

1.4. Valuation Methodology - [13.23(d)]

We have used the traditional and internationally recognised Residual method of valuation to reach our opinion of value as outlined in this report.

This approach is generally considered the most applicable valuation technique for development properties, where sufficient market data exists to supply the necessary inputs and parameters for this approach.

A residual valuation can be expressed as a simple equation:

(value of completed development) – (development costs + developers profit) = land value

Value of Completed Development

- The value of the completed development is the Market Value of the proposed development assessed on the special assumption that the development is complete as at the date of valuation in the market conditions prevailing at that date. This is widely referred to as the Gross Development Value (GDV).
- The finance costs, notional or actual, are included in the residual value calculation and therefore there is no need to adjust the GDV to reflect these.

Development Costs

- For the development costs, a reasonably accurate estimation of the building costs, at the valuation date, of the development is a major component in a residual valuation.
- In all cases the inclusion of a contingency allowance to cater for the unexpected is essential. The quantum which is usually reflected as a percentage of the building contract sum.
- The incidence of fees and expenses can vary significantly according to the size and complexity of the development but generally includes professional consultants to design, cost and project manage the development, these fees are often calculated as a percentage of the value.
- Finance assumptions and costs must also be accounted for, this includes the level of debt taken on by the developer/extended by the financier (often calculated as a debt to development cost ratio), as well as the finance rate (interest payable) and loan duration.

Developers profit

- The appropriate profit to be expected from a development may be influenced by several factors which might lead to the departure from the market ‘norm’. High amongst these is the certainty of the information available to the valuer, and the general risk profile (for example, whether the interest rate is fixed, whether the scheme is pre-let or pre-sold) but the scale of development, the amount of financial exposure and the timescale are also relevant.
- Developer’s profit is usually applied as a Profit on Cost and reflects the following broad risk factors:
 - o Planning and Zoning Risk;
 - o Construction Risk;
 - o Market Cycle Risk.

The residual methodology has been applied to both assets as these are both currently sites which will be used for retail shopping centre development.

1.5. Valuation Assumptions - [13.26]

We have been supplied with feasibility analyses for both sites by Putprop Limited, which detail the extent of shopping centre development which will be completed on each site, we have verified that the proposed developments are permitted by the current planning/zoning permission at each site. We have accepted the proposed areas, both gross built areas and lettable areas, at each asset as factual and the basis upon which each shopping centre will be constructed.

In determining the Gross Development Value of each completed shopping centre, we have adopted a direct capitalisation approach and have applied our view of the appropriate purchase yield (All Risk’s Yield) to the future developments’ net operating income. We have applied an All Risks’ Yield of 9.00% to the Dobsonville Shopping Centre income and a 9.50% All Risks Yield to the Mamelodi Shopping Centre. To determine the net operating income of each shopping centre we have applied our view of appropriate Market Rents to the lettable areas in each scheme.

We have determined our market rental levels on completion by having regard to recently achieved retail rents by size and category in similar township retail schemes in Soweto, Mamelodi and elsewhere in Gauteng. The rental rates have also been checked against our own database of similar centres previously valued. Please refer to our detailed reports, Appendix – Tenancy Schedules for a breakdown of our estimate of market rentals per unit.

We also provided for a structural vacancy and non-recoverable costs of 5.00% and 7.50% for the Dobsonville Shopping Centre and the Mamelodi Shopping Centre respectively, depending on location, accommodation and current competition in each node. These structural vacancies and non-recoverable cost deductions are a provision against possible tenant failure, sourcing of new tenants, unexpected arrears, leases (particularly to anchors) where not all operational costs are recoverable and for tenant relocations. Provisions have been made for the letting up of space on physical completion of the scheme within a sensible and reasonable time frame at an appropriate market rental.

Apart from the non-recoverable cost allocation detailed above, we have assumed that all future leases at both shopping centres will be triple net leases with tenants effectively covering operating costs, insurance, utility costs and taxes (rates) being paid for directly by tenants, or on a reconciliation basis after having initially been covered by the landlord (owner) of each shopping centre.

The assumptions regarding vacancy allowances and non-recoverable costs for income lost due to the letting or re-letting of space for a particular node or centre have been made with reference to vacancy rates at similar properties valued by JLL in the past 12 months. [13.23 (f) (i) (ii)]

Construction costs, including development contingencies, professional fees, utility and infrastructure costs, marketing costs, tenants' installations (and the cost of making the site safe for development in the case of the Dobsonville site see below) and all other applicable construction costs have been supplied to us by Putprop Limited from a series of formal feasibility analyses completed for each site and have been adopted by JLL as plausible and reasonable reflections of cost and deducted from the Gross Development Value produced in JLL's valuation.

JLL have applied finance costs at 6.00% for both assets on all development costs, this sum representing a 50% loan to cost ratio drawn down on an S curve over the development period.

Developer's profit on cost has been applied at a rate of 17.50% at the Dobsonville site and 20% at the Mamelodi site, reflecting the zoning, construction and market cycle risks attending to development over the construction period and the JLL's view as to the reasonable level of return a third-party developer would require as compensation for undertaking the development of the shopping centres on site. The deduction of these costs in total from the GDV of each asset has produced the Market Value for each asset as at the date of valuation.

1.6. Inspections, Areas and Dimensions

All the properties were inspected on the 25th April 2019. No measured surveys have been carried out by us and we have relied on the site and floor and / or lettable areas provided to us by the nominated representatives of Putprop Limited. We have assumed that these areas are correct unless otherwise stated in the valuation report for a specific property.

1.7. Sources of Information - [13.23(a)(xiii)]

1.7.1. Source of information and verification

Information on the properties regarding gross build and lettable areas, site areas, title and zoning information, development/construction costs and costs related to investigation have been provided to us by the current owners and their managing agents. Each valuation is based on the information which has been supplied to us or which we have obtained in response to our enquiries. We have relied on this information provided as being correct and complete and there being no undisclosed matters which would affect each valuation.

We have further compared suggested development costs and remediation costs supplied to us to market norms of similar properties and have verified that these costs are plausible with our internal JLL Project & Development Services Department.

1.7.2. Full disclosure

These valuations have been prepared on the basis that full disclosures of all information and factors that may affect the valuations have been made to us. Furthermore, to the best of our ability, we have, researched the market for comparable rental information and the applicable current purchase yields applicable to the completed developments.

1.7.3. Leases

Sub section 13.23(ix) provides that the summary of the valuation report to be included in the prospectus or circular must include a "high level summary of the actual tenant's leases or sub leases".

Our valuation has been based on a review of actual tenants' leases (which includes material terms such as repairing obligations, escalations, and break options) and other pertinent details supplied to us by the managing agents and by Putprop.

At the Dobsonville site, a lease currently exists to Putco, due to expire on 31/12/2020. The current rent on this lease is R88.31/m² per month, with an annual escalation of the entire rental sum of 8.00% for the remainder of the lease period. We have assumed that this lease will be surrendered and will no longer be in place post the Category 1 transaction as it would impede development of the proposed shopping centre scheme. The Dobsonville site is therefore assumed to be provided with vacant possession so that development can commence on completion of the transaction.

At the Mamelodi site there is a current lease in place to MTN for a telecommunications tower on site. The lease is for a term of 9 years and 11 months with a commencement date of 01 November 2016, with a further 9 year and 11 month renewal term provided for at expiry of the lease. The initial rent contracted was R5,000 per month plus VAT with annual escalations of the entire rent at the SA official CPI rate but capped at 8.00% each and every year of the lease. We have assumed that this lease will continue to run at the Mamelodi site and that the mobile tower will be retained during and after the development period as we have been informed by Putprop Limited that the MTN tower will not adversely affect development and will be retained on site.

1.7.4. Costs

In estimating the applicable property development costs at each asset we have relied on the feasibility budgets which have been provided to us by Putprop Limited for the full development programme for each site, which we consider plausible. We have adopted our professional opinion of the financing costs and terms likely to be offered to a third part developer and have reflected these in our cost assumptions in our residual valuations.

We have also exercised our professional judgement in applying a developer's profit allocation which we consider plausible to each development given the risk and reward factors of each project.

The total development cost deductible from our GDVs for each valuation is therefore:

- For the Dobsonville Site: R 243,435,733 excluding land and Developer's Profit;
- For the Mamelodi Site: R 157,607,724 excluding land and Developers' Profit.

1.7.5. 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 valuations for costs of acquisition. The properties have been valued 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 the purchaser when purchasing the properties.

1.7.6. Calculation of areas

All areas quoted within the detailed valuation reports are those stated in the information furnished and verified where plans were available. To the extent that plans were not available, reliance was placed on the information submitted by Putprop Limited and its agents.

1.7.7. Title Deeds

Copies of the Title Deeds of the properties have been provided to us and we have taken account of the conditions contained therein in the preparation of our valuations. [Section 13.23 (a) (xiii)]

The valuation of the properties have further been based on information obtained from the local authorities, from a physical inspection as well as detailed research on property sales and lettings within the areas in which the properties are situated.

Where appropriate, we have satisfied ourselves that the information on which we have based our valuations is accurate.

1.8. Material Contravention of Statutory Requirements - [13.23(Vii)]

We are not aware of any material contravention of any statutory requirement relating to the properties, unless specifically stated in our individual reports.

1.9. Properties Held for Development - [13.26]

Both assets are currently held for development.

1.10. Unlet Space

Assumptions have been made in our valuations as to the likely letting up of both assets on completion of the envisaged shopping centre developments.

1.11. Valuation Qualifications - [13.23(e)]

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 lettable of the building; contingent expropriations or servitudes that may be enforced; poor lease records whereby the lease may be disputed or rendered invalid.

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

The valuer is 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.

1.12. Options or Benefit / Detriment of Contractual Arrangements - [13.23(g)]

To our 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. [13.23 (g)].

To the best of our knowledge there are no options in favour of any parties for any purchase of the property. [13.23 (h)].

1.13. Intra-Group Leases - [13.23(a)(xi)]

We note that the current lease in respect of Putco at the Dobsonville asset is an intra-group or related party lease, however, we have assumed that this lease will no longer be in place in completing the residual valuation of the Dobsonville property development. Both Putco and Putprop are subsidiaries of Carleo Enterprises Proprietary Limited. The current Putco lease in place at Dobsonville has been in place since before 2017 and, as a related party lease, is disclosed in Putprop's annual financial statement each year.

1.14. Current State of Development - [13.24]

Both properties are classified as vacant land held for development. Further details are provided in the table below:

Nature, and a brief description of the proposed development [13.26 (b)]	Planning Permission has been applied for [13.26 (a)]	Planning Permission Application has been granted or refused and the Date of such Grant or Refusal [13.26 (a)]	Expected Development Commencement Date [13.26 (c)]	Expected Development Duration [13.26 (d)]	Expected Total Cost of Development (including financial carrying charges and letting commissions)	Expected Completion Date and Estimate of Letting or Occupation Dates	Market Value
Dobsonville Site – development of 20,766 sq m township shopping centre scheme on site.	Conditions of Establishment of a Township have been granted, detailed scheme permission and General Plan permission must still be granted.	Approval of Condition of establishment for intended use on site: "Business 1" uses granted. Dolomite present on site, additional permissions and safeguards must be provided to the Council before detailed Site Development Plan is permitted. Please see JLL's detailed valuation report for more details.	Retail – Expected in October 2019.	We have assumed a 27-month development and initial letting up period in the valuation, which is longer than Putprop's view on timing.	The total cost of the development as determined in JLL's valuation based on the feasibility study and dolomite engineering solution, including developer's profit and interest costs on the development loan, amounts to: Retail – R 288,094,620 excluding VAT.	Retail – In our valuation we have assumed completion by the end of January 2022 with estimated full let up of vacant retail units by April 2022.	The Market Value of the site in its current state is R17,472,000. This value is also reflected in the Detailed Valuation Report as the Market Value of the property in its existing state. The anticipated Gross Development Value (GDV) as at completion and letting of the proposed shopping centre is R306,567,000.
Mamelodi Site – development of 15,213 sq m township shopping centre scheme on site.	Conditions of Establishment of a Township have been granted, detailed scheme permission and General Plan permission must still be granted.	Approval of Condition of establishment for intended use on site: "28: Special" (which includes retail) uses granted. Further plans must be granted before detailed Site Development Plan is permitted. We are not aware of any material or onerous conditions attached to such consent.	Retail – Expected in April 2020.	We have assumed a 27-month development and initial letting up period in the valuation, which is longer than Putprop's view on timing.	The total cost of the development as determined in JLL's valuation based on the feasibility study, including developer's profit and interest costs on the development loan, amounts to: Retail – R 194,053,557 excluding VAT.	Retail – In our valuation we have assumed completion by the end of June 2022 with estimated full let up of vacant retail units by September 2022.	The Market Value of the site in its current state is R24,624,000. This value is also reflected in the Detailed Valuation Report as the Market Value of the property in its existing state. The anticipated Gross Development Value (GDV) as at completion and stabilised letting of the proposed shopping centre is approximately R218,677,000.

1.15. Other Matters that Could Materially Affect Value – [13.23 (xii)]

It should be noted that we have been supplied with a number of reports concerning the established presence of dolomite at the Dobsonville site. Dolomite, when identified in sufficient quantities in the soil beneath a development site, may lead to sinkholes, subsidence, settlement and damaging movement in any asset built on such a site. The Geo-technical investigation report provided to JLL concludes that dolomite exists on site and represents a risk to the safety of any development constructed on site. The report also draws attention to the existence of an underground aquifer/watercourse, which is also of concern should development take place on site. The report also details some outline engineering solutions which should be put in place to partially mitigate the hazardous presence of dolomite beneath the site. Putprop and its engineering consultants have proposed a soil bed/raft engineering solution in order to safely undertake the development. The costs associated with this solution and further testing have been supplied to JLL and have been included in the costs applied in the Residual valuation of the Dobsonville site.

JLL's internal Project & Development Services team have pointed out that, in addition to the D4 planning application (required for this site due to the presence of Dolomite) which will need to be submitted to the Municipality in order for detailed permission to be granted for the scheme, an Environmental Impact Assessment will likely be triggered which could have further time and cost implications for the development.

JLL have assumed that the engineering solution and the costs associated with it will be sufficient to allow development to take place on site, however, should this assumption prove to be incorrect and the costs associated with mitigating the presence of dolomite beneath the site be understated, or should the costs related to maintaining the course of the aquifer or the costs related to the soil, stability or environmental impact of the development be understated, the valuation of the Dobsonville site is likely to be adversely affected. JLL have assumed that zoning permission will be granted to develop the scheme as presented to us in Putprop's feasibility analysis and related studies, however, should the scheme be refused due to the issues detailed in this paragraph (or be deemed to be unsafe) then the value reported for the Dobsonville site is likely to be severely adversely affected and JLL reserves the right to revise its opinion of Market Value as reported herein.

1.16. External Property - [13.28]

None of the properties are situated outside the Republic of South Africa.

1.17. Alternative Use for a Property - [13.27]

We have valued the properties in accordance with their existing use which represents their Market Value. Thus alternative use values have not been reported for any of the properties.

1.18. Future Rentals - [13.29]

Neither asset is substantially let as at the date of valuation, future net rentals on completion for each asset have been estimated by JLL as below, based on our view of the Market Rentals achievable at each location:

Dobsonville: R 26,136,661 per annum as at the assumed date of completion;

Mamelodi: R 19,603,635 per annum as at the assumed date of completion.

1.19. Other Comments

Our valuations exclude any amounts of Value-Added Tax, transfer duty, or securities transfer duty.

1.20. General Principles of Valuations and Reports - [13.23(a)(xii)]

We list below the general Caveats and principles upon which valuations and reports undertaken by JLL in South Africa are normally prepared and confirm that such principles shall apply in respect of the properties forming the subject of the Category 1 transaction, unless specifically mentioned otherwise:

1.20.1. The Valuer

These Valuation Reports have been prepared by the Valuation Division of JLL.

1.20.2. Full Disclosure

This valuation has been prepared on the basis that full disclosure of all information and factors which may affect the valuation have been made to ourselves and we cannot accept any liability or responsibility whatsoever for the valuation, unless such full disclosure has been made.

1.20.3. Standards

We confirm our Valuation Report has been completed in accordance with both international and local standards, namely:

- The Royal Institution of Chartered Surveyors, RICS Valuation and Appraisal Standards (the Red Book as amended).
- International Accounting Standards (IAS).
- International Valuation Standards Committee (IVSC, White Book).
- The rules and guidelines laid down by the South African Council for the Property Valuers Profession in accordance with the Valuers Act 2000.

1.20.4. Mortgage Bonds, Loans or Other Charges

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 or other charges.

1.20.5. Calculation of Areas

Where areas quoted within the Valuation Report have been provided by yourselves, we have assumed that they have been arrived at using the SAPOA standard method of measurement.

1.20.6. Plans

All plans included within the Valuation Report are supplied for the purpose of identification only and are not necessarily to scale.

1.20.7. Marriage Value

We have not reflected in our valuation any element of "marriage value" or "special purchaser value" which could possibly be realised by merger of the freehold and leasehold interests or by sale to an owner or occupier of an adjoining property.

1.20.8. Individual Properties

The values reported are for the individual properties/entities. No allowance is made for any premium which may be applicable for an assembled portfolio of properties, nor is a discount allowed for any flooding of the market which might exist if all or a majority of the properties were offered for sale simultaneously.

1.20.9. Independent Valuers Clause

Neither the Valuer, nor Jones Lang LaSalle, has any present or contemplated interest in this or any other properties or any other interests, which would affect the statements or values contained in this valuation report. The valuation enclosed herewith was therefore undertaken on a completely independent basis.

1.20.10. Non-Publication

The Valuation Report (or part thereof) or reference to the Valuation Report may only be included or quoted in connection with the Category 1 transaction, with our prior written consent (such consent not to be unreasonably withheld or delayed) and the detailed wording to be included must first be reviewed by us and we must be given the opportunity to update or amend the report (or part thereof) (as the case may be) if necessary. We will only allow limited use of the Valuation Report in promotional material.

1.20.11. Third Party and Liability

The Valuation Report (or part thereof) or reference to the Valuation Report may only be included or quoted in connection with the Category 1 transaction, with our prior written consent (such consent not to be unreasonably withheld or delayed). We will only allow limited use of the Valuation Report in promotional material.

1.20.12. Certificate of Compliance

We have assumed that the seller will, at his own expense, provide an appropriate Certificate of Compliance issued by an accredited person certifying that the electrical installation of the premises is reasonably safe. The properties are valued assuming they are in full compliance with all applicable state acts and local regulations and laws, unless otherwise stated. These include (but not limited to): Compliance with the National Building Regulation and Building Standards Act (103 of 1977 as amended), SANS 10-400 National Building Regulation, Municipal Property Rates Act (6 of 2004), OHSACT (85 of 1993) and Consumer Protection Act (68 of 2008).

1.20.13. Title Deed

In the case of freehold properties, we have inspected when available, the relevant Title Deed documents. Where as a result of our inspection some points have caused us concern, we have referred specifically to them in the Report. Where the Title Deed has not been made available or where we are not instructed to inspect the Deed, we have assumed that good title can be shown and that the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings.

The property boundaries, as indicated to JLL by the instructing client or his appointed agent, or the boundaries as indicated by plans supplied by the client, are assumed to be the legal extent of the property. Any variation of these boundaries by extension or omission, and the resultant inclusion or omission of any improvements as a result of this or these variations, cannot therefore be regarded as the responsibility of JLL.

1.20.14. Town Planning – [13.23 (a) (vi)]

Full town planning details and title deeds have been supplied 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 or deeds by any of the properties.

The valuations have further assumed that the improvements at the properties have been erected in accordance with the relevant Building and Town Planning Regulations.

1.20.15. Sources of Information – [13.23 (a) (xiii)]

Unless otherwise stated, we have relied on information provided to us by the Client and their consultants for all the information given concerning details of tenure, tenancies, planning consents, planning proposals, contravention of any statutory requirements, outstanding statutory notices and building and site areas etc.

1.20.16. Improvements

Unless advised to the contrary, we have assumed that all fixed and immovable improvements to the properties/entities will form part of the interest to be valued.

1.20.17. Plant and Machinery

Our valuation takes account of those items of plant and machinery normally associated with the valuation of land and buildings, such as standard air-conditioning plant, boilers, heating, sprinklers, ventilation systems and the like. Our valuation excludes information technology and process plant, machinery and fixtures and fittings that would normally be taken to be the property of the occupier.

1.20.18. Tax

No allowance is made in our valuation for liability to taxation, which may arise on acquisition or on disposal, whether actual or notional, e.g. VAT and Capital Gains Tax.

All rental and valuation calculations and figures reported are exclusive of VAT.

1.20.19. Transactional Costs

Seller's and Purchaser's costs (such as agent's commission, legal fees, transfer fees etc.) will differ from party to party depending on the individual and specific circumstances of the seller or purchaser.

No allowance has therefore been made in our valuation to reflect any seller and purchaser's costs of sale or realisation of the property asset.

1.20.20. Structural Condition

The properties/entities have been valued in its existing state. In the event of its ownership or use changing in such a manner that the local authority will require the upgrading of the premises to comply with fire protection and other regulations, it may be necessary to reduce the valuation by the amount covering the cost of such compliance.

We have not been instructed to carry out a structural survey of the properties/entities.

For the purpose of this Valuation Report we have not inspected those parts of the properties/entities, which are covered, unexposed or inaccessible and such parts have been assumed to be in good repair and condition. We cannot express an opinion about or advise upon the condition of uninspected parts and this report should not be taken as making any implied representation or statement about such parts.

We have not arranged for any investigation to be carried out to determine whether or not any deleterious or hazardous material has been used in the construction of the property, or has since been incorporated, and we are therefore unable to report that the property is free from risk in this respect.

For the purpose of this valuation we have assumed that should such investigation disclose the presence of any such material to any significant extent then appropriate removal and remediation will be carried out by the client prior to disposal of the interest.

1.20.21. Contamination – [13.23 (a) (xii)]

In the absence of instructions to the contrary we have assumed that no contaminative or potentially contaminative uses have ever been carried out in or on the properties/entities.

We have not carried out any investigation into past or present uses, either on the properties/entities or any immediately neighbouring land, to establish whether there is any contamination or potential for contamination to the subject property from these uses or sites, and have therefore assumed that none exists.

However, should it be established subsequently that contamination exists on the properties/entities or on the immediately neighbouring land, or that the properties/entities have been or is being put to a contaminative use, this might reduce the value now reported.

1.20.22. Soil Condition

We have not carried out any soil or substratum tests on the properties/entities and we have assumed that the properties/entities are suitable for the purpose for which it would be put without having to provide excessive reinforcement to any structure built thereon unless otherwise stated above or detailed in our full valuation reports.

1.20.23. Outgoings

It is assumed, except where otherwise stated, that the properties/entities are subject to the normal landlord's outgoings and that there are no onerous restrictions or unusual covenants of which we have no knowledge. In preparing our valuation we have formed our opinion of outgoings.

1.20.24. Statutory Enquiries

We have assumed for the purpose of this exercise and unless we are specifically advised to the contrary, that the properties/entities comply with all relevant, applicable and prevailing statute, laws, regulations and bylaws, and that its use is not unlawful.

1.21. Valuers for this JSE Section 13 Project

The valuation of each of the properties has been carried out by the nominated property valuer, Jones Lang LaSalle (Pty) Ltd. ("JLL") and the valuation process has been overseen by Joshua Askew FRICS and Shawn Crous MRICS, Registered Professional Valuer No 3718/3.

Employees of the property valuer having relevant qualifications have inspected each of the properties and careful consideration has been given to all matters pertaining to the requirements for the purposes of the valuations.

1.22. Aggregate Market Value of the Scheduled Properties - [13.23(a)(i)] [13.23(a)(xii)] [13.23(c)]

We are of the opinion that the aggregate Market Value of the Properties in their existing states as development sites, as detailed in the Detailed Valuation Report, and as at **30 June 2019** is **R 42,096,000 (Forty-Two Million and Ninety-Six Thousand Rand)**, excluding VAT.

This aggregate figure comprises a rounded Market Value for the Dobsonville development site as at the Date of Valuation of **R 17,472,000**, and a rounded Market Value for the Mamelodi development site as at the Date of Valuation of **R 24,624,000**.

These Market Values for the sites in their current state as at the Date of Valuation have been derived through using the residual approach to valuation, as described in section 1.4 above.

We confirm that to the best of our knowledge and belief there have been no material changes in circumstances since the effective date of the valuation, being 30 June 2019, that would affect the valuation. (Section 13.23 a (xii)).

We confirm that we have no pecuniary or other related interest in Putprop Limited or any party to the Category 1 transaction that would conflict with a proper valuation of the properties, other than normal professional fees.

With 10 years' experience in property valuation, the undersigned is qualified to express a professional and independent opinion on the value of the properties.

Yours faithfully,

for and on behalf of Jones Lang LaSalle (Pty) Ltd

Joshua Askew FRICS

Head of Valuation: Sub-Saharan Africa
Director
RICS Registered Valuer
JLLOffice 303, 3rd Floor, The Firs
Cnr Cradock and Biermann Ave
Rosebank, 2196

Shawn Crous MRICS

Associate: Valuation
RICS Registered Valuer
RSA Registered Professional Valuer
JLLOffice 303, 3rd Floor, The Firs
Cnr Cradock and Biermann Ave
Rosebank, 2196

No	Name	Registered description [13.23 (a) (ii)]	Address [13.23 (a) (ii)]	Date of Physical Inspection [13.23 (a) (iii)]	Effective Date of Valuation [13.23 (d)]	Market Value [13.23 (a) (i)] [13.23 (d)]	Site/Section Area (m ²)	GLA (m ²)	Description and Intended Use [13.23 (a) (iv)] [13.23 (a) (v)]	Age of Building [13.23 (a) (x)]	Tenure [13.23 (a) (viii)]	Tenure of leasehold	Zoning, town planning and statutory contravention (if any) [13.23 a (vi) (vii)]	Comments
1	Dobsonville Land Plot	Dobsonville Ext 11	Dobsonville Depot, Elias Motsoaledi Road, Dobsonville, Soweto	25 th April 2019	30 June 2019	R 17,472,000	50,064 m ²	17,851	Vacant land used as bus depot, to be used for retail development	Not applicable – site for development.	Freehold	n/a	Business 1, retail development permitted under current use.	Soil contains dolomite, additional build precautions must be taken, and additional consents obtained. Additional indicative costs reflected in JLL's valuation.
2	Mamelodi Land Plot	Mamelodi Ext 35	Mamelodi Depot, Cnr Tsamaya Ave & Shilovhane St, Mamelodi, Pretoria	25 th April 2019	30 June 2019	R 24,624,000	42,178 m ²	14,655	Vacant land previously used as bus depot, to be used for retail development	Not applicable – site for development	Freehold	n/a	Special	
	TOTAL					R 42,096,000		32,506						

PRO FORMA STATEMENT OF FINANCIAL POSITION

The following unaudited *pro forma* statement of financial position has been prepared in terms of paragraph 13.16 of the Listings Requirements to illustrate the impact of the Transaction on the reported financial information of Putprop as at 31 December 2018, had the Transaction occurred on 31 December 2018 for statement of financial position purposes

The unaudited *pro forma* statement of financial position has been prepared using accounting policies that comply with IFRS and that are consistent with those applied in the annual financial statements of Putprop for the financial year ended 30 June 2018.

The unaudited *pro forma* statement of financial position, which is the responsibility of the Directors, is provided for illustrative purposes only and, because of its *pro forma* nature, may not fairly present Putprop's actual financial position, changes in equity, results of operations or cash flow.

The *pro forma* financial information should be read in conjunction with the Independent reporting accountants' assurance report on the the compilation of *pro forma* financial information included as Annexure 4 to this Circular.

PRO FORMA STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

R'000	31 December 2018 ¹	FV adjustment immediately prior to disposal ²	Adjustment for disposal ^{3,4}	Balance after adjustments for acquisition
ASSETS				
Non-current assets				
Net investment property	570 626	(1 204)	(21 048)	548 010
Gross investment property	591 878	(1 204)	(21 048)	569 626
Straight-line rental income adjustment	(21 616)			(21 616)
Other non-current assets	-			-
Straight-line rental income asset	21 204			21 204
Furniture, fittings computer equipment and motor vehicles	32			32
Investment in associates	134 864			134 864
Loans to associates	7 458			7 458
Cumulative redeemable preference shares in associates	35 891			35 891
Non-current assets	769 711	(1 204)	(21 048)	747 459
Current assets				
Straight-line rental income asset	412			412
Taxation receivable	1 709			1 709
Trade and other receivables	3 366		7 878	11 244
Cash and cash equivalents	2 215		10 000	12 215
Current assets	7 702	-	17 878	25 580
Total assets	777 413	(1 204)	(3 170)	773 039

R'000	31 December 2018 ¹	FV adjustment immediately prior to disposal ²	Adjustment for disposal ^{3,4}	Balance after adjustments for acquisition
EQUITY AND LIABILITIES				
Equity				
Stated capital	98 148			98 148
Accumulated profit	464 066	(934)	(3 170)	459 962
Total equity	562 214	(934)	(3 170)	558 110
Liabilities				
Non-current liabilities				
Deferred taxation	46 553	(270)	(4 854)	41 429
Loan liabilities	139 271			139 271
Non-current liabilities	185 824	(270)	(4 854)	180 700
Current liabilities				
Bank Overdraft	17 599			17 599
Loan Liabilities	3 431			3 431
Trade and other payables	8 273			8 273
Taxation payable	72		4 854	4 926
Current liabilities	29 375	-	4 854	34 229
Total liabilities	215 199	(270)	-	214 929
Total equity and liabilities	777 413	(1 204)	(3 170)	773 039

Pro Forma notes and assumptions:

1. The "Before" column is extracted, without adjustment, from the statement of financial position within the unaudited condensed interim financial results of Putprop as at 31 December 2018 and as published on 7 March 2019.
2. The fair value of the net investment properties being disposed as well as the deferred taxation effect thereof have been adjusted to reflect their fair values as determined in terms of IFRS immediately prior to the disposal thereof.
3. Representing the disposal of 50% of the net investment properties at fair value as obtained from the independent valuator's reports for the properties (Dobsonville and Mamelodi) extracted from Putprop's statement of financial position as at transaction date. The transaction results in a Joint Operation in terms of IFRS 11 where the joint operator being Putprop is required to recognise and measure its share (50%) of assets and liabilities and recognise related revenues and expenses related to these properties in accordance with the applicable IFRS Standards. Putprop owned 100% of the properties up until date of transaction.
4. Represents the disposal at the aggregate fair values of the net investment properties as well as the related tax effect of the investment properties, by Putprop as further detailed in the *The Transaction*. The aggregate purchase consideration for both properties of R17 878 300 is assumed to be settled R10,000,000 in cash on transfer of the properties and the remainder recognised as a provisional other receivable in trade and other receivables subject to final determination. The total provisional consideration being 50% of the total assumed square metres for Dobsonville (17,851 Square metres) and Mamelodi (14,655 square metres) at a rate of R1,100 per square metre as per GLA per square metre per independent valuator's report.

IFRS Disclosures

	R'000
<hr/>	
INVESTMENT PROPERTY	
<hr/>	
Net investment property before transaction	R570,626
<hr/>	
Movement from transaction	
Change in gross fair value of investment property	(R1,204)
Disposal of 50% of Dobsonville and Mamelodi	(R21,048)
<hr/>	
Net investment property after transaction	R548,010

The external valuation by a sworn independent appraiser and member of the Royal Institute of Chartered Surveyors, JLL Inc. represented by Joshua Askew (FRICS), was carried out on the properties being disposed of in terms of the transaction. Details of the valuation and properties are as disclosed per Annexure 1 and Annexure 2 of this document.

The above valuations are classified as level 3 valuations in terms of the IFRS 13 fair value hierarchy.

The below analysis has been prepared on the assumption that all other variables remain constant. The range of capitalisation rates applied to the properties are dependent on the risk profile of each asset.

Sensitivity analysis

A 0.25% increase in capitalisation rates would reduce the effect on fair value of the above properties by R9.8m.

A 0.25% decrease in capitalisation rates would increase the effect on fair value of the above properties by R10.3m.

The valuations performed as above are per the highest and best use approach as required in terms of IFRS 13.

	R'000
<hr/>	
DEFERRED TAXATION	
<hr/>	
Deferred tax liability before transaction	R46 553
<hr/>	
Movement	
Fair value adjustments	(R270)
Disposal of 50% of Dobsonville and Mamelodi	(R4,854)
<hr/>	
Balance after transaction	R41,429
<hr/>	
TAXATION PAID	
Amount owing before transaction	R72
Current taxation from transaction	R4,854
Amount owing at end of year	R4,926

	R'000
<hr/>	
CASH AND CASH EQUIVALENTS	
Cash and cash equivalents consist of:	
Cash on hand and deposits held with banking institutions	R12,215

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF *PRO FORMA* FINANCIAL INFORMATION

"The Directors
Putprop Limited
91 Protea Road
Sandton
2146

11 July 2019

We have completed our assurance engagement to report on the compilation of *pro forma* financial information of Putprop Limited by the directors. The *pro forma* financial information, as set out in Annexure 3 of the Circular, consists of a Consolidated *Pro Forma* Statement of Financial Position and related assumptions. The *pro forma* financial information has been compiled on the basis of the applicable criteria specified in the JSE Limited (JSE) Listings Requirements.

The *pro forma* financial information has been compiled by the directors to illustrate the impact of the corporate action or event, described in the Circular, on the group's financial position as at 31 December 2018. As part of this process, information about the group's financial position has been extracted by the directors from the Group's financial statements for the period ended 31 December 2018, on which an auditor's report was issued on 19 June 2019.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL INFORMATION

The directors are responsible for compiling the *pro forma* financial information on the basis of the applicable criteria specified in the JSE Limited (JSE) Listings Requirements and described in Annexure 3.

REPORTING ACCOUNTANT'S 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 of the applicable criteria specified in the JSE Limited (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 which is applicable to an engagement of this nature. This standard requires that we comply with the ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the *pro forma* financial information has been compiled, in all material respects, on the basis specified in the JSE Listing 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 the compiling of the *pro forma* financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *pro forma* financial information.

As the purpose of *pro forma* financial information included in a circular 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 has occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2018 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 procedure to assess whether the applicable criteria used in the compilation of the *pro forma* financial information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

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

Our procedures selected depend on our judgement, having regard to our understanding of the nature of the group, 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 of 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 Limited (JSE) Listings Requirements and described in Annexure 3.

Mazars

Reporting Accountant Specialists
Chartered Accountants (S.A.)
Susan Truter
Partner
Reporting Accountant Specialist
54 Glenhove road, Melrose Estate"

CO-OWNERS

The following table details the disclosure requirements relating to McCormick.

McCormick Shareholders	Address	Total % shareholding in McCormick
JMFT	Cnr Lyttelton Road and Leyden Avenue, Clubview, Centurion, 0157	100
Total		100

The beneficiaries of The John McCormick Family Trust are John McCormick, Roxana Deborah McCormick and Matthew Mark McCormick.

Notes:

1. The Development Consideration will be settled in cash. No goodwill is payable in respect of the Transaction.
2. McCormick has not guaranteed the book debts. The Agreements contain warranties which are usual for transactions of this nature.
3. The Agreements contain no restraints and do not preclude McCormick from carrying on business in competition with Putprop and therefore no payment in cash or otherwise has been made in this regard.
4. There are no liabilities for accrued taxation that will be settled in terms of the Agreements.
5. Other than in their capacity as holders of Putprop Shares, no Director or promoter of Putprop (or any partnership, syndicate or other association in which a promoter or Director had an interest) has any beneficial interest, direct or indirect in the Transaction.
6. No cash or securities have been paid or benefit given within the three preceding years of this Circular or is proposed to be paid or given, to any promoter (not being a Director).
7. As the Transaction is in respect of the development of the Properties, assets no assets have been acquired, transferred into the name of Putprop or any of its subsidiaries or ceded or pledged.

MATERIAL BORROWINGS

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

No	Lender	Description	Origination	Loan Amount (‘000)	Interest rate	Terms and conditions of repayment or renewal	Security	Maturity date
1.	Standard Bank	Term Facility	General funding purposes	R17 283	Prime	Interest and capital payments serviced monthly. Final balloon settlement of R14.2 million due on the maturity date.	Secured over investment property	31 December 2021
2.	Nedbank - 1001738252	Term Facility	General funding purposes	R59 337	JIBAR plus 2.97%	Interest and capital payments serviced monthly. Final balloon settlement of R53.4 million due on the maturity date.	Secured over investment property	31 May 2023
3.	Nedbank - 30150755	Term Facility	General funding purposes	R31 901	10.93% fixed	Interest and capital payments serviced monthly. Final balloon settlement of R13 million due on the maturity date.	Secured over investment property	30 August 2025
4.	Nedbank - 30151232	Term Facility	General funding purposes	R3 348	10.46% fixed reverting to Prime after 5 years in 2020	Interest and capital payments serviced monthly. No final settlement.	Secured over investment property	30 August 2025
5.	Nedbank - 30151238	Term Facility	General funding purposes	R24 116	Prime less 1%	Interest and capital payments serviced monthly. No final settlement.	Secured over investment property	30 August 2025

Note:

1. None of the borrowings disclosed in the table above have any conversion or redemption rights attached to them.



PUTPROP LIMITED

Incorporated in the Republic of South Africa
(Registration number 1988/001085/06)
Share code: PPR ISIN: ZAE000072310
("Putprop" or "the Company")

NOTICE OF GENERAL MEETING

If you are in any doubt as to what action you should take in respect of the following resolutions, please consult your Central Securities Depository Participant ("CSDP"), broker, banker, attorney, accountant or other professional adviser immediately.

All terms defined in the Circular to which this Notice of General Meeting is attached ("circular") shall bear the same meanings herein.

Notice is hereby given in terms of section 62(1) of the Companies Act that a General Meeting of Shareholders of the Company will be held at 10:00 on Thursday, 22 August 2019 at the registered office of Putprop, 91 Protea Road, Chislehurst, Sandton, Johannesburg, 2196, to consider, and, if deemed fit, to pass, with or without modification, the ordinary and special resolutions set out below in the manner required by the Companies Act and the Listings Requirements.

The board of directors of the Company ("the Board") has determined that, in terms of section 62(3)(a), as read with section 59 of the Companies Act, the record date for the purposes of determining which Shareholders of the Company are entitled to receive notice of the General Meeting is Friday, 12 July 2019 and only Shareholders who are registered in the securities register of the Company on Friday, 16 August 2019, will be entitled to participate in and vote at the General Meeting. Accordingly, the last day to trade in Putprop Shares in order to be recorded in the Register in order to be entitled to attend, participate in and vote at the General Meeting is Tuesday, 13 August 2019.

In terms of Section 63(1) of the Companies Act, before any person may attend or participate in the General Meeting, that person must present reasonably satisfactory identification and the person presiding at the General Meeting must be reasonably satisfied that the right of the person to participate in and vote at the General Meeting, either as an Putprop Shareholder, or as a proxy for an Putprop Shareholder, has been reasonably verified.

ORDINARY RESOLUTION NUMBER 1 – THE TRANSACTION

"RESOLVED THAT, in compliance with the Listings Requirements, the Transaction, including any Non-Material increases to the GLA or rate per square meter of GLA disclosed in paragraph 3.7.2 of the Circular arising from the Feasibility Study, be and is hereby approved by the Shareholders."

Explanatory note

The Transaction constitutes a category 1 transaction in terms of the Listings Requirements and accordingly is subject to approval thereof by Shareholders by way of an ordinary resolution.

The reason for and effect of this Ordinary Resolution Number 1 is to approve and authorise the Transaction as a category 1 transaction, as required by the Listings Requirements.

In terms of the Listings Requirements, a simple majority of the votes (ie more than 50%) entitled to be cast by Shareholders present or represented by proxy at the General Meeting, must be cast in favour of Ordinary Resolution Number 1 for it to be approved.

ORDINARY RESOLUTION NUMBER 2 – AUTHORITY GRANTED TO DIRECTORS

“**RESOLVED THAT** each Director of Putprop be and is hereby individually authorised, on behalf of Putprop, to enter into, sign and/or despatch any and all such agreements, documents and notices, as may be necessary, expedient or desirable (in each case in the opinion of such Director) and do all such other things and procure the doing of all such things as may be necessary for or incidental to the implementation of the Transaction, and should any such agreements, documents or notices have been signed, or any such action have been taken, before the date of this Ordinary Resolution Number 2, such signature or action, to the extent legally permissible, be and is hereby ratified and approved.”

Explanatory note

The reason for this Ordinary Resolution Number 2 is to authorise any Director of the Company to sign all documents and do all such further acts and things as he may in his discretion consider appropriate to implement and give effect to all of the resolutions set out in this Notice of General Meeting.

The effect of Ordinary Resolution Number 2 is to authorise any Director to sign all documents and take all actions necessary as he may in his discretion consider appropriate to implement and give effect to all of the resolutions set out in this Notice of General Meeting.

In terms of the Companies Act and the MOI, the percentage of voting rights that is required for Ordinary Resolution Number 2 to be adopted is more than 50% (fifty percent) of the votes exercised on such ordinary resolution by Shareholders present or represented by proxy at the General Meeting.

VOTING AND PROXIES

Ordinary Resolution Numbers 1 and 2 to be adopted at the General Meeting require the support of a simple majority, which is more than 50% of the voting rights exercised on the resolutions.

On a show of hands, every Putprop Shareholder, present in person or represented by proxy, shall have one vote only. On a poll, every Putprop Shareholder, present in person or represented by proxy, shall have one vote for every Share held or represented.

A Shareholder entitled to attend and vote at the General Meeting is entitled to appoint a proxy or proxies to attend, speak and vote in his/her stead. A proxy need not be a Shareholder of the Company. For the convenience of registered Shareholders of the Company, a form of proxy is enclosed herewith.

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

- hold Certificated Shares; or
- hold Dematerialised Shares and who have selected “own name” registration.

Shareholders who hold Dematerialised Shares through a CSDP or broker, but not with “own name” registration and who wish to attend the General Meeting, must instruct their CSDP or broker to provide them with the relevant letter of representation to attend the General Meeting in person or by proxy and vote.

If they do not wish to attend in person or by proxy, they must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker.

Shareholders who hold Dematerialised Shares which are registered in their name or if they are the registered holder of Certificated Shares may attend the General Meeting in person, alternatively, they may appoint a proxy or proxies, who need not be a Shareholder of the Company to represent them at the General Meeting by completing the attached form of proxy in accordance with the instructions it contains. Forms of proxy should be forwarded to reach the Transfer Secretaries of the Company, Computershare Investor Services Proprietary Limited, at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (PO Box 61051, Marshalltown, 2107) at least 48 hours, excluding Saturdays, Sundays and South African public holidays, before the time of the General Meeting. Any form of proxy not delivered by this time may be handed to the Chairperson of the General Meeting immediately before the appointed proxy exercises any of the Shareholder’s votes at the General Meeting.

Electronic Participation

Shareholders or their proxies may participate in (but not vote at) the General Meeting by way of a teleconference call and, if they wish to do so:

- must contact the Company Secretary (by email at the address putprop@acorim.co.za), by no later than 10:00 on Tuesday, 20 August 2019 in order to obtain a pin number and dial-in details for that conference call;
- will be required to provide reasonably satisfactory identification; and
- will be billed separately by their own telephone service providers for their telephone call to participate in the General Meeting,

provided that Shareholders and their proxies will not be able to vote telephonically at the General Meeting and will still need to appoint a proxy to vote on their behalf at the General Meeting.

Meeting participants, which include proxies, are required to provide identification reasonably satisfactory to the Chairperson of the General Meeting before being entitled to attend, participate in or vote a Shareholders' meeting. The Company will regard the presentation of participants' original drivers' licences, identity documents or passports to be satisfactory "identification".

By order of the Board

Acorim Proprietary Limited

Company Secretary

Johannesburg

Friday, 19 July 2019

Registered office

91 Protea Road

Chislehurst

Sandton, Johannesburg, 2196

(PO Box 41480, Craighall, 2024)

Transfer secretaries

Computershare Investor Services Proprietary Limited

Rosebank Towers

15 Biermann Avenue

Rosebank

2196

(PO Box 61051, Marshalltown, 2107)



PUTPROP LIMITED
 Incorporated in the Republic of South Africa
 (Registration number 1988/001085/06)
 Share code: PPR ISIN: ZAE000072310
 ("Putprop" or "the Company")

FORM OF PROXY

For use only by:

- holders of certificated ordinary shares in the Company; or
- holders of dematerialised ordinary shares in the Company ("Dematerialised Shareholders") held through a Central Securities Depository Participant ("CSDP") or broker and who have selected "own-name" registration,

at the general meeting of shareholders of the Company to be held at 10:00 on Thursday, 22 August 2019 at the registered office of Putprop, 91 Protea Road, Chislehurst, Sandton, Johannesburg, 2196 ("General Meeting").

Dematerialised Shareholders holding shares in the Company other than with "own-name" registration, who wish to attend the General Meeting must inform their CSDP or broker of their intention to attend the General Meeting and request their CSDP or broker to issue them with the relevant letter of representation to attend the General Meeting in person or by proxy and vote. If they do not wish to attend the General Meeting in person or by proxy, they must provide their CSDP or broker with their voting instructions in terms of the relevant Custody Agreement entered into between them and the CSDP or broker. **These Shareholders must not use this form of proxy.**

Each shareholder is entitled to appoint one or more proxies (who need not be a shareholder of the Company) to attend, speak and vote in place of that shareholder at the General Meeting. A proxy need not be a shareholder of the Company.

I/We _____ (full name/s in block letters)

of (address) _____

Telephone work () _____ Telephone home () _____

Cellphone number _____ Email address _____

being the holder/custodian of _____ ordinary shares in the Company, hereby appoint (see note):

1. _____ or failing him/her,

2. _____ or failing him/her,

3. the Chairperson of the General Meeting,

as my/our proxy to attend and act for me/us on my/our behalf at the General Meeting convened for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at each adjournment or postponement thereof, and to vote for and/or against such resolutions, and/or to abstain from voting for and/or against the resolutions, in respect of the shares in the issued share capital of the Company registered in my/our name in accordance with the following instructions:

	For	Against	Abstain
Ordinary Resolution Number 1 – The Transaction			
Ordinary Resolution Number 2 - Authority granted to Directors			

Insert an "X" in the relevant spaces above according to how you wish your votes to be cast. If no directions are given, the holder of the proxy will be entitled to vote or abstain from voting as that proxy deems fit.

This proxy shall be valid only for the General Meeting of shareholders of the Company to be held on Thursday, 22 August 2019 and any adjournment or postponement thereof.

Signed at _____ on _____ 2019

Signature _____

Assisted by (where applicable) _____

Please read the notes on the reverse side hereof.

Notes

1. Summary of rights contained in section 58 of the Companies Act, 2008 (Act 71 of 2008), as amended (“Companies Act”)

In terms of section 58 of the Companies Act:-

- a shareholder may, at any time and in accordance with the provisions of section 58 of the Companies Act, appoint any individual (including an individual who is not a shareholder) as a proxy to participate in, and speak and vote at, a shareholders meeting on behalf of such shareholder;
 - a proxy appointment must be in writing, dated and signed by the shareholder;
 - except to the extent that the memorandum of incorporation of a company provides otherwise, a shareholder of that company may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to the different securities held by the shareholder;
 - except to the extent that the memorandum of incorporation of the company provides otherwise, a proxy may delegate her or his authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing such proxy;
 - except to the extent that the memorandum of incorporation of the company provides otherwise, a copy of the instrument appointing a proxy must be delivered to the company, or to any other person on behalf of the company, before the proxy exercises any rights of the shareholder at a shareholders’ meeting;
 - irrespective of the form of instrument used to appoint a proxy, the appointment of a proxy is suspended at any time and to the extent that the relevant shareholder chooses to act directly and in person in the exercise of any of such shareholder’s rights as a shareholder;
 - irrespective of the form of instrument used to appoint a proxy, any appointment by a shareholder of a proxy is revocable, unless the form of instrument used to appoint such proxy states otherwise;
 - if an appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by: (i) cancelling it in writing, or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy and to the company;
 - the revocation of a proxy appointment constitutes a complete and final cancellation of the proxy’s authority to act on behalf of the shareholder as of the later of the date (i) stated in a revocation instrument, if any; or (ii) upon which the revocation instrument is delivered to the proxy and the relevant company as required in section 58(4)(c)(ii) of the Companies Act;
 - if the instrument appointing a proxy or proxies has been delivered to the relevant company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the relevant company’s memorandum of incorporation to be delivered by such company to the shareholder must be delivered by such company to the shareholder or the proxy or proxies, if the shareholder has in writing directed the relevant company to do so and has paid any reasonable fee charged by the company for doing so;
 - a proxy appointed by a shareholder is entitled to exercise, or abstain from exercising, any voting right of such shareholder without direction, except to the extent that the relevant company’s memorandum of incorporation, or the instrument appointing the proxy, provides otherwise (see note 5).
 - if a company issues an invitation to shareholders to one or more persons named by such company as a proxy, or supplies a form of instrument for appointing a proxy:
 - o such invitation must be sent to every shareholder who is entitled to receive notice of the meeting at which the proxy is intended to be exercised;
 - o the invitation or form of proxy must bear a reasonably prominent summary of the rights established by section 58 of the Companies Act, contain adequate space to enable a shareholder to write in the name, and if so desired an alternative name, of a proxy chosen by the shareholder and provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution or resolutions to be put at the meeting, or abstain from voting;
 - o the company must not require that the proxy appointment be made irrevocable; and
 - o the proxy appointment remains valid only until the end of the relevant meeting at which it was intended to be used, unless revoked as contemplated in section 58(5) of the Companies Act.
2. The form of proxy must only be used by shareholders who hold shares in certificated form or who are recorded on the sub-register in electronic form in “own name”.
 3. All other beneficial owners who hold dematerialised shares through a CSDP or broker and wish to attend the General Meeting must provide the CSDP or broker with their voting instructions in terms of the relevant Custody Agreement entered into between them and the CSDP or broker.

4. A shareholder entitled to attend and vote at the General Meeting may insert the name of a proxy or the names of two alternate proxies of the shareholder's choice in the space provided, with or without deleting "the Chairperson of the General Meeting". The person whose name stands first on the form of proxy and who is present at the General Meeting will be entitled to act as proxy to the exclusion of such proxy(ies) whose names follow.
5. A shareholder is entitled to one vote on a show of hands and, on a poll, one vote in respect of each ordinary share held. A shareholder's instructions to the proxy must be indicated by the insertion of an "X" in the appropriate space provided. If an "X" has been inserted in one of the blocks to a particular resolution, it will indicate the voting of all the shares held by the shareholder concerned. Failure to comply with this will be deemed to authorise the proxy to vote or to abstain from voting at the General Meeting as he/she deems fit in respect of all the shareholder's votes exercisable thereat. A shareholder or the proxy is not obliged to use all the votes exercisable by the shareholder or by the proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the shareholder or the proxy.
6. A vote given in terms of an instrument of proxy shall be valid in relation to the General Meeting, notwithstanding the death, insanity or other legal disability of the person granting it, or the revocation of the proxy, or the transfer of the shares in respect of which the proxy is given, unless notice as to any of the aforementioned matters shall have been received by the Company's Transfer Secretaries, Computershare Investor Services Proprietary Limited ("transfer secretaries"), not less than 48 (fortyeight) hours before the commencement of the General Meeting.
7. If a shareholder does not indicate on this form of proxy that his/her proxy is to vote in favour of or against any resolution or to abstain from voting, or gives contradictory instructions, or should any further resolution(s) or any amendment(s) which may properly be put before the General Meeting be proposed, such proxy shall be entitled to vote as he/she thinks fit.
8. A shareholder's authorisation to the proxy including the Chairperson of the General Meeting, to vote on such shareholder's behalf, shall be deemed to include the authority to vote on procedural matters at the General Meeting.
9. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.
10. Documentary evidence establishing the authority of a person signing the form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by the Transfer Secretaries or is waived by the Chairperson of the General Meeting.
11. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered by the Transfer Secretaries.
12. Where there are joint holders of shares:
 - any one holder may sign the form of proxy;
 - the vote(s) of the senior shareholders (for that purpose seniority will be determined by the order in which the names of shareholders appear in the Company's register of ordinary shareholders) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint shareholder(s).
13. Forms of proxy should be lodged with or mailed to the transfer secretaries:

Hand deliveries to:	Postal deliveries to:	Email:
Computershare Investor Services Proprietary Limited Rosebank Towers 15 Biermann Avenue Rosebank 2196	Computershare Investor Services Proprietary Limited PO Box 61051 Marshalltown 2107	proxy@computershare.co.za

to be received by no later than 10:00 on Tuesday, 20 August 2019 (or 48 (forty-eight) hours before any adjournment of the General Meeting which date, if necessary, will be notified on the Stock Exchange News Service of JSE Limited) or may be handed to the Chairperson of the General Meeting immediately before the appointed proxy exercises any of the shareholder's votes at the General Meeting.

14. A deletion of any printed matter and the completion of any blank space need not be signed or initialled. Any alteration or correction must be signed and not merely initialled.
15. The proxy appointment remains valid only for the general meeting at which it is intended to be used and any adjournment or postponement thereof, subject to paragraph 1 above.

