

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 3 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 Tuesday, 20 December 2016 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 1998/001085/06)
Share code: PPR ISIN: ZAE000072310
("Putprop" or "the Company")

CIRCULAR TO SHAREHOLDERS OF PUTPROP

regarding

- **the acquisition by Putprop of the CAVI Property from CAVI Prop Co for a purchase consideration of R90.26 million to be settled in cash;**

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

Merchantec
capital

Independent reporting accountants

M A Z A R S

Legal adviser

 **BOWMANS**
THE VALUE OF KNOWING

Independent Property Valuer

 **Quadrant**
PROPERTIES (PTY) LTD

Date of issue: 18 November 2016

Additional copies of this Circular, in its printed format, may be obtained from the registered office of the Company and the corporate adviser and sponsor at the addresses set out in the "Corporate information" section of this Circular during normal business hours from Friday, 18 November 2016 up to and including, Tuesday, 20 December 2016, or on the Company's website at www.putprop.co.za. Copies of this Circular are available in the English language only.

CORPORATE INFORMATION

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)

Corporate adviser and sponsor

Merchantec Capital
(Registration number 2008/027362/07)
2nd Floor, North Block
Hyde Park Office Tower
Corner 6th Road and Jan Smuts Avenue
Hyde Park, Johannesburg, 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)

Legal adviser

Bowman Gilfillan Inc.
(Registration number 1998/021409/21)
165 West Street
Sandton, 2196
(PO Box 785812, Sandton, 2146)

Independent Property Valuer

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

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IMPORTANT DATES AND TIMES

2016

Record date to determine which Shareholders are entitled to receive the Circular	Friday, 11 November
Circular distributed to Shareholders and notice convening the General Meeting released on SENS on	Friday, 18 November
Last day to trade to participate in and vote at the General Meeting	Tuesday, 6 December
Voting Record Date to participate in and vote at the General Meeting	Friday, 9 December
Last day to lodge forms of proxy for the General Meeting by 10:00 on	Thursday, 15 December
General Meeting to be held at 10:00 on	Tuesday, 20 December
Results of General Meeting released on SENS on	Tuesday, 20 December
Results of General Meeting published in the press on	Wednesday, 21 December

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, 18 November 2016 up to and including, Tuesday, 20 December 2016, 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:

“Acquisition”	the acquisition by Putprop of the CAVI Property for the Purchase Consideration;
“Board” or “Directors”	the board of directors of Putprop at the Last Practicable Date whose details are set out on page 5 of this Circular;
“Business Day”	any day other than a Saturday, Sunday or an official public holiday in South Africa;
“CAVI Brands”	CAVI Brands Proprietary Limited (Registration number 2009/011671/07), a private company duly incorporated in accordance with the laws of South Africa and the guarantor in respect of the CAVI Head Lease Agreement;
“CAVI Head Lease Agreement”	the written agreement of head lease concluded between Putprop (as landlord) and CAVI Prop Co on 17 November 2016 in terms of which the Putprop lets to CAVI Prop Co (as lessee) the CAVI Property on terms and conditions agreed upon by the Parties;
“CAVI Prop Co”	CAVI Prop Co Proprietary Limited (Registration number 2014/259594/07), a private company duly incorporated in accordance with the laws of South Africa;
“CAVI Property”	Section No. 1 as shown and more fully set described on Sectional Plan Number SS 130/2015 in the sectional title scheme known as Oakhurst, of which section the floor area is 4 666 square metres, and an undivided share in the common property in Oakhurst apportioned to such section, referred to as the West Wing of the Oakhurst Building, 11 - 13 St Andrews Road, Parktown;
“CAVI Property Sale Agreement”	the written agreement entered into between Putprop and CAVI Prop Co on the Signature Date, which governs, <i>inter alia</i> , the terms of the Acquisition;
“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 18 November 2016, 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;
“Conditions Precedent”	the conditions precedent to the Acquisition referred to in paragraph 3.5 below;
“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;
“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;

“Financial Markets Act”	Financial Markets Act, 2012 (Act 19 of 2012), as amended;
“General Meeting”	the general meeting of Shareholders to be held at 10:00 on Tuesday, 20 December 2016 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”	Quadrant Properties Proprietary Limited (Registration number 1995/003097/07), a private company duly registered and incorporated under the laws of South Africa;
“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, 11 November 2016, 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;
“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;
“Nedbank”	Nedbank Limited (registration number 1951/000009/06), an Authorised Financial Services and Credit Provider (“NCRCP16”), regulated by the South African Reserve Bank and a wholly-owned subsidiary of Nedbank Group Limited
“Nedbank Loan”	the loan to be granted by Nedbank to Putprop to fund the Acquisition, the terms of which are set out in paragraph 3.4 of the Circular;
“Parties”	Putprop and CAVI Prop Co;
“Purchase Consideration”	an amount equal to R90.26 million to be settled in cash;
“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;
“Registration Date”	the date on which the transfer of the CAVI Property into the name of the Company is registered at the deeds registry;
“SENS”	the Stock Exchange News Service of the JSE;
“Signature Date”	26 October 2016;
“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;
“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;
“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, 9 December 2016; and



PUTPROP LIMITED

Incorporated in the Republic of South Africa
(Registration number 1998/001085/06)
Share code: PPR ISIN: ZAE000072310
("Putprop" or "the Company")

Directors

Executive

B Carleo (Chief Executive Officer)
J Smith (Financial Director)

Non-executive

D Torricelli* (Chairman)
H T Hartley*
P Nucci*
*Independent

CIRCULAR TO SHAREHOLDERS OF PUTPROP

1. INTRODUCTION

On 26 October 2016, it was announced on SENS that Putprop had entered into an agreement to acquire the CAVI Property for a total purchase consideration of R90.26 million.

The CAVI Property is a non-specialised sectional title office investment property. Putprop (as landlord) and CAVI Prop Co (as lessee) have entered into the CAVI Head Lease Agreement in respect of the CAVI Property for an initial lease period of ten years.

The Acquisition is 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 Acquisition 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 Acquisition 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.

At the financial year ended 30 June 2016, the Group's property portfolio consisted of 16 properties located primarily in the Johannesburg and Pretoria metropolitan areas of Gauteng, with a total market value of R459.9 million and a total GLA of 75 003m².

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.

3. THE ACQUISITION

3.1 The CAVI Property

The CAVI Property is Section No. 1 as shown and more fully set described on Sectional Plan Number SS 130/2015 in the sectional title scheme known as Oakhurst, of which section the floor area is 4 666 square metres, and an undivided share in the common property in Oakhurst apportioned to such section, referred to as the West Wing of the Oakhurst Building, 11 - 13 St Andrews Road, Parktown.

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

3.2 Rationale for the Acquisition

As disclosed previously, the Board has been pursuing its strategic decision to increase Putprop's exposure in the commercial segment. The Acquisition provides an ideal opportunity for the Group to substantially increase its holding in the commercial segment and reduce its weighting in the industrial segment.

In addition, the Acquisition is linked to the CAVI Head Lease Agreement which provides for a ten year fully repairing leaseback at favourable rates, allowing for stable contractual rental flows going forward.

3.3 Purchase Consideration

The Purchase Consideration of R90.26 million is to be discharged in cash against transfer of the CAVI Property into the name of the Company.

Nedbank and Putprop have concluded an in-principle loan agreement for an interest bearing facility of R60 000 000, subject to approval by Shareholders of the Acquisition in General Meeting, the terms of which are set out in paragraph 3.4 below. Accordingly, R60 000 000 of the Purchase Consideration is to be funded through external debt, with the remaining of R30 260 000 funded through existing cash reserves.

3.4 Nedbank Loan

Subject to approval by Shareholders of the Acquisition in General Meeting, Nedbank has agreed to grant Putprop a loan for an amount of R60 million, which is secured over the CAVI Property. The term of the loan will be for a period of 6 years at an interest rate of 10.26%. There are no conversion or redemption rights that will arise as a result of the loan and no principle debts that will be repayable within 12 months.

3.5 Conditions Precedent and effective date

The Acquisition is subject to the fulfilment or waiver, as the case may be, of, *inter alia*, the following Conditions Precedent:

3.5.1 by no later than 23 December 2016:

3.5.1.1 the Company obtaining Shareholder approval of the Acquisition; and

3.5.2 by no later than 25 Business Days from the Signature Date:

3.5.2.1 the Company obtaining final approval of the Nedbank Loan, as evidenced by a signed letter of grant addressed by Nedbank to the Company with a copy thereof to CAVI Prop Co.

3.5.3 The Conditions Precedent referred to in paragraph/s:

3.5.3.1 3.5.2.1 is imposed for the benefit of both Parties and may not be relaxed or waived other than by written agreement between the Parties; and

3.5.3.2 3.5.1.1 (to the extent applicable) is a requirement in terms of the Listings Requirements and may not be waived or relaxed.

3.5.4 The due date for the fulfilment (or waiver) of any one or more of the Conditions Precedent may be extended by the Parties by agreement in writing to such further date or dates as the Parties may determine.

The effective date of the Acquisition is the date on which all of the Conditions Precedent are fulfilled or waived, as the case may be.

3.6 CAVI Head Lease Agreement

CAVI Prop Co (with CAVI Brands as guarantor) and Putprop have entered into the CAVI Head Lease Agreement on terms and conditions agreed upon, including (but not limited to) provision for:

- the initial period of the lease enduring for a period of ten years;
- the lease shall commence within five Business Days after the Registration Date; and
- the annual net income for the initial period of the lease being an amount of R8 017 290 for the first year (excluding VAT) and thereafter increasing at an escalation rate of 8%.

3.7 Warranties

The CAVI Property Sale Agreement includes warranties, indemnities and undertakings which are normal for an acquisition of this nature.

4. VALUATION REPORT

A detailed valuation report in respect of the CAVI Property 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 CAVI Property is included as Annexure 2 to this Circular.

5. FORECAST STATEMENT OF COMPREHENSIVE INCOME

The forecast statement of comprehensive income on the CAVI Property for the four months ending 30 June 2017 and the year ending 30 June 2018 ("**forecasts**") are included as Annexure 3 to this Circular.

The forecasts, including the assumptions on which they are based and the financial information from which they are prepared, are the responsibility of the Directors. The forecasts must be read in conjunction with the independent reporting accountants' assurance report thereon included as Annexure 4 to this Circular.

The forecasts have been prepared in compliance with IFRS and in accordance with Putprop's accounting policies.

6. PRO FORMA STATEMENT OF FINANCIAL POSITION

The *pro forma* statement of financial position of Putprop as at 30 June 2016 showing the effects of the Acquisition is included as Annexure 5 to this Circular.

The *pro forma* statement of financial position of Putprop showing the effects of the Acquisition, 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 6 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.

7. SHARE CAPITAL OF PUTPROP

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

Before and after the Acquisition

Authorised	Rm's
500 000 000 ordinary Shares of no par value	
Issued	102
44 672 279 ordinary Shares of no par value	
Stated capital	102

Putprop has no treasury shares in issue.

8. PROSPECTS

While the Company maintains a focus on commercial and industrial opportunities, the Board will continue to assess acquisitions throughout all segments that will add value to the Group's portfolio and provide future sustainability of the Group. Emphasis remains on acquisitions which will improve the overall portfolio yield of the Group, whilst simultaneously improving and diversifying the tenant base. The addition of the CAVI Property to the portfolio provides an ideal platform to increase Putprop's commercial exposure and reduce its weighting in the industrial segment.

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 62.99% 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 Acquisition, 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 Proprietary Limited	28 139 776	62.99
	28 139 776	62.99

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 Proprietary Limited	28 139 776	-	62.99
Total	28 139 776	-	62.99

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 2 406 352 Shares in Putprop, representing approximately 5.39% 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	5.43
	54 806	2 370 614	2 425 420	5.43

Notes:

1. Save for the on market purchases by B Carleo of 9 677 Shares at a volume weighted average price of R5.6948 cents per Share on 28 October 2016 and 9 391 Shares at a price of R5.50 cents per Share on 4 November 2016, there has been no change in the aforementioned interests of the Directors, between the financial year ended 30 June 2016 and the Last Practicable Date.
2. The Directors' interests will not change as a result of the Acquisition.

11.1.2 Former Directors' interests

At the Last Practicable Date, the Directors of Putprop who had resigned during the last 18 months held, directly or indirectly, beneficial interests in 1 787 635 Shares in Putprop, representing approximately 4.05% of the total issued share capital of Putprop as follows:

Director	Beneficial		Total Shares	Total %
	Direct	Indirect		
Non-executive Director				
A Carleo	22 336	1 787 635	1 809 971	4.05
	22 336	1 787 635	1 809 971	4.05

Notes:

1. There has been no change in the aforementioned interests of the Directors of Putprop who had resigned during the last 18 months, between the financial year ended 30 June 2016 and the Last Practicable Date.
2. The interests of Directors of Putprop who had resigned during the last 18 months will not change as a result of the Acquisition.

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 2016, which can be found on the Company's website at <http://www.putprop.co.za/assets/putprop-ar-2016-22-final-web.pdf>. There will be no change in the remuneration of any of the Directors as a consequence of the Acquisition.

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 Acquisition.

12. RELATIONSHIP INFORMATION

Save for the Directors' interests in securities as set out in paragraph 11.1.1 above neither the Directors, nor the directors of a Putprop Subsidiary had any beneficial interests, direct or indirect, in relation to the CAVI Property nor are they contracted to become a tenant of the CAVI Property. There is no promoter, asset manager, CISIP manager or management company as any such functions are performed internally by Putprop.

There is no relationship between the Directors, nor the directors of a Putprop Subsidiary and another person that may conflict with a duty to Putprop.

The vendors of the CAVI Property do not have any beneficial interest, direct or indirect, in any securities or participatory interests to be issued by Putprop in order to finance the Acquisition.

The Directors have not had a material beneficial interest in the acquisition or disposal of any properties forming part of the CAVI Property during the two years preceding the date of the valuation of such property.

13. MATERIAL CONTRACTS

Save for the Acquisition 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

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.

15. MATERIAL CHANGES

Save for the effects of the Acquisition, which have been disclosed in the pro forma financial statement of financial position set out in Annexure 5 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 year ended 30 June 2016.

16. VENDORS

The details of the vendors of the CAVI Property as at the Last Practicable Date are set out in Annexure 7 to this Circular.

17. WORKING CAPITAL STATEMENT

The Board has considered the effects of the Acquisition 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 Acquisition, will in the ordinary course of business be able to pay its debts;
- the assets of the Group, as impacted by the Acquisition, 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 Acquisition, will be adequate for ordinary business purposes; and
- the working capital of the Group, as impacted by the Acquisition, 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 Acquisition, are of the opinion that the Acquisition 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 Acquisition. 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 Acquisition.

20. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names are given on page 5 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 legal advisors, 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, 4, and 6 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 Acquisition, which amount to approximately R3 140 000 excluding VAT, are set out in the table below:

	Estimated amount
	R
Merchantec Capital – Corporate adviser and Sponsor to Putprop	2 656 500
Merchantec Capital – Debt arranging fee	200 000
Bowman Gilfillan Inc. – Legal advisors to Putprop	35 000
Mazars – Independent reporting accountants	50 000
Quadrant Properties - Independent Property Valuer	15 000
JSE documentation inspection fees	55 263
JSE property valuer approval	4 386
WB Corporate Communications - Printing, publication and distribution	80 000
Contingency costs	43 851
Total	3 140 000

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, 18 November 2016 up to and including Tuesday, 20 December 2016:

- the Memorandum of Incorporation of the Company and its major Subsidiaries;
- a copy of the CAVI Property Sale Agreement;
- a copy of the CAVI Head Lease Agreement;
- the in-principle loan agreement with Nedbank referred to in paragraph 3.3 above;
- copies of the service contracts entered into between the executive Directors and the Company referred to in paragraph 11.5 above;
- copies of the audited annual financial results of Putprop for the financial years ended 30 June 2016, 2015 and 2014;
- a copy of the detailed valuation report in respect of the CAVI Property prepared by the Independent Property Valuer;
- the signed Independent Property Valuer's summary valuation report in respect of the CAVI Property, the text of which is included as Annexure 2 to this Circular;
- the signed independent reporting accountants' report on the forecast statement of comprehensive income of the CAVI Property, the text of which is included as Annexure 4 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 6 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 Tuesday, 20 December 2016 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

18 November 2016

DETAILS OF THE CAVI PROPERTY

Overview of the CAVI Property

The value of the CAVI Property, based on the valuation performed by the Independent Property Valuer as at 25 October 2016 amounts to R94 000 000 and consists of 1 property with a GLA of 4 666 m².

Analysis of the CAVI Property

In terms of the CAVI Head Lease Agreement, Putprop will receive contractual income from a single source for 10 years for which no vacancies would then be reflected. The analysis is at the Last Practicable date in respect of geographic, sectoral and tenant spread, vacancy and lease expiry profiles.

Geographic profile

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

Sectoral profile

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

Tenant profile

	Based on GLA	Based on gross rentals
A	-	-
B	100%	100%
C	-	-
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.

Vacancy Profile

	Based on GLA	Based on gross rentals
Vacant	-	-
Occupied	100%	100%
Total	100%	100%

Lease expiry profile

	Based on GLA	Based on gross rentals
Vacant	-	-
Monthly	-	-
28 February 2017	-	-
28 February 2018	-	-
28 February 2019	-	-
28 February 2019	-	-
After 29 February 2020	100%	100%
Total	100%	100%

Rental escalations and rental per square meter

The weighted average monthly rental per square metre for the CAVI property for the period from 1 April 2017 to 31 March 2018 is R143/m².

The weighted average rental is based on contractual income for rental of space and excludes rental for other sundry items. The lease escalation is fixed at 8% per annum.

The average annualised property yield based on the Independent Property Valuer's valuation report in respect of the CAVI Property and the forecast net property income for the 12 month period to 31 March 2018 is 8.5%.

INDEPENDENT PROPERTY VALUER'S SUMMARY VALUATION REPORT OF THE CAVI PROPERTY

"The Directors
Putprop Limited
91 Protea Road
Sandton
2196

14 November 2016

Dear Sirs

RE: INDEPENDENT PROPERTY VALUERS' REPORT FOR THE PROPERTY SS OAKHURST REQUESTED BY PUTPROP LIMITED ("PUTPROP") FOR WHICH THERE IS A DETAILED VALUATION REPORT SUBMITTED TO PUTPROP.

In accordance with your instruction of 18 October 2016, I confirm that I have visited and inspected the property SS Oakhurst during October 2016 and have received all necessary details required to perform a valuation. This is to provide you with my opinion of the properties market value as at 31 October 2016.

INTRODUCTION

A valuation of the property has been carried out by myself. I have carefully considered all aspects of the property. A detailed valuation report has been given to the directors of Putprop. The detailed report includes commentary on the current economy, general market, nature of the property, locality, tenancy, risk profile, forward rent and earning capability and exposure to future expenses and property risk.

All these aspects have been considered in the report. The report has further addressed the tenant income and expenditure profile for the property as well as the tenant credibility. Historic expenditure profile as well as future expenditure increases have been considered for the property and the sectional scheme wherein the property lies. The value calculated therefore indicates the fair market value for the property.

BASIS OF VALUATION

The valuation is based on market value.

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

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

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

1. VALUE CALCULATION

The calculation of the current market value of this property has been based on discounted cash flows. This is a basic calculation method used to determine the value of investment grade real estate. This is due to there being strong supporting evidence of market rental rates, market expenses and therefore accurate net rental revenue determination. Capitalisation and discount rates are frequently reported in the media when details are given on transactions. These rates may also be determined by simple analysis of sales in the market.

Property traded in the market reflects a relationship between revenue and capital value. This rate is an accurate determinant of the capitalisation rate. Discount rates are derived by adding a further risk and growth demand factor to the capitalisation rate. Discount rates are therefore widely understood and a reasonably simple means of determining value.

The capitalised value has also been calculated for the property as a check and a balance regarding fair value reporting, to ensure that the discounted value so calculated is tested for reasonability against another valuation approach.

The building is a recently refurbished sectional title office block and Putprop is seeking to acquire approximately 51% of the building.

The considerations for the valuation are as follows:

- 1.1 Calculating the discounted cash flow of all contractual and other income derived from the property over a period of 5 years;
- 1.2 Calculating the forward contractual and other expenditure to which the property may be exposed and considering this in the cash flow;
- 1.3 The current area vacancy as a percentage of the property is zero. The current vacancy is lower than the national weighted average at approximately 10.5% for offices as reported by Sapoa 3rd quarter 2016 for this nature of property type.
- 1.4 In the cash flow calculation, there is no provision for vacancy or void as the lease is a 10-year period commencing November 2016 with an annual compounding rate of 8%.
- 1.5 Other cash flow expenditure has considered the sectional levy, increases in the levy and the owner's direct management costs as well as some general expenditure. The lease is effectively a triple net fully repairing and maintaining agreement.
- 1.6 There is no loss of rental due to renovations or refurbishments being carried out on the buildings.
- 1.7 The lease rentals are market related at R 152.90 net per sqm. The Building has undergone a sectional title upgrade as well as a very high specification tenant installation upgrade. It is of a higher grade than the average Parktown building. Rental levels are considered in relation to SAPOA and Rode published reports on market rentals for the area. Rode indicates R 125.00 per sqm gross and SAPOA indicates gross rentals of R 135.00 for the Parktown area. The rental is 30% lower than the KPMG head lease on adjacent premises concluded a year ago.
- 1.8 The valuation has considered published market statistics regarding rental rates and expenditure for the property. It has also considered numerous other portfolios of similar property to benchmark and determine if the property is over rented or has excessive expenditure.
- 1.9 Various capital provisions were calculated. These provisions amount to R 283 216.00 for some small fit out snag costs.
- 1.10 The property is approximately 27 years old and recently had a major refurbishment for sectional conversion purposes in 2015.
- 1.11 I have placed a higher value on the property compared to the purchase price. This would be due to the Discounted Cash Flow calculation reflecting minimal expenses due to the longer lease of a triple net nature. i.e. there are no vacancies, tenant installation costs, agents' commissions or capex items for 120 months. This tends to reflect positively on the value compared to only capitalising the current revenue.

2. VALUATION QUALIFICATIONS

Qualifications are usually detailed as a consequence of:

Leases under negotiation that have not yet been formalised; leases of a large nature where the premises are difficult to re-let; specialised property; 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.

I have, to the best of my knowledge, considered all these aspects in the valuation of all the property. The property is not prejudiced in value by the influence of any of the above factors.

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

3. OPTIONS OR BENEFIT / DETRIMENT OF CONTRACTUAL ARRANGEMENTS

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

To the best of my knowledge, there are no options in favour of any parties for any purchase arrangement on any of the property.

4. INTRA-GROUP OR RELATED PARTY LEASES

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

5. CURRENT STATE OF DEVELOPMENT

The property is fully developed and is a registered sectional title scheme.

6. EXTERNAL PROPERTY

The property is not situated outside the Republic of South Africa.

7. RENTALS USED IN VALUATIONS

Rent used to calculate the value of the property flows solely from the long-term lease agreement on the property.

8. OTHER GENERAL MATTERS AND VALUATION SUMMARY

The property is freehold right constructed on freehold land.

9. ALTERNATIVE USE FOR A PROPERTY

The property has all been valued in accordance with its existing use which represents its best use and market value. No alternative uses for the property has been considered in determination of value.

10. OTHER COMMENTS

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

11. CAVEATS

11.1 Source of information and verification

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

I have received a copy of the lease – still to be signed.

The lease has been read to check against management detail records, to ensure that management has correctly captured tenant information as per the contractual agreements. This has been done to test management information accuracy against the underlying lease agreements.

I have further compared certain expenditures given to me, to the market norms of similar property. This has also been compared to historic expenditure levels of the property themselves. Historical contractual expenditures and municipal utility services were compared to the past performance of the property to assess potential expenditure going forward. The municipal values on the property are generally market related and reasonable with little potential to increase dramatically.

11.2 Full disclosure

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

I have, to the best of my ability researched the market as well as taken the steps detailed in paragraph 11.3 below.

11.3 Leases

The valuation has been based on a review of the lease (which includes material terms such as repair obligations, escalations, break options etc.) and other pertinent details which have been supplied to us by the managing agents and by Putprop. This has been detailed in the tenant schedule attached to the valuation report.

All recovery details in respect of the existing lease e.g. utility cost and other recoveries as provided for in the leases have been disclosed by way of the lease terms.

Lessee's credibility

In arriving at our valuation, cognisance has been taken of the lessee's security and rating. The lessee is a multinational company representing numerous well know multinational cosmetic and health industry brands.

11.4 Mortgage bonds, loans, etc.

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

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

11.5 Calculation of areas

All areas quoted within the detailed valuation reports are those stated in the information furnished and verified from leases and sectional plans and from deeds office records. To the extent that plans were not available, reliance was placed on the information submitted by the managing agents and lease information.

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

11.6 Structural condition

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

11.7 Contamination

The valuation assumes that a formal environmental assessment is not required and further that the property is not environmentally impaired or contaminated, unless otherwise stated in our report.

11.8 Town planning

Full town planning details and title deeds have been noted in the detailed valuation report including conditions and restrictions and the property 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 on the property.

The valuation has further assumed that the improvements have been erected in accordance with the relevant Building and Town Planning Regulations and on inspection the improvements are in accordance with the relevant town planning regulations for this property. Certificates of occupation are available and on file for the building.

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

12 MARKET VALUE

I am of the opinion that the market value of the property as at 31 October 2016 is R 94 000 000.00 (ninety four million rand) (excluding VAT).

To the best of my knowledge there have been no material changes in circumstances since the effective date of the valuation being 31 October 2016 that would affect the valuation.

I have more than 32 years' experience in the valuation of all nature of property and I am qualified to express an opinion on the fair market value of the property.

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

Yours faithfully,

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

FORECAST STATEMENT OF COMPREHENSIVE INCOME

Set out below are the forecast statements of comprehensive income for the CAVI Property ("forecasts") for the four months ending 30 June 2017 and the year ending 30 June 2018 ("forecast periods"), prepared in terms of section 13.7 of the Listings Requirements.

The forecasts, including the assumptions on which they are based and the financial information from which they are prepared, are the responsibility of the directors. The forecasts must be read in conjunction with the independent reporting accountants' assurance report which is presented in Annexure 4.

The forecasts have been prepared in compliance with IFRS and in accordance with Putprop's accounting policies as per the latest published annual financial statements.

R'000	Forecast for the 4 months to 30 June 2017	Forecast for the year ending 30 June 2018
Property rental revenue ^{1, 2, 3}	2 672 430	8 231 084
Straight-line rental income adjustment ⁴	1 199 002	3 383 213
Gross property revenue	3 871 432	11 614 297
Property expenses ^{5, 7}	-	-
Operating profit before finance costs	3 871 432	11 614 297
Finance costs ⁶	(2 073 579)	(6 220 736)
Profit before taxation	1 797 854	5 393 561
Taxation	(503 399)	(1 510 197)
Total comprehensive income for the period	1 294 455	3 883 364

Reconciliation between earnings, headline earnings and distributable profit

R'000	Forecast for the 4 months to 30 June 2017	Forecast for the year ending 30 June 2018
Profit attributable to ordinary equity holders	1 294 455	3 883 364
Headline earnings	1 294 455	3 883 364
Straight-line lease income adjustments after tax ⁴	(863 282)	(2 435 913)
Distributable profit	431 173	1 447 451
Number of shares in issue	44 672 279	44 672 279
Weighted average number of shares in issue	44 672 279	44 672 279
Basic and diluted earnings per share (cents)*	2.90	8.69
Headline earnings per share (cents)*	2.90	8.69
Distributable income per share (cents)*	0.97	3.24

* Attributable to the property

Analysis of the contractual nature of rental revenue⁷

	Forecast for the 4 months to 30 June 2017	Forecast for the year ending 30 June 2018
% contracted rental revenue	100.0	100.0
% short-term rental revenue	-	-
% near-contracted rental revenue	-	-
% uncontracted rental revenue	-	-
	100.0	100.0

Notes and assumptions:

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

1. Putprop's management forecasts on the property for the four months ending 30 June 2017 (from the expected transfer date of the property) and for the year ending 30 June 2018 are based on the CAVI Head Lease Agreement. No non-rental revenue will be attributable to the Acquisition.
2. Putprop will acquire the property, with transfer of the property expected to occur on 1 March 2017. As per the CAVI Head Lease Agreement, the lease commences on date of transfer of the property.
3. Putprop's sole income from the Acquisition will be in terms of the CAVI Head Lease Agreement and property management agreements from CAVI Prop Co that are further guaranteed by CAVI Brands. No early termination is permitted.
4. The rental amount to be received by Putprop under the terms of the CAVI Head Lease Agreement is subject to escalation whereby the rent will increase each year on the anniversary of the commencement date by 8%.
5. The properties will be acquired on a "triple net lease" basis as provided by the CAVI Head Lease Agreement whereby Putprop will receive a contractual net income amount from a single source. Consequently, the forecasts for the Acquisition are after related revenues and operating costs. As the properties will be acquired on a "triple net lease" basis, for which Putprop will receive a contractual net income amount, no material items of expenditure exist.
6. The Purchase Consideration of R90 260 000, is assumed to be funded through R60 000 000 external debt, and R30 260 000 cash reserves. Putprop and Nedbank have concluded an in-principle loan agreement for new interest bearing facilities for a 6 year term. For the purpose of the forecast, debt of R60 513 000 (including debt funder's raising fee) has been assumed at a rate of 10.26% (being JIBAR + 297 basis points).
7. Given that all properties are covered by the CAVI Head Lease Agreement provided by CAVI Prop Co and further guaranteed by CAVI Brands, all revenue is regarded as contracted and no vacant space exists nor leases regarded as expiring during the forecast period.
8. No fair value adjustments have been forecast for the duration of the forecast period.

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

1. The properties are acquired on a "triple net lease" basis as provided by the CAVI Head Lease Agreement.
2. There will be no unforeseen economic factors that will affect the lessees' abilities to meet their commitments in terms of existing lease agreements.
3. The acquisition of the property is accounted for in terms of IAS 40: Investment Property as it does not meet the definition of a business, based on the lack of specific outputs, in terms of IFRS 3: Business Combinations. The Purchase Consideration differs from the fair valuation done by the independent valuer due to the cost of property being determined using a minimum net yield of 8.88% and the fair valuation being determined using a market capitalisation rate of 9.25%.

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE FORECAST STATEMENT OF COMPREHENSIVE INCOME OF THE CAVI PROPERTY

"The Directors
Putprop Limited
91 Protea Road
Sandton
2196

14 November 2016

We have undertaken a reasonable assurance engagement in respect of the accompanying property forecast of Putprop Limited for the period ending 30 June 2017 and the year ending 30 June 2018 set out on pages 19 to 20 comprising the forecast statement of profit or loss and other comprehensive income and the vacancy and lease expiry profile of the property portfolio as a whole (the forecast information), as required by paragraph 13.15 of the JSE Limited Listings Requirements.

We have also undertaken a limited assurance engagement in respect of the directors' assumptions used to prepare and present the forecast information, disclosed in Notes 1-8 and 1-3 on page 20 to the forecast information, as required by paragraph 13.15 of the JSE Limited Listings Requirements.

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

The directors are responsible for the preparation and presentation of the forecast information and for the reasonableness of the assumptions used to prepare the forecast information as set out in Notes 1-8 and 1-3 on page 20 to the forecast information in accordance with paragraphs 13.12-13.14 of the JSE Limited Listings Requirements (JSE Limited Listings Requirements for forecast information). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the forecast information on the basis of those assumptions that is free from material misstatement, whether due to fraud or error.

Inherent Limitations

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

Our independence and quality control

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

The firm applies International Standard on Quality Control 140 and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Limited assurance engagement on the reasonableness of the directors' assumptions

Reporting accountant's responsibility

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

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

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

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

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

Limited assurance conclusion on the reasonableness of the directors' assumptions

Based on the procedures we have performed and evidence we have obtained, nothing has come to our attention that causes us to believe that the directors' assumptions do not provide a reasonable basis for the preparation and presentation of the forecast information for the period ending 30 June 2017 and year ending 30 June 2018.

Reasonable assurance engagement on the forecast information

Reporting accountant's responsibility

Our responsibility is to express an opinion based on the evidence we have obtained about whether the forecast information is properly prepared and presented on the basis of the directors' assumptions disclosed in Notes 1-8 and 1-3 on page 20 to the forecast information (the assumptions) and in accordance with the JSE Limited Listings Requirements for forecast information. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3400, *The Examination of Prospective Financial Information* (ISAE 3400), issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether such forecast information is properly prepared and presented on the basis of the directors' assumptions disclosed in Notes 1-8 and 1-3 on page 20 to the forecast information and in accordance with the JSE Limited Listings Requirements for forecast information.

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

Our procedures include:

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

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

Opinion on the forecast information

In our opinion, the forecast information is properly prepared and presented on the basis of the assumptions and in accordance with the JSE Limited Listings Requirements for forecast information for the period ending 30 June 2017 and year ending 30 June 2018.

Purpose of the report

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

Report on other legal and regulatory requirements

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

MAZARS

Registered Auditors and Reporting Accountants

Partner: Susan Truter

Registered Auditor

31 October 2016

54 Glenhove road

Melrose Estate

Johannesburg"

PRO FORMA STATEMENT OF FINANCIAL POSITION

The following unaudited *pro forma* statement of financial position has been prepared to illustrate the impact of the Acquisition on the reported financial information of Putprop for the year ended 30 June 2016, had the Acquisition occurred on 30 June 2016 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 2016.

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 6 to this Circular.

PRO FORMA STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

R'000	30 June 2016 ¹	Adjustment for Acquisition ²	Balance after adjustments for Acquisition
ASSETS			
Non-current assets			
Net investment property ^{2,3}	454 071	93 282	547 353
Gross investment property ^{2,3}	459 878	93 282	553 160
Straight-line rental income adjustment	(5 807)	-	(5 807)
Other non-current assets			
Straight-line rental income asset	4 492	-	4 492
Furniture, fittings computer equipment and motor vehicles	96	-	96
Investment in associates	102 076	-	102 076
Non-current assets	560 735	93 282	654 017
Current assets			
Straight-line rental income asset	1 314	-	1 314
Trade and other receivables	16 904	63	16 967
Cash and cash equivalents	153 608	(33 710)	119 898
Current assets	171 826	(33 647)	138 179
Total assets	732 561	59 635	792 196
EQUITY AND LIABILITIES			
Equity			
Stated capital	101 969	-	101 969
Accumulated profit	410 176	(879)	409 298
Total equity	512 145	(879)	511 267
Liabilities			
Non-current liabilities			
Deferred taxation	37 859	-	37 859
Loan liabilities ²	97 951	60 513	158 401
Non-current liabilities	135 810	60 513	196 323
Current liabilities			
Dividend payable	40 000	-	40 000
Loan Liabilities	2 292	-	2 292
Trade and other payables	31 811	-	31 811
Taxation payable	10 503	-	10 503
Current liabilities	84 606	-	84 606
Total liabilities	220 416	60 513	280 929
Total equity and liabilities	732 561	59 635	792 196
Net asset value per share	11.46	(0.02)	11.44
Net tangible asset value per share	11.46	(0.02)	11.44

Pro forma notes and assumptions:

1. The "Before" column is extracted, without adjustment, from the statement of financial position within the audited consolidated results of Putprop as at 30 June 2016 and as published on 12 September 2016.
2. Represents the acquisition by Putprop of the CAVI Property as further detailed in paragraph 3 of the Circular. The effective date of the Acquisition is assumed to be 1 March 2017. The Purchase Consideration of R90 260 000, is assumed to be funded through R60 000 000 external debt (excluding debt funder's raising fee of R513 000), and R30 260 000 cash reserves. Putprop and Nedbank have concluded an in-principle loan agreement for a new interest bearing facility of R60 000 000 over a 6 year term. Subject to approval by Shareholders of the Acquisition in General Meeting, Putprop will be granted the Nedbank Loan based on the terms of the in-principle loan agreement. Investment property is measured initially at cost, including transaction costs directly attributable to the acquisition in terms of IAS 40. Transaction costs of R3 021 500 have been capitalised with the remaining costs being expensed. All transaction costs are once off in nature.
3. At the year-end reporting date, all investment property is measured at fair value adjusted for straight-line lease income, which reflects market conditions. Fair value is determined on the basis of an annual, independent, external valuation carried out by a registered professional valuer.

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

"The Directors
Putprop Limited
91 Protea Road
Sandton
2196

14 November 2016

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 5 of the Circular, consists of a Consolidated *Pro Forma* Statement of Financial Position and related notes. The *pro forma* financial information has been compiled on the basis of the applicable criteria specified in the JSE Limited (JSE) Listings Requirements.

The *pro forma* financial information has been compiled by the directors to illustrate the impact of the corporate action or event, described in the Circular, on the group's financial position as at 30 June 2016. 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 30 June 2016, on which an auditor's report was issued on 12 September 2016.

DIRECTORS' RESPONSIBILITY FOR THE *PRO FORMA* FINANCIAL INFORMATION

The directors are responsible for compiling the *pro forma* financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in Annexure 5.

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

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

As the purpose of *pro forma* financial information included in a 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 had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction at 31 March 2017 would have been as presented.

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

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

Our procedures selected depend on our judgment, having regard to our understanding of the nature of the 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 for our opinion.

OPINION

In our opinion, the *pro formal* financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in Annexure 5.

MAZARS

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

Vendors

The following table details the disclosure requirements relating to the vendors of material assets to Putprop and its Subsidiaries, being the CAVI Property, during the three years preceding the publication of this Circular.

CAVI Property Shareholders	Address	Total % shareholding in the CAVI Property
CAVI Prop Co	Oakhurst Office Park 13 St Andrews Road, Parktown, 2196	100
Total		100

The following table details the disclosure requirements relating to the shareholders of CAVI Prop Co.

CAVI Prop Co Shareholders	Address	Total % shareholding in CAVI Prop Co
CAVI Brands	Oakhurst Office Park 13 St Andrews Road, Parktown, 2196	100
Total		100

The following table details the disclosure requirements relating to the shareholders of CAVI Brands.

CAVI Brands Shareholders	Address	Total % shareholding in CAVI Brands
Candur Active Value Investments Proprietary Limited (“ Candur Investments ”)	3 Glenhove Road, Johannesburg, 2196	100
Total		100

The following table details the disclosure requirements relating to the shareholders of Candur Investments.

Candur Investments Shareholders	Address	Total % shareholding in Candur Investments
Pfaff Investment Holdings Proprietary Limited (“ Pfaff Investment Holdings ”)	498 Ontdekkers Road, Roodepoort, 1709	56
Pelaton Projects Proprietary Limited (“ Pelaton Projects ”)	3 Glenhove Road, Johannesburg, 2196	44
Total		100

The following table details the disclosure requirements relating to the shareholders of Pfaff Investment Holdings.

Pfaff Investment Holdings Shareholders	Address	Total % shareholding in Pfaff Investment Holdings
Michael Pfaff	498 Ontdekkers Road, Roodepoort, 1709	100
Total		100

The following table details the disclosure requirements relating to the shareholders of Pelaton Projects.

Pelaton Projects Shareholders	Address	Total % shareholding in Pelaton Projects
Michael Ten Hope	3 Glenhove Road, Johannesburg, 2196	56
Total		100

Notes:

1. The Purchase Consideration, being an amount of R90.26 million, will be settled in cash. No goodwill is payable in respect of the Acquisition.
2. CAVI Prop Co has not guaranteed the book debts. The CAVI Property Sale Agreement contains warranties which are usual for transactions of this nature.
3. The CAVI Property Sale Agreement contains no restraints and does not preclude CAVI Prop Co 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 CAVI Property Sale Agreement.
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 Acquisition.
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. Pursuant to the implementation of the Acquisition, the CAVI Property will be transferred into the name of Putprop against payment of the Purchase Consideration.



PUTPROP LIMITED

Incorporated in the Republic of South Africa
(Registration number 1998/001085/06)
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 Tuesday, 20 December 2016 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, 11 November 2016 and only Shareholders who are registered in the securities register of the Company on Friday, 9 December 2016, 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, 6 December 2016.

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 a Putprop Shareholder, or as a proxy for a Putprop Shareholder, has been reasonably verified.

ORDINARY RESOLUTION NUMBER 1 – THE ACQUISITION

"RESOLVED THAT, in compliance with the Listings Requirements, the Acquisition be and is hereby approved by the Shareholders."

Explanatory note

The Acquisition 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 Acquisition 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 Acquisition, 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 megan@acorim.co.za), by no later than 10:00 on Thursday, 15 December 2016 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, 18 November 2016

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 1998/001085/06)
 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 Tuesday, 20 December 2016 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 Acquisition			
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 Tuesday, 20 December 2016 and any adjournment or postponement thereof.

Signed at _____ on _____ 2016

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:
 - 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;

- **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;**
 - **the company must not require that the proxy appointment be made irrevocable; and**
 - **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:
Computershare Investor Services Proprietary Limited Rosebank Towers 15 Biermann Avenue Rosebank 2196	Computershare Investor Services Proprietary Limited PO Box 61051 Marshalltown 2107

to be received by no later than 10:00 on Thursday, 15 December 2016 (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.

