

This Circular is important and requires your immediate attention

The definitions and interpretations commencing on page 5 of this Circular apply, *mutatis mutandis*, to this front cover.

Action required

- If you are in any doubt as to what action you should take in respect of this Circular, please consult your CSDP, broker, banker, legal advisor, accountant or other professional advisor immediately.
- If you have disposed of all of your Delta shares, please forward this Circular to the purchaser of such Delta shares or to the CSDP, broker, banker, legal advisor, accountant, professional advisor or any other agent through whom the disposal was effected.
- Delta shareholders are referred to page 2 of this Circular, which sets out the action required by them.

Delta does not accept responsibility, and will not be held liable for any action of or omission by any CSDP or broker including, without limitation, any failure on the part of any CSDP or broker of any beneficial owner of Delta shares to notify such beneficial owner of the information set out in this Circular.



CIRCULAR TO DELTA SHAREHOLDERS

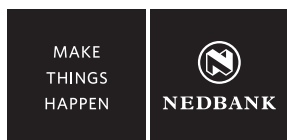
regarding:

- **the Termination of the Existing Asset Management Agreement with MPI Property Asset Management; and**
- **the approval of a New Asset Management Agreement with Delta Manco;**

and incorporating:

- **a notice convening a General Meeting of Delta shareholders (*blue*); and**
 - **a form of proxy (for use by certificated shareholders and dematerialised shareholders with own-name registration only) (*yellow*).**
-

Investment bank, corporate advisor
and sponsor to Delta



Legal advisor

BG Bowman Gilfillan

Member of Bowman Gilfillan Africa Group

Communications advisor

INSTINCTIF
PARTNERS

Date of issue: Tuesday, 12 May 2015

CORPORATE INFORMATION AND ADVISORS

Registered office

Delta Property Fund Limited
Silver Stream Office Park
10 Muswell Road South
Bryanston, 2021
South Africa

Company secretary

Paula Nel
BCom
Associate of the South African Institute of Chartered
Secretaries and Administrators

Investment bank, corporate advisor and sponsor

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

Legal advisor

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

Transfer Secretaries

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

Communications advisor

Instinctif Partners SA Proprietary Limited
(Registration number 1997/02334/07)
The Firs, 302 3rd Floor
Corner Craddock and Biermann Road
Rosebank, 2196
(PO Box 2929, Saxonwold, 2132)

Date of incorporation: 5 March 2002

Place of incorporation: Johannesburg

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ACTION REQUIRED BY DELTA SHAREHOLDERS

The definitions and interpretations commencing on page 5 of this Circular apply, *mutatis mutandis*, to this "Action required by Delta shareholders" section.

Please take careful note of the following provisions regarding the action required by Delta shareholders

- If you are in any doubt as to what action you should take arising from this Circular, please consult your broker, CSDP, banker, attorney, accountant or other professional advisor immediately.
- If you have disposed of all of your Delta shares, this Circular should be handed to the purchaser of such Delta shares or to the broker, banker or other agent through whom the disposal was effected.
- The General Meeting, convened in terms of the notice incorporated in this Circular, will be held at the registered office of Delta at Silver Stream Office Park, 10 Muswell Road South, Bryanston, 2021, on Wednesday, 10 June 2015. The General Meeting of Delta shareholders will commence at 10:00.

FORMS OF PROXY

1. DEMATERIALIZED DELTA SHAREHOLDERS WHO HAVE ELECTED OWN-NAME REGISTRATION

- You are entitled to attend in person, speak or be represented by proxy at the General Meeting.
- If you do not wish to, or are unable to attend the General Meeting of Delta shareholders but wish to be represented thereat, you must complete and return the attached form of proxy (*yellow*) for the General Meeting of Delta shareholders in accordance with the instructions contained therein and ensure that it is received by the Transfer Secretaries, Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) by no later than 10:00 on Monday, 8 June 2015.

2. DEMATERIALIZED DELTA SHAREHOLDERS WHO HAVE ELECTED OTHER THAN OWN-NAME REGISTRATION

- You must **not** complete the attached form of proxy (*yellow*).
- If you wish to attend the General Meeting, you should instruct your CSDP or broker to issue you with the necessary letter of representation to attend the General Meeting in person, in the manner stipulated in the custody agreement governing the relationship between you and your CSDP or broker. These instructions must be provided to the CSDP or broker by the cut-off time and date advised by the CSDP or broker for instructions of this nature.
- If you do not wish to, or are unable to attend the General Meeting, but wish to vote thereat, you should provide your CSDP or broker with your voting instructions in the manner stipulated in the custody agreement governing the relationship between you and your broker. These instructions must be provided to the CSDP or broker by the cut-off time and date advised by the CSDP or broker for instructions of this nature. If your CSDP or broker does not obtain voting instructions from you, it will be obliged to vote in accordance with the instructions contained in the custody agreement concluded between you and your CSDP or broker.

3. CERTIFICATED DELTA SHAREHOLDERS

- You are entitled to attend in person, speak or be represented by proxy at the General Meeting.
- If you do not wish to, or are unable to attend the General Meeting of Delta shareholders but wish to be represented thereat, you must complete and return the attached form of proxy (*yellow*) for the General Meeting of Delta shareholders in accordance with the instructions contained therein and ensure that it is received by the Transfer Secretaries, Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) by no later than 10:00 on Monday, 8 June 2015.

GENERAL

1. APPROVAL OF THE ORDINARY RESOLUTIONS AT THE GENERAL MEETING OF DELTA SHAREHOLDERS

- In order to be approved, the Ordinary Resolutions to be proposed at the General Meeting of Delta shareholders must be supported by more than 50% of the voting rights exercised thereon at the General Meeting of Delta shareholders, present in person or represented by proxy, thereat.
- A quorum for the purposes of considering the Resolutions to be proposed at the General Meeting of Delta shareholders shall consist of not less than three shareholders of the company personally present (and if the shareholder is a body corporate, it must be represented) and entitled to vote at the General Meeting of Delta shareholders.
- In addition, a quorum shall comprise 25% of all the voting rights that are entitled to be exercised by shareholders in respect of the matter to be decided at the General Meeting of Delta shareholders.

2. ELECTRONIC PARTICIPATION AT THE GENERAL MEETINGS

- Delta shareholders or their proxies may participate in 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 paulanel@pnscs.co.za) no later than 10:00 on Monday, 8 June 2015 in order to obtain a pin number and dial-in details for such 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 Delta 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.

SALIENT DATES AND TIMES

The definitions and interpretations commencing on page 5 of this Circular apply, *mutatis mutandis*, to this "Salient dates and times" section.

2015

Record date in order to receive the Circular	Thursday, 30 April
Circular posted to Delta shareholders on	Tuesday, 12 May
Announcement relating to the issue of the Circular released on SENS on	Tuesday, 12 May
Last day to trade in order to be eligible to vote at the General Meeting	Friday, 29 May
Voting Record Date	Friday, 5 June
Last day to lodge forms of proxy for the General Meeting of Delta shareholders by 10:00	Monday, 8 June
General Meeting of Delta shareholders to be held at 10:00 on	Wednesday, 10 June
Results of the General Meetings released on SENS on	Wednesday, 10 June
Results of the General Meetings published in the press on	Thursday, 11 June

Notes:

1. All dates and times indicated in this Circular are South African dates and times.
2. All dates and times indicated in this Circular are subject to change by Delta. Any change will be announced on SENS.

This Circular is available in English only. Copies may be obtained from the registered office of Delta and Nedbank at the addresses set out in the "Corporate information and advisors" section of this Circular and on the company's website www.deltafund.co.za from Tuesday, 12 May 2015 until the date of the General Meeting.

DEFINITIONS AND INTERPRETATIONS

In this Circular, the annexures and forms attached hereto, unless otherwise stated or clearly indicated by the context, the words in the first column have the meanings stated opposite them in the second column, words in the singular include the plural and *vice versa*, words importing one gender include the other genders and references to a natural person include references to a juristic person and *vice versa*:

"board" or "directors"	the board of directors of Delta, comprising the directors reflected on page 7 of the Circular;
"business day"	a day other than a Saturday, Sunday or a public holiday in South Africa;
"certificated Delta shares" or "certificated shares"	Delta shares represented by share certificates or other physical documents of title, which have not been surrendered for dematerialisation in terms of the requirements of Strate;
"certificated Delta shareholders" or "certificated shareholders"	registered holders of certificated Delta shares;
"Circular"	this document, dated Tuesday, 12 May 2015, including any annexures hereto, the notice of the General Meeting and the form of proxy in respect of the General Meeting;
"communications advisor" or "Instinctif Partners"	Instinctif Partners SA Proprietary Limited (Registration number 1997/02334/07), a private company registered and incorporated in South Africa and the communications advisor to Delta;
"Companies Act"	the Companies Act, 71 of 2008, as amended including the Regulations;
"Conditions Precedent"	the conditions precedent as summarised in paragraph 4 of this Circular;
"Investment Bank, Corporate Advisor and Sponsor" or "Nedbank"	Nedbank Limited (Registration number 1951/000009/06), a public company registered and incorporated in South Africa and the investment bank, corporate advisor and sponsor to Delta;
"CSDP"	a person that holds in custody and administers securities or an interest in securities and has been accepted by a central securities depository as a participant in terms of section 34 of the Financial Markets Act;
"Delta"	Delta Property Fund Limited (Registration number 2002/005129/06), a public company registered and incorporated in South Africa;
"Delta Manco"	Delta Property Asset Management Proprietary Limited (Registration number 2014/277367/07), a private company registered and incorporated in South Africa;
"dematerialise(d)" or "dematerialisation"	the process by which certificated Delta shares are converted into electronic format as dematerialised Delta shares and recorded in Delta's uncertificated share register;
"dematerialised Delta shareholders" or "dematerialised shareholders"	registered holders of dematerialised Delta shares;
"documents of title"	a share certificate, certificated transfer deed, balance receipt and/or other form of acceptable document of title to Delta in respect of Delta shares;
"Existing Asset Management Agreement"	the asset management agreement entered into between Delta and MPI Property Asset Management on 15 October 2012, which is proposed to be terminated as detailed in this Circular;
"Financial Markets Act"	Financial Markets Act, 19 of 2012, as amended from time to time;
"General Meeting" or "General Meeting of Delta Shareholders"	the General Meeting of Delta shareholders to be held at 10:00 on Wednesday, 10 June 2015 at the registered office of the company to consider, and, if deemed appropriate, to approve the Resolutions as more fully set out in the notice of General Meeting to Delta shareholders attached to the Circular;
"Income Tax Act"	Income Tax Act, 58 of 1962, as amended;

"JSE"	the Johannesburg Stock Exchange, a licensed exchange under the Financial Markets Act and operated by the JSE Limited (Registration number 2005/022939/06), a public company duly incorporated in accordance with the laws of South Africa;
"Last Practicable Date"	Thursday, 7 May 2015, being the Last Practicable Date prior to the finalisation of this Circular;
"Legal Advisor" or "Bowman Gilfillan"	Bowman Gilfillan Inc. (Registration number 1998/021409/21), a private company registered and incorporated in South Africa and the legal advisor to Delta;
"Listings Requirements"	the Listings Requirements of the JSE, as amended from time to time;
"MOI"	the memorandum of incorporation of the Company;
"MPI Property Asset Management"	MPI Property Asset Management Proprietary Limited (Registration number 2012/084027/07), a private company registered and incorporated in South Africa and the existing asset manager to Delta;
"New Asset Management Agreement"	subject to shareholder approval, the new asset management agreement to be entered into between Delta and Delta Manco;
"own name registration"	dematerialised Delta shareholders who have instructed their CSDP to hold their Delta shares in their own name on the uncertificated share register of Delta;
"R" or "Rand"	South African Rand, the official currency of South Africa;
"register"	Delta's share register, including all sub-registers;
"registered office of Delta"	registered office of Delta, Silver Stream Office Park, 10 Muswell Road South, Bryanston, 2021;
"Regulations"	the Companies Regulations 2011, published in terms of the Companies Act;
"REIT"	Real Estate Investment Trust, as contemplated in the Listings Requirements;
"Resolutions"	the Ordinary Resolutions to be proposed at the General Meeting;
"SENS"	Stock Exchange News Service, the news service operated by the JSE;
"shares" or "ordinary shares" or "Delta shares"	an ordinary share of the company of no par value;
"shareholders" or "Delta shareholders"	registered holders of Delta shares;
"South Africa"	the Republic of South Africa;
"Termination"	subject to shareholder approval, the termination of the Existing Asset Management Agreement;
"Termination Effective Date"	the effective date of the Termination, being the 60th day after approval of the Termination by Delta shareholders;
"Termination Fee"	the termination fee payable to MPI Property Asset Management in terms of the Existing Asset Management Agreement and which will be determined after the Termination Effective Date;
"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 and the transfer secretary to Delta;
"Trust"	a trust to be established for the benefit of Delta Manco's black employees, which upon incorporation will become the sole shareholder of Delta Manco; and
"Voting Record Date"	the date and the time at which a shareholder must be recorded in the register in order to vote at the General Meeting of Delta shareholders, being Friday, 5 June 2015.



Directors

JB Magwaza (*Non-executive Chairman*)#

SH Nomvete (*Chief Executive Officer*)

BA Corbett (*Chief Financial Officer/Chief Operating Officer*)

N Khan[¥] (*Lead Independent Non-executive Director*)

JJG da Costa[¥] (*Portuguese citizen*)

PD Simpson[¥] (*British citizen*)

DN Moutau[¥]

ID Macleod[¥]

Non-executive

¥Independent, non-executive

CIRCULAR TO DELTA SHAREHOLDERS

1. INTRODUCTION AND BACKGROUND

Further to the announcements dated 12 February 2015 and 9 March 2015, in which Delta shareholders were advised that Delta's board of directors intended to approach shareholders for approval to exercise the Termination clause in its Existing Asset Management Agreement with MPI Property Asset Management, due to ongoing differences among the shareholders of MPI Property Asset Management, and simultaneously enter into the New Asset Management Agreement with Delta Manco.

The purpose of this Circular is to provide Delta Shareholders with the required information to enable them to make an informed decision as to whether or not they should vote in favour of the Resolutions required to approve the Termination of the Existing Asset Management Agreement and approve the New Asset Management Agreement.

2. TERMINATION OF THE EXISTING ASSET MANAGEMENT AGREEMENT

If approved by Delta shareholders, the Termination will be concluded in terms of the provisions of the Existing Asset Management Agreement, which provides that in the event of Delta shareholders passing a resolution to terminate the Existing Asset Management Agreement, the agreement will terminate 60 days from the date on which the resolution is passed. On termination, Delta is required to pay a Termination Fee to MPI Property Asset Management, which fee is payable in three monthly instalments after the Termination Effective Date. The calculation of the Termination Fee is based on the methodology set out in clause 16 of the Existing Asset Management Agreement. As at the Last Practicable Date, the Termination Fee is estimated to be approximately R5 million. It should, however, be noted that the actual Termination Fee payable can only be calculated after the Termination Effective Date. An extract of the relevant clauses in the Existing Asset Management Agreement is set out in Annexure 1 below.

3. NEW ASSET MANAGEMENT AGREEMENT

Delta leases certain premises to the Department of Public Works. In terms of these lease agreements, Delta is obliged to have an external BEE asset manager which is wholly-owned, managed and controlled by black persons. Accordingly, in order to ensure that it is not in breach of these obligations, Delta is looking to appoint Delta Manco as its new asset manager with effect from the Termination Effective Date. It is intended that Delta Manco will be wholly-owned by the Trust (which is in the process of being established), the beneficiaries of which will be the black employees of Delta Manco. It is further intended that Delta Manco will acquire the staff and assets of MPI Property Asset Management. None of the existing shareholders of MPI Property Asset Management will be beneficiaries of the Trust.

Delta has accordingly entered into the New Asset Management Agreement with Delta Manco. The terms of the New Asset Management Agreement are no more onerous to Delta than the Existing Asset Management Agreement. The monthly fee payable to Delta Manco will be the same as that currently payable to MPI Property Management Property Limited. The duration of the agreement is five years, with Delta having an option to renew the agreement for further periods of three years each. On termination, no termination fees will be payable to Delta Manco and Delta will have an option to acquire the employees and assets of Delta Manco. In the event that it does not exercise such option it will be required to reimburse Delta Manco for any reasonable costs incurred in winding-up its business. These demobilisation costs are envisaged to be approximately six months of Delta Manco's operating expenses, which is currently estimated to be approximately R25 million. The New Asset Management Agreement is conditional, *inter alia*, on the Existing Asset Management Agreement being terminated, and the Trust being established and becoming the sole shareholder of Delta Manco.

Sandile Nomvete and Sandra Mqina will be the initial directors of Delta Manco. Senior management will include Trevor Matthews (Head of Operations), Yvonne Behari-Ram (Head of Property Management), Sandra Mqina (Senior Operations Manager), Preshaan Ramsamy (Senior Operations Manager) and Otis Tshabalala (Senior Investment Manager).

Sandile Nomvete, Bronwyn Corbett and Greg Booyens are employed directly by Delta.

The key terms of the New Asset Management Agreement are set out in Annexure 2 below.

4. CONDITIONS PRECEDENT

Termination of the Existing Asset Management Agreement is only subject to shareholder approval.

The implementation of the New Asset Management Agreement is subject to the fulfilment of the following conditions precedent:

- shareholder approval of the New Asset Management Agreement;
- registration of the Trust;
- Termination of the Existing Asset Management Agreement; and
- successful sale of the business of MPI Property Asset Management to Delta Manco.

5. GENERAL MEETING

The General Meeting of Delta shareholders will be held at 10:00 on Wednesday, 10 June 2015 at the registered office of Delta, for the purpose of considering and, if deemed fit, passing, with or without modification, the Resolutions required to approve the Termination of the Existing Asset Management Agreement and approve the New Asset Management Agreement. A notice convening such General Meeting of Delta shareholders is attached hereto, and forms part of this Circular.

6. GOVERNING LAW

This Circular will be governed by and construed in accordance with the laws of South Africa and shall be subject to the exclusive jurisdiction of the South African Courts.

7. VIEWS OF THE BOARD

The board, after due consideration, is in favour of both the Termination of the Existing Asset Management Agreement and the implementation of the New Asset Management Agreement and recommends that Delta shareholders vote in favour of the Resolutions set out in the notice of General Meeting of Delta shareholders.

JB Magwaza and SH Nomvete are directors of Delta and shareholders in MPI Property Asset Management and hold, directly and indirectly, the following shareholdings:

Shareholder	Delta		MPI Property Asset Management	
	Shares held	% held	Shares held	% held
JB Magwaza	2 035 201	0.38%	4	4%
SH Nomvete	18 882 039	3.49%	42	42%

8. DELTA'S RESPONSIBILITY STATEMENT

The board, collectively and individually, accept full responsibility for the accuracy of information given and certify that to the best of their knowledge and belief, 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 this Circular contains all information required by law.

9. CONSENTS

Nedbank, Bowman Gilfillan, Instinctif Partners and Computershare have provided their written consents to act in the capacities stated and to their names being used in the Circular in the form and context in which they appear and have not withdrawn their consents prior to the posting of this Circular.

10. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection at the registered office of Delta during normal business hours from the date of issue of this Circular, being Tuesday, 12 May 2015 up to and including the date of the General Meeting, being Wednesday, 10 June 2015:

- the MOI;
- the Existing Asset Management Agreement;
- the New Asset Management Agreement;
- the consent letters referred to in paragraph 9 above; and
- a signed copy of this Circular.

Signed for and on behalf of the board in terms of the power of attorney granted on 13, 21, 22, and 24 April 2015.

BA Corbett
12 May 2015

EXTRACTS FROM THE EXISTING ASSET MANAGEMENT AGREEMENT

Set out below are the key terms of the Existing Asset Management Agreement relating to the Termination, including the clause in terms of which the Existing Asset Management Agreement will be terminated if the requisite shareholder approval is obtained, the manner in which the Termination Fee will be calculated, and the consequences of Termination. The definitions used in the Existing Asset Management Agreement have been extracted directly from the Existing Asset Management Agreement for ease of reference. We note that the Existing Asset Management Agreement was drafted when Delta still had linked units – any reference to linked units should accordingly be considered as a reference to ordinary shares. The complete Existing Asset Management Agreement is available for inspection in terms of paragraph 10 above.

2. INTERPRETATION

2.1 In this Agreement, unless the context indicates a contrary intention, the following words and expressions bear the meanings assigned to them and cognate expressions bear corresponding meanings:

"Agreement"	means the agreement contained in this document, including all annexures hereto;
"Asset Management Services"	means the asset management services to be rendered by the Manager to the Company in accordance with clause 5.4 as set out in Annexures "1" and "2";
"Commencement Date"	means the first Business Day following the Fulfilment Date;
"Company"	means Delta Property Fund Limited (Registration number 2002/005129/06), a limited liability public company duly incorporated in the Republic of South Africa;
"Confidential Information"	means the provisions and subject matter of this Agreement, all communications between the Parties which by their nature are, or could reasonably be, intended to be for the knowledge of the recipient alone or otherwise confidential and all other information concerning the business transactions, operations, affairs and/or the financial arrangements of the other Party, which is by its nature, confidential;
"Event of Default"	means an Event of Default in respect of the relevant Party, as defined in clause 16.1;
"JSE"	means the JSE Limited (Registration number 2005/022939/06), a company duly registered and incorporated with limited liability under the company laws of South Africa, licensed as an exchange under the Financial Markets Act, 19 of 2012;
"Independent Expert"	means such independent expert as may be agreed between the Parties, or failing agreement within 10 (ten) business days from the date of a request by any Party for such agreement, appointed by the Executive President for the time being of the South African Institute of Chartered Accountants from one of the 4 (four) largest (based on number of partners) independent firms of auditors in South Africa at the time;
"Linked Unit"	means a linked unit comprising 1 (one) ordinary share of no par value in the share capital of the Company indivisibly linked to 1 (one) unsecured variable rate debenture issued by the Company;
"Linked Unit Holders"	means the holders of Linked Units from time to time;
"Listing Requirements"	means the listing requirements published by the JSE from time to time;
"Manager"	means MPI Property Asset Management Proprietary Limited (Registration number 2012/084027/07), a limited liability private company duly incorporated in the Republic of South Africa;
"Parties"	means the parties to this Agreement;
"Properties"	means the properties in the Property Portfolio;
"Renewal Period"	shall have the meaning given thereto in clause 4.1;

- “VAT” means Value Added Tax charged in terms of the provisions of the VAT Act; and
“VAT Act” means the Value Added Tax Act, No 89 of 1991.

16. TERMINATION

16.2 Termination by the Company

16.2.2 In the event that the Linked Unit Holders of the Company in General Meeting pass an Ordinary Resolution in terms of which they resolve that the Company should cancel this Agreement, this Agreement shall terminate on the 60th (sixtieth) day from the date of the passing of such resolution, provided that:

16.2.2.1 if such termination does not arise as a consequence of an Event of Default by the Manager as contemplated in clause 16.2.1.1, or in the event of proven fraud or proven wilful misconduct on the part of the Manager as set out in clause 16.2.1.2, such cancellation shall be subject to the provisions of clause 16.4 below; and

16.2.2.2 the shareholders right to resolve to terminate the Agreement at any time in terms of this clause 16.2.2 shall only apply for so long as this is required in terms of the Listings Requirements.

16.4 Consequences of termination

16.4.1 If the Company elects to terminate this Agreement (i) pursuant to an event contemplated in clause 16.2.1.3 in circumstances where the acquirer has not agreed to take over the rights and obligations of the Company in respect of the Properties sold, alienated or disposed of in terms of this Agreement to such acquirer; or (ii) in accordance with clause 16.2.2 (except if clauses 16.2.1.1 or 16.2.1.2 apply) (the “**Termination Event**”), the Company shall pay to the Manager by way of compensation for the relinquishment of an income-generating asset and in recognition of the effect of termination on the Manager (taking into account the fact that the Manager has provided services exclusively to the Company) the sum of the:

16.4.1.1 net present value of the Specified Management Fee as defined in clause 16.4.2.2 for the Agreed Termination Period as defined in clause 16.4.2.1, as agreed between the Parties or, failing agreement within 10 (ten) business days, to be determined, on written request by either Party, by the Independent Expert, who in determining such values shall act as expert and not as arbitrator and subject to such additional assumptions as it deems reasonable in the circumstances, save that:

16.4.1.1.1 it shall be obliged to assume the information contemplated in clause 9.1 as at the date of cancellation or termination as fixed for the duration of the Agreed Termination Period;

16.4.1.1.2 the applicable period for which the present value calculation shall be determined shall be the Agreed Termination Period; and

16.4.1.1.3 it shall be obliged to use a discount rate equivalent to the Prime Rate.

16.4.2 For purposes of this clause 16.4:

16.4.2.1 “**Agreed Termination Period**” means:

16.4.2.1.1 in respect of a Termination Event which takes place during the Initial Period, the remaining period of the Initial Period; or

16.4.2.1.2 in respect of a Termination Event which takes place during a Renewal Period, the remaining period of such Renewal Period.

16.4.2.2 the "**Specified Management Fee**" means the management fee (excluding VAT) paid to the Manager in terms of clause 9.1 (the "Actual Management Fee") for the 12 (twelve) months immediately preceding the Termination Event, or if this Agreement has endured for less than 12 (twelve) months from the Commencement Date, then the actual management fee, annualised, after deducting expenses (excluding VAT) actually incurred by the Manager in providing the Asset Management Services for the relevant period.

16.4.3 The Specified Management Fee shall be paid by the Company to the Manager in 3 (three) equal tranches at the end of each of the 3 (three) calendar months after the effective date of the termination of this Agreement.

16.5 Duties upon termination

On the effective date of a termination, the Manager shall deliver to the Company promptly all of the Company's materials, supplies, keys, leases, contracts, other documents, insurance policies, plans, specifications, permits, licences, promotional materials and such other accounting papers and records, including general correspondence as pertains to or arises from this Agreement. The Manager shall also assign to the Company, without recourse to the Manager, executed contracts, if any, in the Manager's name relating to the Asset Management Services, provided that such contracts are on market-related terms and previously approved by the Company in accordance with this Agreement (and the Manager shall procure, when entering into any such contracts, that it is entitled to assign such contracts to the Company, without requiring the consent of the counterparty/ies). The Manager shall deliver to the Company the final accounting records and other books, records, information and databases of and relating to the Property Portfolio and the Asset Management Services (all of which shall be and remain the property of the Company), in whatsoever format such books, records, information and databases are stored (including electronically) up to and including the effective date of the termination on or as soon as reasonably possible after the effective date of termination. No further services shall be performed by the Manager under this Agreement after the effective date of a termination and the Manager shall not rely on or represent any association with the Company, except that the Manager shall co-operate fully with the Company and use all its reasonable endeavours, with effect from the date on which notice of termination is given, to accomplish an orderly transfer of the Asset Management Services to the Company itself or an entity designated by the Company to succeed the Manager.

EXTRACTS FROM THE NEW MANAGEMENT AGREEMENT

Set out below are the key terms of the New Asset Management Agreement. The definitions used in the New Asset Management Agreement have been extracted directly from the New Asset Management Agreement for ease of reference. The complete New Asset Management Agreement is available for inspection in terms of paragraph 10 above.

2. INTERPRETATION

- 2.1 In this Agreement, unless the context indicates a contrary intention, the following words and expressions bear the meanings assigned to them and cognate expressions bear corresponding meanings:
- 2.1.1 "Affiliate" means (i) with respect to any juristic person, any other person that, directly or indirectly through one or more intermediaries, Controls, or is Controlled by, or is under common Control with, such person; (ii) with respect to any trust, any trustee or beneficiary of such trust, or any spouse, parent, legal guardian, child (whether step-child, biological or adopted child) or sibling of any such trustee or beneficiary and (iii) with respect to any natural person, (a) any spouse, parent, legal guardian, child (whether step-child, biological or adopted child) or sibling of such natural person, (b) any trust where such natural person or any of the persons listed under (iii)(a) is a trustee or a beneficiary of such trust and (c) any company where such natural person or any of the persons listed under (iii)(a) is a shareholder or a director of such company;
 - 2.1.2 "Agreement" means the agreement contained in this document, including all annexures hereto;
 - 2.1.3 "Annual Budget" means the annual budget caused to be prepared by the Manager pursuant to and in terms of this Agreement, and approved, with or without amendments, by the Company, which annual budget consists of the operating budget for the Properties, the expense budget for the administration of the Properties and the consolidated income and expenditure budget for the Company, including a distribution forecast for the following Financial Year;
 - 2.1.4 "Asset Management Services" means the asset management services to be rendered by the Manager to the Company in accordance with clause 7.4 as set out in Annexures "1" and "2";
 - 2.1.5 "BEE" means broad-based black economic empowerment as contemplated in the BEE Act and the BEE Codes, the Property Charter or any other sectoral code as envisaged by the aforesaid BEE Codes applicable to the Company or the Manager from time to time;
 - 2.1.6 "BEE Act" means the Broad-Based Black Economic Empowerment Act, No 53 of 2003;
 - 2.1.7 "BEE Codes" means:
 - 2.1.7.1 the Codes of Good Practice on Broad-Based Black Economic Empowerment published by the Department of Trade and Industry in terms of the BEE Act in the Government Gazette, No 36928 on 11 October 2013; and
 - 2.1.7.2 for so long as they remain applicable to the Company, the Codes of Good Practice on Broad-Based Black Economic Empowerment, published under section 9(1) of the BEE Act, in Government Gazette number 29617 on 9 February 2007;
 - 2.1.8 "BEE Legislation" means the BEE Act, the BEE Codes and the Property Charter;
 - 2.1.9 "Black Persons" means "Black People" as defined in the BEE Act, as read with the BEE Codes and the Property Charter and shall include any trust, the majority of whose trustees and all of whose beneficiaries are "Black People" as defined in the BEE Act as read with the BEE Codes and the Property Charter;
 - 2.1.10 "Board" means the board of directors of the Company;

- 2.1.11 "Business" means the asset management business conducted by the Manager in relation to the services provided by the Manager in terms of this Agreement, which shall include all assets owned and/or used by the Manager in conducting the business (including tangible assets and intangible assets, such as intellectual property rights), all contracts entered into by the Manager in relation to the business, all goodwill relating to the business, and all employees of the Company involved in conducting such business;
- 2.1.12 "Commencement Date" means the first Business Day following the Fulfilment Date;
- 2.1.13 "Company" means Delta Property Fund Limited (Registration number 2002/005129/06), a limited liability public company duly incorporated in the Republic of South Africa;
- 2.1.14 "Conditions" means the suspensive conditions set out in clause 5.1; and "**Condition**" shall mean any one of them as the context may require;
- 2.1.15 "Confidential Information" means the provisions and subject matter of this Agreement, all communications between the Parties which by their nature are, or could reasonably be, intended to be for the knowledge of the recipient alone or otherwise confidential and all other information concerning the business transactions, operations, affairs and/or the financial arrangements of the other Party, which is by its nature, confidential;
- 2.1.16 "Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management, business and policies of a person, whether through ownership of voting securities, by contract or otherwise and the words **Controlled by** and under **common Control** with shall be construed accordingly;
- 2.1.17 "DPW" means the South African national government's Department of Public Works;
- 2.1.18 "DPW Empowerment Policies" means the policy statements released to the public by the DPW from time to time, setting out its policies towards BEE accreditation for landlords (including property funds listed on an exchange), which as the Signature Date shall be the DPW's Leasing Amendment Policy dated 22 November 2011;
- 2.1.19 "Event of Default" means an Event of Default in respect of the relevant Party, as defined in clause 17.1;
- 2.1.20 "Financial Year" means the financial year of the Company determined from time to time, which as at the Signature Date, commences on 1 March and ends on the last day of February of every year, or any subsequent financial year of the Company;
- 2.1.21 "Fulfilment Date" means the date upon which the last Condition to be fulfilled is fulfilled;
- 2.1.22 "Group" means the Company and its subsidiaries from time to time;
- 2.1.23 "JSE" means the JSE Limited (Registration number 2005/022939/06), a company duly registered and incorporated with limited liability under the company laws of South Africa, licensed as an exchange under the Financial Markets Act, 19 of 2012;
- 2.1.24 "Independent Expert" means such independent expert as may be agreed between the Parties, or failing agreement within 10 (ten) business days from the date of a request by any Party for such agreement, appointed by the Executive President for the time being of the South African Institute of Chartered Accountants from one of the 4 (four) largest (based on number of partners) independent firms of auditors in South Africa at the time;
- 2.1.25 "Initial Period" shall have the meaning given thereto in clause 6.1;
- 2.1.26 "Investment Criteria" means the investment criteria established by the Board's investment committee from time to time as the criteria determining which properties the Company will invest in;
- 2.1.27 "Listing Requirements" means the listing requirements published by the JSE from time to time;
- 2.1.28 "Manager" means Delta Property Asset Management Proprietary Limited (Registration number 2014/277367/07), a private company registered and incorporated in South Africa;

- 2.1.29 "MPI" means MPI Property Asset Management Proprietary Limited (Registration number 2012/084027/07), a limited liability private company duly incorporated in the Republic of South Africa;
- 2.1.30 "Operating Standard" means the operating standard described in clause 7.4.2;
- 2.1.31 "Operating Provisions" shall have the meaning given thereto in clause 4;
- 2.1.32 "Parties" means the parties to this Agreement;
- 2.1.33 "Prime Rate" means the publicly quoted basic rate of interest, compounded monthly in arrears and calculated on a 365 (three hundred and sixty five) day year irrespective of whether or not the year is a leap year, from time to time published by Nedbank Limited as being the prime overdraft rate, as certified by any representative of Nedbank Limited whose appointment and designation it will not be necessary to prove;
- 2.1.34 "Properties" means the properties in the Property Portfolio;
- 2.1.35 "Property Administration Services" means the property administration services referred to in clause 7.5 of this Agreement and set out in Annexure "3" of this Agreement;
- 2.1.36 "Property Charter" means the Property Sector Charter published as a Sector Code in terms of Section 9(1) of the BEE Act, in Government Gazette number 35400 on 1 June 2012;
- 2.1.37 "Property Management Agreement" means any agreement entered into between the Company and a Property Manager;
- 2.1.38 "Property Management Fees" means fees agreed by the Company as payable to the Property Manager(s) for the fulfilment of the Property Administration Services;
- 2.1.39 "Property Manager(s)" means, as at the Signature Date, the Manager and any third parties that the Manager may appoint on behalf of the Company from time to time in terms of this Agreement to provide the Property Administration Services in respect of any Property in the Property Portfolio;
- 2.1.40 "Property Portfolio" means the immovable properties owned or leased by the Company or its subsidiaries at the Commencement Date, together with (1) any other immovable property which may be acquired, directly or indirectly, or leased, and (2) listed or unlisted interests in companies and other persons which own or lease immovable properties, whether by the Company or any of its subsidiaries from time to time (but excluding such Properties or listed or unlisted interests as may be sold or disposed of by the Company from time to time in the future) or which are managed by another asset manager;
- 2.1.41 "Renewal Period" shall have the meaning given thereto in clause 6.1;
- 2.1.42 "Shareholders" means the holders of Shares from time to time;
- 2.1.43 "Shares" means 1 (one) ordinary share of no par value in the share capital of the Company;
- 2.1.44 "Signature Date" means the date of signature of this Agreement by the Party last signing;
- 2.1.45 "Specified Expense" means the Property Management Fees, audit, property valuation, legal, corporate advisory, sponsor, company secretarial, STRATE, transfer secretarial and trustee fees, advertising costs, bank charges in respect of the operation of the Company's bank accounts, insurance costs in respect of the assets of the Company and professional indemnity costs in respect of the directors of the Company and non-executive directors' remuneration incurred by or on behalf of the Company and any other expenses, whether or not listed above, which have been included in the Annual Budget or any revision thereof;
- 2.1.46 "Strategic Plan" shall have the meaning given thereto in paragraph 1.1 of Annexure "1";
- 2.1.47 "Suspended Provisions" shall have the meaning given thereto in clause 5.1;
- 2.1.48 "Trust" means the trustees for the time being of the Delta Manco Employee Benefit Trust, a trust to be established which shall be the sole shareholder of the Manager;
- 2.1.49 "VAT" means Value Added Tax charged in terms of the provisions of the VAT Act; and
- 2.1.50 "VAT Act" means the Value Added Tax Act, No 89 of 1991.

5. SUSPENSIVE CONDITIONS

- 5.1 All of the provisions of this Agreement except for the Operative Provisions (such provisions the **Suspended Provisions**), shall take effect and become operative only upon the fulfilment of the following Conditions:
- 5.1.1 that, by no later than 180 (one hundred and eighty) calendar days after the Signature Date (or such other date as the Parties may agree in writing), (i) the Trust is duly registered in accordance with the Trust Property Control Act, 57 of 1988 and that the Master of the High Court appointed under section 2 of the Administration of Estate Act, 66 of 1965 issues letters of authority to the trustees for the time being of the Trust and (ii) the Manager delivers a duly notarised copy of an extract from its share register and a corresponding share certificate which confirms that the Trust is the holder of all the issued shares in the Manager;
- 5.1.2 that, by no later than 180 (one hundred and eighty) calendar days after the Signature Date (or such other date as the Parties may agree in writing), the asset management agreement entered into between the Company and MPI is cancelled in accordance with its terms and conditions; and
- 5.1.3 that, by no later than 180 (one hundred and eighty) calendar days after the Signature Date (or such other date as the Parties may agree in writing), the sale of business agreement to be entered into between the Manager and MPI, regulating the terms and conditions upon which the Manager will acquire the business of MPI as a going concern, is entered into and becomes unconditional in accordance with its terms.
- 5.2 On the Fulfilment Date the Suspended Provisions shall take effect and become operative.
- 5.3 If any one or more of the Conditions are not fulfilled prior to the date stipulated for fulfilment thereof, then the Suspended Provisions shall not take effect and this Agreement shall terminate automatically without any further action required by any of the Parties.
- 5.4 In the event that this Agreement is validly terminated in accordance with this clause 5, each of the Parties shall be relieved of its respective duties and obligations arising in terms of this Agreement from and after the date of such termination, and such termination shall be without liability to the Parties; provided that no such termination shall relieve any Party from liability (including any liability for damages) for any breach of this Agreement or other liability arising prior to termination hereof; and provided further that the provisions and/or obligations of the Parties set out in this clause 5 and clauses 1, 2, 17, 21, 22 and 24 to 32 (both inclusive) of this Agreement shall survive any such termination and shall be enforceable in terms of this Agreement.

6. DURATION

- 6.1 This Agreement shall commence on the Commencement Date and shall, subject to the provisions of clause 17, continue for a period of 5 (five) years from the Commencement Date (the "**Initial Period**"). The Company may renew this Agreement with effect from the end of the Initial Period for further periods of 3 (three) years each (each, a "**Renewal Period**") by giving the Manager written notice to this effect by no later than 6 (six) months (or such other period as the Parties may agree in writing) prior to the end of the Initial Period or any subsequent Renewal Period, as the case may be. To the extent that approval of the shareholders of the Company is required for the renewal of this Agreement, then Company agrees that it shall take all steps reasonably required to call the necessary shareholders' meeting for the purpose of passing the necessary resolution/s for obtaining such approval.
- 6.2 In the event that the Company fails to renew the Agreement with effect from the end of the Initial Period or any subsequent Renewal Period, as the case may be, this Agreement shall terminate with effect from the end of the Initial Period or relevant Renewal Period, as the case may be. By no later than 6 (six) months (or such other period as the Parties may agree in writing) prior to the end of the Initial Period or any subsequent Renewal Period, as the case may be, the Company may elect, on written notice to the Manager, to exercise the option contemplated in clause 18 with the effective date of the sale being the end of the Initial Period or the relevant Renewal Period, as the case may be.
- 6.3 Upon termination of this Agreement as contemplated in clause 6.2, the Company shall, unless clause 6.4.2 applies or unless the Company has elected to exercise the option contemplated in clause 18, pay the Manager all reasonable costs which the Manager will reasonably incur in winding-up its operations ("**Demobilisation Costs**"), including, without limitation, the cost of retrenching staff.

- 6.4 Within 60 (sixty) days of the Company confirming in writing that it will not be exercising its right of renewal or failing to timeously renew this Agreement, the Manager shall, unless the Company has elected to exercise the option contemplated in clause 18, either:
- 6.4.1 confirm in writing that it will be winding up its operations after the expiry of the Initial Period or relevant Renewal Period, as the case may be; or
 - 6.4.2 confirm that it does not intend winding up its operations after the expiry of the Initial Period or relevant Renewal Period, as the case may be, in which case no Demobilisation Costs will be payable.
- 6.5 If clause 6.4.1 applies, the Company will within 30 (thirty) days of receipt from the Manager of proof of any Demobilisation Costs reasonably incurred by the Manager, refund the Manager such Demobilisation Costs, subject to clause 6.6 below.
- 6.6 The Company may request such documentary proof as it may reasonably require of any Demobilisation Costs paid by the Manager, and if the Company disputes, in writing within 30 (thirty) days, that such Demobilisation Costs were reasonably incurred in relation to the winding up of the Manager, then the matter shall be determined, on written request by either Party, by the Independent Expert, who, in determining such values, shall act as expert and not as arbitrator. Once determined, the Demobilisation Costs shall be paid in the manner contemplated in clause 6.5 above.

7. APPOINTMENT AND DUTIES

- 7.1 The Company hereby, with effect from the Commencement Date, appoints the Manager, which accepts such appointment, to render the Asset Management Services and procure the performance of the Property Administration Services by the Property Manager(s), in accordance with the further terms and conditions of this Agreement.
- 7.2 The Manager shall be an independent contractor and not an agent (save to the extent expressly authorised in terms of this Agreement) employee, partner of, or joint venture partner with the Company. If the Manager owns any interest in, or provides other services to, the Company, nothing contained herein shall be construed or interpreted to modify, relax or vary this Agreement and the Manager's duties hereunder shall be entirely separate from any other relationship with the Company.
- 7.3 The Manager shall not have the authority to represent the Company and to contract in the name of, and for the benefit of, the Company except where such authority is expressly conferred upon it in terms of this Agreement. When so representing the Company, the Manager will act in the best interests of the Company.
- 7.4 **Asset Management Services**
- 7.4.1 The Manager shall perform the Asset Management Services as set out in Annexure "1" and Annexure "2" hereto, together with such other duties as may be agreed in writing between the Company and the Manager from time to time, in accordance with this clause 7.4. The Manager shall render the Asset Management Services and any such other asset management services as may be normally expected from asset managers (including all such services as may be required for the operational management of the Company) and/or as the Company may reasonably direct in order to ensure that the Operating Standard is achieved and maintained.
 - 7.4.2 The Manager shall strategically manage the Property Portfolio in an efficient manner, in good faith and diligently in accordance with sound, reasonable and prudent asset and property management practices and in keeping with directives issued by the Company from time to time (the "**Operating Standard**"). The Manager shall devote its efforts to serving the Company in accordance with the terms of this Agreement and shall perform its duties hereunder in a diligent and careful manner in order to meet the Operating Standard as a standard of performance. The Manager, in rendering these services to the Company, shall be entitled to make use of the assets of the Company. The Manager shall regularly communicate with the Board and may consult real estate market experts from time to time to effectively and completely provide the Asset Management Services on the basis contemplated in this clause 7.4.

7.5 Property Administration Services

The Manager shall procure that the Property Manager(s) provides the Property Administration Services in accordance with the provisions of clause 2 of Annexure "1" and the terms of any Property Management Agreement.

10. EXPENSES

10.1 The Manager may, in providing the Asset Management Services, pay the following amounts and/or expenses on behalf of the Company (which amounts may be paid from the accounts referred to in clause 8.12):

- 10.1.1.1 Specified Expenses which have been provided for in the Annual Budget; and/or
- 10.1.1.2 expenses which have been reasonably incurred by the Manager in performing its obligations in terms of this Agreement and which are not provided for in the Annual Budget (an "Unbudgeted Expense"), or not wholly provided for in the Annual Budget, provided that the amount of such expense, or the amount by which such expense exceeds the amount provided therefor in the Annual Budget (the "Excess Amount"), is less than 2.5% (two and a half percent) of the Annual Budget (provided that this clause shall not apply if the aggregate value of any Unbudgeted Expenses and Excess Amounts incurred in any Financial Year is greater than 2.5% (two and a half percent) of the Annual Budget; and/or
- 10.1.1.3 any expense reasonably incurred by the Manager in incentivising its employees in accordance with any staff incentive scheme implemented the Manager at the request of and with the approval of the Company, insofar as such incentivisation is related to the performance by such employees of their duties in relation to the Manager's performance of its obligations under this Agreement and/or the performance of the Property Portfolio or Company share price;
- 10.1.1.4 any other expense in respect of which the Company has given its prior written consent thereto.

10.1.2 The Manager shall report to the Company on a quarterly basis by no later than 10 (ten) days after the end of the quarter in question detailing the expenses disbursed by the Manager in such quarter as envisaged in terms of clause 10.1.

11. REMUNERATION

The remuneration and expenses payable by the Company to the Manager for and in the course of the services to be rendered by the Manager in terms of this Agreement shall be the sum of the fees and expenses set out in this clause 11.

11.1 Asset Management Fee

11.1.1 The Company shall pay the Manager a monthly fee ("**Asset Management Fee**"), which shall be an amount equal to 1/12th of 0.35% (one twelfth of zero comma three five percent) of the Enterprise Value.

11.1.2 For the purpose of clause 11.1.1 above:

11.1.2.1 "**Enterprise Value**" means:

11.1.2.1.1 in the case where the Company is listed on the JSE or on any other recognised stock exchange, the aggregate of the Market Capitalisation and the Borrowings of the Company; and

11.1.2.1.2 in the case where the Company is not listed on the JSE or on any other recognised stock exchange, the Market Value of the Group; and

11.1.2.2 "**Borrowings**" means the aggregate of the Company's borrowings on the last business day of the month in question. In determining the Company's borrowings, the Company shall be entitled to take into account any borrowings to be incurred in respect of an unconditional acquisition, the effective date of which occurs prior to the date on which the funding is to be advanced;

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

11.1.2.4 "**Market Value**" means the asset value of the Property Portfolio, as based on the most recent valuations of the Property Portfolio conducted by the Company, plus, in the case of any Properties acquired by the Company since the date of the most recent valuation of the Property Portfolio, the acquisition cost of such Properties (provided that it shall exclude the value of any undivided share or other interest in a Property held by a third party).

11.1.3 The Asset Management Fee shall be payable to the Manager monthly in arrears within 20 (twenty) days of the end of the relevant month, together with the applicable VAT thereon.

11.2 Reimbursement of expenses incurred on behalf of the Company

11.2.1 If the Manager incurs or pays any of the expenses referred to in clause 10 above from its own funds, on behalf of the Company, the Manager shall be entitled to be reimbursed by the Company for such expenses upon presentation of the relevant proof of payment together with supporting documentation.

11.2.2 Any other Specified Expenses or expenditure incurred by the Manager without the written consent of the Company, shall be for the account of the Manager.

11.2.3 The Manager shall report to the Company on a quarterly basis by no later than 10 (ten) days after the end of the quarter in question detailing the expenses disbursed by the Manager as envisaged in terms of clause 11.2.1, and attaching the relevant proof of payment together with supporting documentation. Provided that the expenses fall within one of the categories outlined in clause 11.2.1, the Company shall reimburse the Manager for such expenses by no later than 10 (ten) business days after its receipt of such report and the relevant proof of payment and supporting documentation.

11.2.4 The reimbursement of any expenses incurred by the Manager as contemplated in accordance with clause 10.1.1.3 shall be done in accordance with the provisions of a separate agreement to be entered into between the Company and the Manager.

12. DETERMINATION OF REMUNERATION

12.1 Unless the Parties have agreed otherwise in writing, the Manager shall as soon as practicable, but no later than 10 (ten) days after the end of each month, deliver to the Company a certificate prepared by the Manager setting out a calculation of the Asset Management Fee in respect of that month; and such calculation shall be deemed to be final and binding on the Company unless the Company has, within 10 (ten) business days after delivery thereof, in writing indicated that it is not satisfied with such calculation and that it requires the matter to be referred for determination by an Independent Expert.

12.2 If the Company has required that the matter be referred to an Independent Expert, it shall be referred to him by the Manager as soon as possible, and the Independent Expert shall be requested to determine the matter as soon as possible and in any event not later than 7 (seven) days after the referral. The Independent Expert shall act as expert and not as arbitrator.

16. BEE UNDERTAKINGS AND INDEMNITIES BY THE MANAGER

16.1 The Manager hereby undertakes in favour of the Company to procure that, for the duration of this Agreement:

16.1.1 its issued share capital and securities (and the voting and economic rights in relation thereto) shall at all relevant times be and remain wholly owned and exercisable, directly and/or indirectly, by Black Persons; and

16.1.2 its shareholder shall not, directly or indirectly:

16.1.2.1 dispose of, cede, encumber, pledge, grant any option in respect of ("**Dispose**") or enter into any contract to Dispose of any shares in the Manager or of any of the rights attached to shares in the Manager; or

16.1.2.2 enter into any agreement in respect of the votes attached to any of its shares or any of the other rights attached to its interests as a shareholder; or

16.1.2.3 agree, whether or not subject to any suspensive or resolutive condition, to do any of the foregoing; or

16.1.2.4 appoint any new trustee or trustees or beneficiaries;

16.1.2.5 take any action, or agree to take any action,

which could adversely affect the BEE credentials or rating of the Manager or the Company or could adversely affect the Company's standing in terms of the DPW Empowerment Policies or result in the DPW or any of the other tenants of the Properties being entitled to terminate or reduce the length of their leases with the Company.

16.2 It is recorded that as at the Signature Date the Manager, being a newly registered company has not yet been rated for the purposes of the BEE Codes, however, it is anticipated to achieve a Level 1 Contributor rating upon assessment; and the Manager undertakes that it will remain at least a Level 1 Contributor for the duration of this Agreement.

16.3 If any event occurs or any circumstance arises which constitutes a breach or which is reasonably expected to result in a breach of any of the provisions of clauses 16.1 or 16.2, the Manager shall immediately upon it becoming aware of such event or circumstance give written notice thereof to the Company. For this purpose, as soon as such event or circumstance comes to the knowledge of any director or senior executive of the Manager, the Manager shall (unless the contrary is proved) be deemed to have knowledge of the event or circumstance in question.

16.4 The Company may, without limiting its rights under any other applicable provision, on written notice to the Manager, require the Manager to provide the Company with such documents and information as it may reasonably require in order to verify the BEE credentials and/or rating of the Manager, its shareholders and directors, and the Manager shall, in any event, provide the Company with such documentation and information on an annual basis within 30 (thirty) days of the end of each Financial Year.

16.5 Without prejudice to any rights of the Company arising from any other provision of this Agreement, the Manager hereby agrees to indemnify and hold the Company harmless from and against any loss, damage or harm which the Company may suffer (whether directly or indirectly) resulting from, arising out of, or relating to any breach of or non-compliance by the Manager with any of its obligations in terms of clause 16.1, including, for the avoidance of doubt, any loss arising as a result of the cancellation or non-renewal of any leases by the DPW or any other tenant due to such failure, breach or non-compliance by the Manager.

17. TERMINATION

17.1 Events of Default

An Event of Default shall have occurred if a Party:

17.1.1 fails to comply with any provision of this Agreement and if such failure, if rectifiable, is, subject to clause 17.1.2, not rectified within 10 (ten) days after receipt of a written notice ("**Effective Date of the Notice**") from the other Party, provided, however, with respect to any matter where rectifying such failure reasonably requires more than 20 (twenty) days, the time period for rectifying shall be extended, at the request of the defaulting Party, for up to a total of 30 (thirty) days provided that the Party who failed to comply, promptly commences to rectify such failure after the Effective Date of the Notice and thereafter pursues such rectification; or

17.1.2 in the case of the Manager, it fails to comply with the provisions of clause 16.1 and if such failure is not rectified within 60 (sixty) days after receipt of a written notice from the Company;

- 17.1.3 enters into a compromise or arrangement with its creditors, otherwise than for the purpose of a *bona fide* reconstruction, restructuring or amalgamation in solvent circumstances entered into with the prior written approval of the other Party, which approval shall not be unreasonably withheld; or
- 17.1.4 is placed under business rescue or a liquidation whether provisional or final; or
- 17.1.5 has a judgement enforced upon, or sued out against, its property which is not discharged, or steps are not taken to set it aside, or the judgement is appealed within 14 (fourteen) business days and such steps are not diligently pursued to conclusion; or
- 17.1.6 is unable to pay its debts in the normal course of business; or
- 17.1.7 ceases, or threatens to cease, wholly or substantially to carry on its business, otherwise than for a reconstruction, restructuring or amalgamation, in solvent circumstances previously approved by the other Party, which approval shall not be unreasonably withheld; or
- 17.1.8 is subject to a third party taking possession of or acquiring, or a liquidator or trustee being appointed over, the whole or material part of its undertaking, property or assets; or
- 17.1.9 is subject to an order or passes a resolution for its winding up or placing into business rescue, whether provisionally or finally and, otherwise than for the purpose of a reconstruction or amalgamation, in solvent circumstances previously approved by the other Party, which approval shall not be unreasonably withheld.

17.2 Termination by the Company

- 17.2.1 The Company shall be entitled, but not be obliged, to terminate this Agreement upon 60 (sixty) days' written notice to the Manager:
 - 17.2.1.1 upon the occurrence of an Event of Default by the Manager; and/or
 - 17.2.1.2 in the event of proven fraud or proven wilful misconduct on the part of the Manager; and/or
 - 17.2.1.3 upon a sale or alienation or other disposition of more than 50% (fifty percent) in value of the Property Portfolio by the Company to an entity which is not an Affiliate of the Company or the Manager, but subject to the provisions of clause 17.4 below and provided that for the purposes of this clause 17.2.1.3 the value of the Property Portfolio and the Properties disposed of shall be as agreed between the Parties or, failing agreement within 10 (ten) business days, be determined, on written request by either Party, by the Independent Expert, who, in determining such values, shall act as expert and not as arbitrator.
- 17.2.2 In the event that the Shareholders of the Company in a General Meeting pass an Ordinary Resolution in terms of which they resolve that the Company should cancel this Agreement, this Agreement shall terminate on the 60th (sixtieth) day from the date of the passing of such resolution, provided that:
 - 17.2.2.1 if such termination does not arise as a consequence of an Event of Default by the Manager as contemplated in clause 17.2.1.1, or in the event of proven fraud or proven wilful misconduct on the part of the Manager as set out in clause 17.2.1.2, such cancellation shall be subject to the provisions of clause 17.4 below; and
 - 17.2.2.2 the shareholders right to resolve to terminate the Agreement at any time in terms of this clause 17.2.2 shall only apply for so long as this is required to be included in this Agreement in terms of the Listings Requirements.
- 17.2.3 In addition to clause 17.2.1 of this Agreement, the Company shall, at its sole discretion, be entitled, but not obliged, to terminate this Agreement upon 30 (thirty) days' written notice to the Manager, in the event of:
 - 17.2.3.1 a change of Control of the Manager; and/or
 - any appointment or removal of trustees of the Trust or any change to the trust deed of the
 - 17.2.3.2 Trust, without the prior written consent of the Company.

17.3 Termination by the Manager

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

17.3.1 upon the occurrence of an Event of Default by the Company or in the event of fraud or wilful misconduct on the part of the Company; provided that if the Event of Default complained is the Event of Default contemplated in clause 17.1 the Manager shall only have the right to terminate if such Event of Default is material and goes to the root of this Agreement and cannot be remedied by the payment of monetary compensation; and/or

17.3.2 upon a sale or alienation or other disposition of more than 50% (fifty percent) in value of the Properties by the Company to an entity which is not an Affiliate of the Company or the Manager and provided that for the purposes of this clause 17.3.2 the value of the Property Portfolio and the Properties disposed of shall be as agreed between the Parties or, failing agreement within 10 (ten) business days, be determined, on written request by either Party, by the Independent Expert, who, in determining such values, shall act as expert and not as arbitrator.

17.4 Consequences of termination

17.4.1 If the Company elects to terminate this Agreement (i) pursuant to an event contemplated in clause 17.2.1.3 in circumstances where the acquirer has not agreed to take over the rights and obligations of the Company in respect of the Properties sold, alienated or disposed of in terms of this Agreement to such acquirer; or (ii) in accordance with clause 17.2.2 (except if clauses 17.2.1.1 or 17.2.1.2 applies) (the "Termination Event"), the Company shall pay the Manager's Demobilisation Costs, *mutatis mutandis*, in accordance with the terms of clause 6 above, except insofar as the Company elects to exercise the option in terms of clause 17.4.2 below.

17.4.2 Upon termination of this Agreement for whatever reason, the Company shall have an option to acquire the Business of the Manager; *mutatis mutandis*, in accordance with the provisions of clause 18 with effect from the date of termination of this Agreement, which option must be exercised on written notice to the Manager:

17.4.2.1 in the event that clauses 17.2.1 or 17.2.3 applies, within 10 (ten) business days of the date on which the notice of termination is delivered; or

17.4.2.2 in the event that clause 17.2.2 applies, within 10 (ten) business days of the date on which the resolution is passed.

17.5 Duties upon termination

On the effective date of a termination, the Manager shall deliver to the Company promptly all of the Company's materials, supplies, keys, leases, contracts, other documents, insurance policies, plans, specifications, permits, licences, promotional materials and such other accounting papers and records, including general correspondence as pertains to or arises from this Agreement. The Manager shall also assign to the Company, without recourse to the Manager, executed contracts, if any, in the Manager's name relating to the Asset Management Services, provided that such contracts are on market-related terms and previously approved by the Company in accordance with this Agreement (and the Manager shall procure, when entering into any such contracts, that it is entitled to assign such contracts to the Company, without requiring the consent of the counterparty/ies). The Manager shall deliver to the Company, the final accounting records and other books, records, information and databases of and relating to the Property Portfolio and the Asset Management Services (all of which shall be and remain the property of the Company), in whatsoever format such books, records, information and databases are stored (including electronically) up to and including the effective date of the termination or as soon as reasonably possible after the effective date of termination. No further services shall be performed by the Manager under this Agreement after the effective date of a termination or rely on or represent any association with the Company, except that the Manager shall co-operate fully with the Company and use all its reasonable endeavours, with effect from the date on which notice of termination is given to accomplish an orderly transfer of the Asset Management Services to the Company itself or an entity designated by the Company to succeed the Manager.

17.6 Remedies and survival

- 17.6.1 If either Party terminates this Agreement pursuant to an Event of Default, the party so terminating may exercise any and all remedies available at law or in terms of this Agreement for breach of contract, unless and to the extent limited herein.
- 17.6.2 Upon expiration or any termination other than termination in the event of proven fraud or wilful misconduct:
 - 17.6.2.1 both Parties shall remain liable for all obligations accrued and not fully performed under this Agreement during the term of this Agreement; and
 - 17.6.2.2 the Manager shall remain entitled to be remunerated until the actual date of expiration or termination.

18. OPTION TO ACQUIRE THE BUSINESS OF THE MANAGER

- 18.1 The Company shall be entitled to purchase the Business from the Manager by giving 12 (twelve) months (or such lesser period as is elsewhere agreed in this Agreement) written notice to the Manager (the "**Option Notice**"), which Option Notice may not (except as otherwise provided in this Agreement) be given within the first 5 (five) years after the Commencement Date. In such event, a sale of the Business from the Manager to the Company shall take place on the following terms and conditions:
 - 18.1.1 the Company shall, during the notice period of the Option Notice be entitled to carry out a due diligence investigation into the affairs of the Manager, and the Manager shall provide the Company with all such information and documentation and such access to the Manager's employees which the Company may reasonably require pursuant thereto;
 - 18.1.2 the acquisition shall be conditional on the Company giving written notice that it is reasonably satisfied with the results of its due diligence exercise and on any regulatory approvals which may be required for the acquisition being obtained and the Company having complied with the requirements of the JSE Listings Requirements, including, without limitation, obtaining any opinions from independent advisors that may be required;
 - 18.1.3 the Business shall be acquired voetstoots with effect from the later of (i) the expiry of the notice period, or (ii) in respect of notice given in the context of termination of this Agreement, the date of termination or (iii) the date on which any required regulatory approvals, if applicable, are obtained (the "**Effective Date**");
 - 18.1.4 the purchase price for the Business shall be determined in accordance with the provisions of clause 18.2 below and shall, against delivery of the Business, be paid by the Company to the Manager by electronic bank transfer on the Effective Date into such South African bank account as the Manager may specify in writing,
 - 18.1.5 on the Effective Date, the Manager shall:
 - 18.1.5.1 place the Company in control of the management of the Business and give possession of the Business to the Company;
 - 18.1.5.2 deliver to the Company all of the assets of the Business, by such mode of actual or constructive delivery as shall be appropriate in the circumstances; and
 - 18.1.5.3 deliver to the Company (to the extent to which they exist) all books and records relating to the Business;
 - 18.1.6 with effect from the Effective Date, the Manager shall cede its rights and delegate its obligations under all agreements relating to the Business to which the Manager is a party (the "**Business Agreements**"), and the Parties shall use their reasonable endeavours to obtain any third party consents for such cession and delegation, to the extent required, provided that if such consents are not provided the Manager shall, if the Company so requests, either carry out all obligations and enforce all rights in its own name, but for the benefit of and at the sole risk and expense of the Company or, if possible, appoint the Company as the Manager's sub-contractor;

- 18.1.7 with effect from the Effective Date, all employees of the Manager in relation to the Business shall, unless otherwise agreed with any such employee, be transferred from the Manager to the Company in accordance with section 197 of the Labour Relations Act, 1995;
- 18.1.8 with effect from the Effective Date, the Company shall assume the liabilities of the Manager in relation to the transferring employees, and all liabilities of the Business (including the obligations of the Manager under any of the contracts which are being transferred) which arise on or after the Effective Date (except insofar as they relate to the period prior to the Effective Date), and hereby indemnifies the Manager against all direct costs or losses incurred by the Manager or awarded against the Manager in respect of any demands, claims, actions or other legal proceedings made or instituted against the Manager in respect of any such liabilities;
- 18.1.9 the Manager shall retain all liabilities of the Business which arise before the Effective Date, or which relate to a period prior to the Effective Date and hereby indemnifies the Company against all direct costs or losses incurred by the Company or awarded against the Company in respect of any demands, claims, actions or other legal proceedings made or instituted against the Company in respect of any such liabilities;
- 18.1.10 the Parties agree to dispense with the necessity for publishing in any way the sale in terms of section 34 of the Insolvency Act, 1936 and the Manager indemnifies and holds the Company harmless against all losses which the Company may suffer as a result of notice of this transaction not being so published; and
- 18.1.11 the Parties agree that:
- 18.1.11.1 the sale of the Business will be the sale of an enterprise which is capable of separate operation and the Business shall be sold as a going concern;
 - 18.1.11.2 at the Signature Date and the Effective Date, the Business is and will be an income-earning activity and will be transferred as such; and
 - 18.1.11.3 all the assets of the Business necessary for its continued operation shall be being sold in terms hereof;
 - 18.1.11.4 the purchase price for the Business shall be inclusive of VAT at the rate of 0% (zero percent); and
 - 18.1.11.5 accordingly the sale of the Business contained in this Agreement will fall within the ambit of section 11(1)(e) of the VAT Act and therefore VAT will be payable at the rate of zero percent (provided that if, for whatever reason section 11(1)(e) of the VAT Act does not apply, the Company shall pay any VAT due and owing on the purchase price).
- 18.2 The purchase price of the Business shall be the fair market value thereof as agreed between the Parties or, failing agreement within 10 (ten) business days, to be determined, on written request by either Party, by the Independent Expert, who in determining fair value shall act as expert and not as arbitrator.
- 18.3 Notwithstanding anything to the contrary contained in this clause 18, the provisions of this clause 18 shall apply only if a quorum of independent directors of the Company (who have no relation to the Manager) votes in favour of a resolution to invoke the provisions of this clause 18.
- 18.4 The Manager may not sell the Business or any material portion thereof, without the prior written consent of the Company.

19. EXCLUSIVITY

- 19.1 The Manager shall not, without the prior written consent of the Board, provide any of the services contemplated in this Agreement to any person other than the Company or any other member of the Group.
- 19.2 Any opportunity to acquire, dispose of or develop or lease any property or acquire any securities or interest of whatsoever nature in a company or entity which is involved in the business of acquiring, disposing of or developing or leasing properties ("**Opportunity**") which may from time to time become available or offered, directly or indirectly, to the Manager from time to time shall first be offered to the Company.

- 19.3 The Manager may not itself directly or indirectly pursue any Opportunity or disclose or offer it to another person unless and until (1) it has offered such Opportunity to the Company in writing and (2) the Company has informed in writing the Manager that it will not pursue such Opportunity (provided that if the Company has not informed the Manager in writing that it wishes to pursue such Opportunity within 30 (thirty) days of being notified of such Opportunity, it shall be deemed to be not interested in pursuing it). If the Company advises that it wishes to pursue the Opportunity, then the Manager shall use its reasonable commercial endeavours to acquire the Opportunity for the Company. If the Company advises that it does not wish to pursue the Opportunity (or is deemed to have done so), then the Manager may itself pursue the Opportunity or disclose or offer it to another person on terms no less favourable than those offered to the Company.
- 19.4 The Manager shall be obliged to procure that its shareholders, directors and Affiliates, and the Affiliates of its shareholders and directors (including any Affiliates which are collectively controlled by one or more of the Manager's shareholders or directors) comply with the provisions of this clause 19 as if they were parties to this Agreement and the provisions of this clause 19 applied to them, *mutatis mutandis*.

ANNEXURE 1: ASSET MANAGEMENT SERVICES

The Manager shall provide the services set out below to the Company for the duration of and in accordance with the provisions of this Agreement:

1. STRATEGY MANAGEMENT AND IMPLEMENTATION

- 1.1 The Manager shall prepare and deliver to the Company, at least 30 (thirty) days prior to the commencement of each Financial Year, a strategic plan for approval by the Company, setting out the proposed strategy for that Financial Year for the Company and the Property Portfolio, including, *inter alia*:
- 1.1.1 property acquisitions and disposals (in line with the Investment Criteria);
 - 1.1.2 upgrades, renovations and developments of and/or to the Property Portfolio;
 - 1.1.3 funding strategies for the expansion of the Property Portfolio; and
 - 1.1.4 interest rate strategies in respect of the liabilities of the Company, (the "**Strategic Plan**").
- 1.2 The Manager shall review the Strategic Plan quarterly and shall propose such amendments to the Strategic Plan and/or such additional recommendations regarding funding, improvements to the Property Portfolio, upgrades, renovations, developments, acquisitions or disposals as it deems appropriate or in the best interests of the Company.
- 1.3 The Manager shall make such amendments to the Strategic Plan as may be required or approved by the Company from time to time.
- 1.4 In addition to the Strategic Plan, the Manager shall from time to time recommend general strategies to maximise the performance of the Property Portfolio and such other strategies which it deems to be in the best interests of the Company.
- 1.5 The Manager shall take all steps necessary to implement the Strategic Plan (as amended from time to time) and such other strategies or policies as the Company may approve from time to time and to source appropriate properties for the Company in accordance with the Investment Criteria, including, without limitation, negotiating and executing any agreements that may be required, liaising with any regulators or authorities, obtaining any approvals or licences or consents that may be required and appointing any sub-contractors or service providers that may necessary to give effect to such implementation.
- 1.6 The progress in implementation shall be reported upon quarterly to the Company within 60 (sixty) days after the end of each quarter, unless the Company agrees otherwise.
- 1.7 The Manager shall make recommendations regarding re-engineering, streamlining and risk balancing within the Property Portfolio and implement such recommendations, once approved by the Company.
- 1.8 The Manager shall advise the Company on long-term loan funding structures for the Property Portfolio and interest rate hedging strategies and shall implement the funding and interest rate hedging strategies approved by the Company. The Manager shall maintain debt to open market value ratios in accordance with the Company's policies.

- 1.9 The Manager shall conduct risk and exposure analysis of the Property Portfolio on a semi-annual basis and review the perceived potential and current risks to which each Property is or might be exposed and to which the Company is or might be exposed and report thereon to the Company.
- 1.10 The Manager shall build lifecycle forecasting for each Property and revise the business plan for each Property on an annual basis.
- 1.11 The Manager shall develop letting policies and leasing terms for the Company and the Property Portfolio which are in accordance with prevailing market conditions from time to time in furtherance of the objectives for the Property Portfolio and the Strategic Plan, and shall ensure that it such policies and terms implemented and applied in relation to the Property Portfolio.
- 1.12 The Manager shall do such research as is necessary to assess the state and relative investment merits of the various sectors and geographical localities of the property market, and shall communicate this information to the Board.
- 1.13 The Manager shall cause to be conducted or use available research into prevailing rental rates and leasing terms offered in localities where the Property Portfolio is represented and comparative localities and research of general market conditions prevailing in such localities. Such research shall be made available to the Board on reasonable request.

2. MANAGEMENT OF PROPERTY MANAGER AND OTHER SERVICE PROVIDERS

- 2.1.1 It is recorded that, as soon as reasonably possible after the Signature Date, the Company will enter into a property management agreement with the Manager, which, as at the Signature Date, shall be the Property Manager (the "Property Management Agreement").
- 2.1.2 The Manager shall be responsible for enforcing the Company's rights and performing its obligations in terms of the Property Management Agreement as an agent of the Company, for monitoring and overseeing the Property Manager's(s') performance of its obligations in terms of the Property Management Agreement, for assessing the Property Manager's(s') performance against agreed industry benchmarks and for providing appropriate feedback to the Company in this regard. This clause 2.1.2 shall apply, *mutatis mutandis*, to any other service providers appointed by the Company, or by the Manager on behalf of the Company.
- 2.1.3 Should the Company elect to terminate the Property Management Agreement, the Manager shall be responsible for appointing, with the prior approval of the Board and on terms substantially similar to those set out in the Property Management Agreement (or such other terms as the Board may approve in writing), another appropriate person to be Property Manager(s) and to carry out the day-to-day administration of the properties in the Property Portfolio and the provision of the Property Administration Services.
- 2.1.4 The Manager shall scrutinise the maintenance plan prepared by the Property Manager(s) and revise the plan and budget in terms of affordability, if the Manager deems it necessary.
- 2.1.5 The Manager shall also be responsible for appointing appropriate project co-ordinators for ongoing and/or new developments and/or the refurbishment or alterations and/or additions to the Property Portfolio on market-related arm's length terms and for monitoring and overseeing the performance of such service providers against appropriate industry benchmarks.
- 2.1.6 The Manager shall constantly review and advise on any contractual issues relating to the Property Manager(s) or other service providers.

3. MARKETING

The Manager shall:

- 3.1 market the Group to investors, analysts, bankers, financiers, the press and the investment community generally;
- 3.2 manage the marketing strategy at property management level to include target market identification, compilation of tenant mix, tenant procurement and selection of objectives; and

- 3.3 make use of market research and available surveys, together with market intelligence to ensure that the Property Manager(s) implements, at property level, a relevant marketing strategy for all rentable premises in the Property Portfolio, including rent reviews with lease renewals.

4. ANNUAL BUDGET

- 4.1 Not later than 30 (thirty) days before the commencement of each Financial Year, the Manager shall cause to be prepared an Annual Budget for submission to the Company for approval for the next Financial Year. The Manager shall cause the income and expenditure forecasts to be revised from time to time as is or becomes necessary and shall from time to time submit revised forecasts to the Company, in such form and containing such information as may reasonably be required by the Company, for approval, provided that any negative revisions to income shall be reported to the next following meeting of the Company and any unbudgeted expenditure, shall likewise be reported to the Company.
- 4.2 The business of the Company shall be managed in accordance with the Annual Budget on a continual basis with projections for the next Financial Year being presented to the Company in the Annual Budget together with the projected earnings for the Shares of the Company, on the understanding that the Annual Budget will be reviewed by the Company within 60 (sixty) days after the end of each half year.
- 4.3 The Manager shall manage the budgeted projections in respect of both operating expenditure and operating income and all other related financial controls.



Delta Property Fund Limited

(Incorporated in the Republic of South Africa)

(Registration number 2002/005129/06)

JSE share code: DLT ISIN: ZAE000194049

REIT status approved

NOTICE OF GENERAL MEETING OF DELTA SHAREHOLDERS

All terms defined in the Circular to which this notice of General Meeting of Delta shareholders is attached shall bear the same meanings herein.

Notice of General Meeting of Delta shareholders

Notice is hereby given that a General Meeting of the Delta shareholders will be held at 10:00 on Wednesday, 10 June 2015, at Silver Stream Office Park, 10 Muswell Road South, Bryanston, 2021.

The record date on which Delta shareholders must be recorded as such in the share register maintained by the Transfer Secretaries of Delta for the purposes of being entitled to attend and vote at the General Meeting of Delta shareholders is Friday, 5 June 2015. Accordingly, the last day to trade to be eligible to attend and vote at the General Meeting of Delta shareholders is Friday, 29 May 2015.

In terms of section 63(1) of the Companies Act, any person attending or participating in a meeting of Delta shareholders must present reasonably satisfactory identification and the person presiding at the meeting must be reasonably satisfied that the right of any person to participate in and vote (whether as a Delta shareholder or as proxy for a Delta shareholder) has been reasonably verified. Accordingly, all Delta shareholders will be required to provide identification reasonably satisfactory to the chairman of the General Meeting of Delta shareholders in order to participate in and vote at the General Meeting of Delta shareholders.

The purpose of the meeting is to transact the business set out below, and to consider and, if deemed fit, to pass, with or without modification, the Resolutions set out below.

ORDINARY RESOLUTION NUMBER 1: Approval of the Termination of the Existing Asset Management Agreement
"RESOLVED THAT the Termination of the Existing Asset Management Agreement be and is hereby approved."

ORDINARY RESOLUTION NUMBER 2: Approval of the New Asset Management Agreement
"RESOLVED THAT the New Asset Management Agreement be and is hereby approved."

ORDINARY RESOLUTION NUMBER 3: General authorising resolution
"RESOLVED THAT any director of Delta be and is hereby authorised to do all such things and sign all such documents as are necessary to give effect to Ordinary Resolution Number 1 and Ordinary Resolution Number 2 proposed and passed at the General Meeting of Delta shareholders at which this Ordinary Resolution Number 3 is proposed."

MAJORITY REQUIREMENTS FOR ADOPTION OF THE ORDINARY RESOLUTIONS

In order to be adopted, each of the abovementioned Ordinary Resolutions must be supported by more than 50% of the voting rights exercised on such Resolutions, at a meeting called for that purpose and at which sufficient persons are present to exercise, in aggregate, at least 25% of all voting rights that are entitled to be exercised on the Ordinary Resolutions.

VOTING

Voting will be conducted on every resolution proposed at the General Meeting of Delta shareholders by way of a poll. Every Delta shareholder shall therefore have that number of votes equal to the number of shares in Delta held by him.

ELECTRONIC PARTICIPATION

The company has made provision for shareholders or their proxies to participate in (but not vote at) the General Meeting by way of telephone conferencing. Should you wish to participate in the General Meeting by telephone conference call as aforesaid, you, or your proxy, will be required to advise the company thereof by no later than 10:00 on Monday, 8 June 2015, by submitting an email to the company secretary at paulanel@pnsc.co.za relevant contact details, including an email address, cellular number and landline as well as full details of the shareholder's title to shares issued by the company and proof of identity, in the form of copies of identity documents and share certificates (in the case of certificated shares) and (in the case of dematerialised shares) written confirmation from the shareholder's CSDP confirming the shareholder's title to the dematerialised shares.

PROXIES

A Delta shareholder entitled to attend and vote at the General Meeting of Delta shareholders may appoint one or more persons as its proxy to attend, speak and vote in its stead. A proxy need not be a shareholder of Delta. Delta shareholders are referred to the attached form of proxy (*yellow*) in this regard.

If you are a certificated Delta shareholder or a dematerialised Delta shareholder with own-name registration and are unable to attend the General Meeting of Delta shareholders and wish to be represented thereat, you must complete and return the attached form of proxy (*yellow*) in accordance with the instructions contained therein to be received by the Transfer Secretaries, Computershare Investor Services Proprietary Limited, at 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), by no later than 10:00 on Monday, 8 June 2015. If you have dematerialised your Delta shares with a CSDP or broker, other than with own-name registration, you must arrange with them to provide you with the necessary letter of representation to attend the General Meeting of Delta shareholders or you must instruct them as to how you wish to vote in this regard. This must be done in terms of the agreement entered into between you and the CSDP or broker, in the manner and cut-off time stipulated therein.

Additional proxy forms are obtainable from Delta's company secretary, the company's website or the Transfer Secretaries and must be deposited at the Transfer Secretaries not less than 48 hours before the General Meeting of Delta shareholders.

By order of the board

Delta Property Fund Limited
Silver Stream Office Park
9 Muswell Road South
Bryanston, 2021

12 May 2015

Registered office of Transfer Secretaries

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



Delta Property Fund Limited

(Incorporated in the Republic of South Africa)
(Registration number 2002/005129/06)
JSE share code: DLT ISIN: ZAE000194049
REIT status approved

FORM OF PROXY FOR DELTA SHAREHOLDERS

All terms defined in the Circular to which this form of proxy is attached shall bear the same meanings herein.

This form of proxy is for the use by Delta shareholders who hold certificated Delta shares or who are registered as own-name in dematerialised form only. Delta shareholders who have dematerialised their Delta shares, other than with own-name registration, are requested to refer to the "Action required by Delta shareholders" section of the Circular to which this form of proxy is attached for a full understanding of the action required by them.

For use by certificated Delta shareholders and own-name dematerialised Delta shareholders only, at the General Meeting of Delta shareholders to be held at Silver Stream Office Park, 10 Muswell Road South, Bryanston, 2021 on Wednesday, 10 June 2015, commencing at 10:00, or at any adjournment thereof.

Any Delta shareholder entitled to vote at the General Meeting of Delta shareholders may appoint a proxy or proxies to attend, speak and vote in his/her stead. A proxy need not be a shareholder of the company.

I/We (full names in BLOCK LETTERS please)

of (address)

Telephone: ()

Cellphone number:

Email address:

being the holder(s) of Delta shares do hereby appoint (see note 2):

1. of or failing him/her,

2. of or failing him/her,

the Chairman of the General Meeting of Delta shareholders

as my/our proxy to act for me/us and on my/our behalf at the General Meeting of Delta shareholders which will be held for the purpose of considering and, if deemed fit, passing with or without modification the Resolutions to be proposed thereat and at any adjournment thereof; and to vote for and/or against the Resolutions and/or abstain from voting in respect of the Delta shares registered in my/our name(s) in accordance with the following instructions (see note 3):

	Number of Delta shares held		
	For	Against	Abstain
Ordinary Resolution Number 1 (Approval of the Termination of the Existing Asset Management Agreement)			
Ordinary Resolution Number 2 (Approval of the New Asset Management Agreement)			
Ordinary Resolution Number 3 (General authorising resolution)			

***Note:** Please indicate with an "x" or the number of Delta shares in the spaces above how you wish your votes to be cast. If no indication is given the proxy will vote or abstain in his/her discretion.

Signed at on 2015

Signature/s

Name in BLOCK LETTERS (full name if signing in a representative capacity)

Assisted by (where applicable)

A proxy need not be a shareholder.

A proxy may not delegate his/her authority to act on his/her behalf to another person.

This proxy form will lapse and cease to be of force and effect immediately after the General Meeting of the company and any adjournments thereof, unless it is revoked earlier.

Please read the notes on the reverse side hereof.

Notes:

1. A Delta shareholder entitled to attend and vote at the abovementioned meeting is entitled to appoint one or more proxies to attend, speak and, on a poll, vote in his/her stead or abstain from voting. The proxy need not be a member of Delta. A Delta shareholder may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different Delta shares held by the Delta shareholder.
2. A proxy may delegate the proxy's authority to act on behalf of the Delta shareholder to another person.
3. The completion and lodging of this form of proxy will not preclude the relevant Delta shareholder from attending the General Meeting of Delta shareholders and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Delta shareholder wish to do so. Accordingly, the appointment of a proxy in terms hereof is suspended at any time and to the extent that the Delta shareholder chooses to act directly and in person in the exercise of any rights as a Delta shareholder.
4. A proxy is entitled to exercise, or abstain from exercising, any voting right of the Delta shareholder without direction, except to the extent that the voting instructions are set out in the relevant section of the proxy forms.
5. The appointment of a proxy shall remain valid until the end of the meeting contemplated in this appointment (including in respect of any adjournment or postponement of the General Meeting of Delta shareholders), unless revoked in the manner contemplated in note 6 below.
6. A Delta 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 Delta. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the Delta shareholder as of the later of (i) the date stated in the revocation instrument, if any, or (ii) the date on which the revocation instrument was delivered to Delta.
7. Please insert the number of Delta shares, as the case may be, in the relevant spaces according to how you wish your votes to be cast. If you wish to cast your votes in respect of a lesser number of Delta shares, as the case may be, exercisable by you, insert the number of Delta shares, as the case may be, held in respect of which you wish to vote. Failure to comply with the above will be deemed to authorise and compel the chairman, if the chairman is an authorised proxy, to vote in favour of the Resolutions, or to authorise any other proxy to vote for or against the Resolutions or abstain from voting as he/she deems fit, in respect of all the Delta shareholder's votes exercisable thereat. A Delta shareholder or its/his/her proxy is not obliged to use all the votes exercisable by the Delta shareholder or its/his/her proxy, but the total of the votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the Delta shareholder or its/his/her proxy.
8. The record date to be entitled to attend, participate in and vote at the General Meeting of Delta shareholders is by close of trading on Friday, 5 June 2015. To be valid, forms of proxy must be completed and returned to the Transfer Secretaries:

Hand deliveries of forms of proxy to:

Computershare Investor Services Proprietary Limited
Ground Floor, 70 Marshall Street
Johannesburg, 2001

Postal deliveries of forms to:

Computershare Investor Services Proprietary Limited
PO Box 61051
Marshalltown, 2107

to be received by no later than 10:00 on Monday, 8 June 2015 (or 24 hours before any adjourned General Meeting of Delta shareholders which date, if necessary, will be notified in the press and on SENS).

9. Any alteration or correction made to this form of proxy must be initialled by the signatory(ies).
10. In the case of a joint holding, the first-named only is required to sign.
11. The authority of a person signing a proxy in a representative capacity must be attached to the form of proxy unless that authority has already been recorded by Delta.
12. 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 capacity are produced or have been registered with the Transfer Secretaries.
13. If the instrument appointing a proxy or proxies has been delivered to Delta, as long as that appointment remains in effect, any notice that is required by the Companies Act or Delta's Memorandum of Incorporation to be delivered by Delta to the Delta shareholder must be delivered by Delta to (i) the Delta shareholder or (ii) the proxy or proxies, if the Delta shareholder has directed Delta in writing to do so and paid any reasonable fee charged by Delta for doing so.