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A FURTHER BLACK ECONOMIC EMPOWERMENT ("BEE") INITIATIVE BY REDEFINE AND MADISON

INTRODUCTION AND RATIONALE

Redefine, via its wholly-owned subsidiary, Outward Investments (Proprietary) Limited has reached agreement with black owned Mergence Africa Holdings (Proprietary) Limited ("MAH"), via its subsidiary Mergence Africa Properties (Proprietary) Limited ("Mergence") to facilitate the establishment of another BEE property fund known as Mergence Africa Property Fund (Proprietary) Limited ("MAPF"). This transaction is part of Redefine's overall BEE strategy and transformation initiative and is driven by Redefine's desire to contribute to enterprise and skills development in line with the Codes of Good Practice on Broad-Based Black Economic Empowerment published by the Department of Trade and Industry and the Property Sector Transformation Charter (collectively, the "Codes").

In addition to real estate, MAH is involved in asset management via its subsidiary, Mergence Africa Investments (Proprietary) Limited, which is an alternative investment boutique that has approximately R3 billion in assets under management. MAH is also involved in advisory services, derivative structuring and execution through its subsidiary Mergence Africa Capital (Proprietary) Limited. MAH is owned and operated by its founders who are predominantly black.

OBJECTIVES OF MAPF

Redefine and Mergence (in the ratio 49/51) intend to increase MAPF's property portfolio both in size and value in accordance with sound investment principles and consistent with the provisions of the Codes, with a view to MAPF ultimately listing on the JSE Limited.

ESTABLISHMENT OF MAPF

MAPF has secured an initial property portfolio valued at approximately R230 million. MAPF is in the process of negotiating for the acquisition of additional property portfolios.

The purchase price of the initial property portfolio shall be funded partially by way of third party senior debt financing. Redefine has agreed to provide credit enhancement in respect of this funding, in consideration for which MAPF will pay a market related fee. The balance of the purchase price is to be funded by the subscription by each of Redefine and Mergence for linked units (each comprising a share linked to a debenture) in the ratio 49/51.

Redefine has further agreed, for a market related fee, to provide credit enhancement in respect of the third party senior debt financing provided to Mergence in respect of Mergence's subscription for linked units.

ESTABLISHMENT OF A BEE ASSET MANAGER

The asset management of MAPF shall be conducted by a new asset management entity to be known as The Mergence Africa Property Fund Management Trust, the beneficial interests in which will be held 50% by a BEE consortium lead by Mergence and 50% by JSE listed asset manager (and Redefine's asset manager), Madison Property Fund Managers Limited. The Mergence Africa Property Fund Management Trust will provide property asset management services to MAPF on arms-length terms, which will include performance criteria standard for agreements of this nature.

BEE NATURE OF THE FUND

In recognition of the fact that the establishment of the fund comprises a BEE initiative, Mergence has undertaken that it will retain its BEE status and credentials for a period of at least 7 years.

BOARD REPRESENTATION

The MAPF board will initially comprise Izak Petersen, Masimo-a-Badimo Magerman, Luis Levy, Peter Penny, Brian Azizollahoff and Grant Abrahams.

Rosebank

Corporate advisor, legal advisor and sponsor to Redefine and Madison
Java Capital (Proprietary) Limited