NOTICE OF ANNUAL GENERAL MEETING

2016 A YEAR OF ALIGNMENT

REDEFINE PROPERTIES

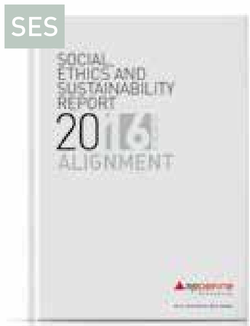
We're not landlords. We're people.

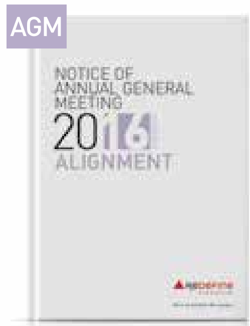
CONTENTS

Our reporting suite

We remain committed to reporting transparently to our wide range of stakeholders through our reporting suite.

To view the full suite please visit our website **www.redefine.co.za**





INTEGRATED REPORT	GROUP ANNUAL FINANCIAL STATEMENTS	SOCIAL, ETHICS AND SUSTAINABILITY REPORT	CORPORATE GOVERNANCE REPORT	NOTICE OF ANNUAL GENERAL MEETING
An integrated presentation of the Group's performance in terms of the six capitals which is primarily aimed at investors and funders	A detailed analysis of the Group's financial performance for the year	A detailed account of the Group's sustainability performance for the year	Corporate governance structure, committee performance and other matters relating to the governance of the Group	Detailed information for shareholders to participate in the annual general meeting Includes: Summarised audited Group results, directors' report, Board of Directors, **remuneration report**, salient features of the MOI and material change statement
FRAMEWORKS APPLICABLE:				
→ IIRC's Framework → The Companies Act, No 71 of 2008, as amended → The JSE Listings Requirements → King III	→ IFRS → The Companies Act, No 71 of 2008, as amended → The JSE Listings Requirements → King III	→ The Companies Act, No 71 of 2008, as amended → King III	→ The Companies Act, No 71 of 2008, as amended → King III	→ The Companies Act, No 71 of 2008, as amended → King III → The JSE Listings Requirements

Feedback

Your feedback is important to us and will help enhance our reporting processes.
Please visit **www.redefine.co.za** or email **investorenquiries@redefine.co.za**

DEAR SHAREHOLDER,

On behalf of the Board of Directors, you are invited to attend the annual general meeting (meeting) of Redefine Properties Limited which will be held on Thursday, 9 February 2017, at 13h00 at Rosebank Towers, Office Level 5, 19 Biermann Avenue, Rosebank, Johannesburg.

In line with Redefine's focus on sustainability and commitment towards creating a greener environment, the integrated report, Group annual financial statements and social, ethics and sustainability report will not be mailed to all shareholders. Instead, these documents may be viewed on the Company's website www.redefine.co.za or can be requested from the company secretary at bronwynb@redefine.co.za or telephonically on +27 11 283 0000.

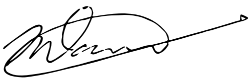
This publication contains the detailed notice of the annual general meeting, the summarised audited Group results and relevant supporting documentation to assist you in your deliberations for voting at the meeting. The notice of the meeting is accompanied by explanatory notes setting out the reasons for and effects of the resolutions proposed therein.

The date on which you must be registered as a shareholder in the Company's register for the purposes of being entitled to attend and vote at the meeting is Friday, 3 February 2017 (record date). The last day to trade in Redefine shares in order to be eligible to vote at the meeting is therefore Tuesday, 31 January 2017. Only shareholders who are physically present at the meeting or represented by a valid proxy or letter of representation will be entitled to vote on any matter put to a vote of shareholders.

Attendance at the meeting will allow you the opportunity to meet and engage members of the Board regarding the Company's performance for the year ended 31 August 2016. If you are unable to attend the meeting, I encourage you to complete and submit the form of proxy according to the instructions contained therein.

Similarly, if you are unable to attend the meeting, you are welcome to forward any questions you would like to address to the members of the Board to the company secretary at bronwynb@redefine.co.za and they will be answered on the day of the meeting. All questions should be sent by 31 January 2017.

Yours sincerely



Marc Wainer
Executive chairman

NOTICE OF ANNUAL GENERAL MEETING

Redefine Properties Limited
(Incorporated in the Republic of South Africa)
Registration Number: 1999/018591/06
JSE share code: RDF
ISIN: ZAE000190252
Approved as a REIT by the JSE
("Redefine" or the "Company")

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

Notice is hereby given that the annual general meeting (meeting) of shareholders of Redefine Properties Limited will be held on Thursday, 9 February 2017, at 13h00 at Rosebank Towers, Office Level 5, 19 Biermann Avenue, Rosebank, Johannesburg.

ELECTRONIC PARTICIPATION

Shareholders or their proxies may participate in the meeting by way of a telephone conference call and, if they wish to do so:

- Must contact the company secretary by email at bronwynb@redefine.co.za by no later than 16h00 on Friday, 3 February 2017, in order to obtain a secure code and instructions to access the electronic communication during the meeting;
- Will be required to provide reasonably satisfactory identification, as well as full details of the shareholder's title to securities issued by the Company (copies of share certificates in the case of certificated Redefine shares and written confirmation from the shareholder's CSDP confirming the shareholder's title to the dematerialised shares in the case of dematerialised Redefine shares); and
- Will be billed separately by their own telephone service providers for their telephone call to participate in the meeting.

Shareholders participating by way of telephone conference call will not be able to vote during the meeting. Such shareholders are required to submit their form of proxy, enclosed in this notice, should they wish to have their vote counted at the meeting.

IMPORTANT DATES TO NOTE

Record date for receipt of notice purposes	**Friday, 23 December 2016**
Notice of AGM and summarised audited Group results posted to shareholders	**Friday, 30 December 2016**
Integrated report and Group annual financial statements available online	**Friday, 30 December 2016**
Last date to trade to be eligible to vote	**Tuesday, 31 January 2017**
Record date for voting purposes (record date)	**Friday, 3 February 2017**
Last date to lodge forms of proxy	**Tuesday, 7 February 2017**
Meeting held at 13h00	**Thursday, 9 February 2017**
Results of meeting released on SENS	**Thursday, 9 February 2017**

ATTENDANCE, VOTING AND PROXIES

If you are a registered shareholder (i.e. a shareholder who has not dematerialised his shares or has dematerialised his shares with 'own name' registration) as at the record date to attend and vote at the meeting of the Company, you may attend the meeting in person.

Alternatively, you may appoint a proxy or two or more proxies (who need not be a shareholder/s of the Company) to represent you at the meeting. Any appointment of a proxy/ies may be effected by using the attached form of proxy and, in order for the proxy to be effective and valid, must be completed and delivered in accordance with the instructions contained therein. Alternatively, the form of proxy may be handed to the chairman of the meeting or the transfer secretaries at the meeting, at any time prior to its commencement.

Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend and vote in person at the meeting should the shareholder subsequently decide to do so.

If you are a beneficial shareholder and not a registered shareholder (i.e. a shareholder who has dematerialised his shares without 'own name' registration) as at the record date to attend and vote at the meeting of the Company:

- And wish to attend the meeting, you must obtain the necessary letter of representation to represent the registered holder in respect of your shares from your CSDP or broker;
- And do not wish to attend the meeting but would like your vote to be recorded at the meeting, you should contact the registered holder in respect of your shares through your CSDP or broker and furnish them with your voting instructions; and
- You must not complete the attached form of proxy.

On a show of hands, every shareholder of the Company, present in person or represented by proxy, shall have one vote only. On a poll, every shareholder of the Company present in person or represented by proxy shall have one vote for every share held in the Company by such shareholder.

In accordance with section 63(1) of the Companies Act, No 71 of 2008, as amended (the Companies Act), all meeting participants (including proxies) will be required to provide reasonably satisfactory identification before being entitled to attend or participate in the meeting. Such identification shall include a valid identity document, driver's licence or passport. In this regard, all shareholders recorded in the register of the Company on the record date will be required to provide identification satisfactory to the chairman of the meeting.

REDEFINE DOES NOT ACCEPT RESPONSIBILITY

and will not be held liable for any failure on the part of the CSDP or broker of a dematerialised shareholder to notify such shareholder of the meeting or any business to be conducted thereat.

QUORUM

A quorum for the purposes of considering the resolutions to be proposed at the meeting shall consist of three shareholders of the Company personally present or represented by proxy (and if the shareholder is a body corporate, the representative of the body corporate), and entitled to vote at the meeting. In addition, a quorum shall comprise 25% of all voting rights entitled to be exercised by shareholders in respect of the resolutions to be proposed at the meeting.

NOTICE OF PERCENTAGE OF VOTING RIGHTS

Unless specifically stated otherwise, in order for an ordinary resolution and a special resolution to be approved by shareholders, same must be supported by more than 50% (fifty percent) and 75% (seventy-five percent), respectively, of the voting rights exercised on the relevant resolution by shareholders present or represented by proxy at the meeting.

NOTICE OF ANNUAL GENERAL MEETING [CONTINUED]

PURPOSE OF THE ANNUAL GENERAL MEETING

The purpose of this meeting is to:

→ Present the audited annual financial statements of the Company and the Group for the year ended 31 August 2016 (including the directors' report, the report of the audit and risk committee and the report of the independent auditors);
→ Present the social, ethics and transformation committee report;
→ Consider any matters raised by shareholders; and
→ Consider and, if deemed fit, to pass, with or without modifications, the ordinary and special resolutions which form part of the notice of annual general meeting.

PRESENTATION OF AUDITED ANNUAL FINANCIAL STATEMENTS

To present the audited annual financial statements of the Company and the Group for the year ended 31 August 2016, including the directors' report, the report of the audit and risk committee and the report of the independent auditors, in terms of section 30(3) of the Companies Act.

A summary of the audited Group results is set out on pages 12 to 28 of this publication. The Group annual financial statements are available on the Company's website www.redefine.co.za or can be requested from the company secretary at bronwynb@redefine.co.za or telephonically on +27 11 283 0000.

PRESENTATION OF THE SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE REPORT

To present the report of the social, ethics and transformation committee of the Company for the year ended 31 August 2016, in terms of Regulation 43 of the Companies Regulations 2011 (Regulations).

The report is available on the Company's website www.redefine.co.za

ORDINARY RESOLUTION NUMBER 1:

Confirmation of appointment of Ms B Mathews as director

"RESOLVED THAT the appointment of Ms B Mathews as an independent non-executive director of the Company with effect from 9 February 2017 be and is hereby confirmed."

ORDINARY RESOLUTION NUMBER 2:

Re-election of Mr B Nackan as director

"RESOLVED THAT Mr B Nackan, who retires by rotation in accordance with the MOI of the Company, and who, being eligible, offers himself for re-election, be and is hereby re-elected as a director of the Company."

ELECTION OF DIRECTORS

In accordance with the Company's Memorandum of Incorporation (MOI), one-third of the non-executive directors are subject to retirement by rotation and re-election by shareholders at least once every three years; and those who have reached the age of 70 years or older, retire at every annual general meeting and are submitted for re-election if eligible.

It is recorded that Mr B Nackan, Mr GZ Steffens and Mr MJ Watters retire by rotation as non-executive directors of the Company at this meeting in terms of clause 26.10 of the MOI. To allow for additional transformation at Board level, Mr GZ Steffens and Mr M Watters have decided not to make themselves available for re-election and the vacancy created by their retirement as directors from the conclusion of this meeting will be filled by the election of a new director as set out below.

The nomination committee has reviewed the composition, gender and racial balance of the Board, evaluated Mr B Nackan's performance and contribution and considered the qualifications and experience of Ms B Mathews. Accordingly, shareholders are requested to consider and, if deemed fit, to re-elect Mr B Nackan as a director and to confirm the appointment of Ms B Mathews, who was appointed as a director, with effect from 9 February 2017, by the Board on 30 November 2016.

Brief curricula vitae in respect of the abovementioned directors are set out on pages 36 to 39 of this publication.

ORDINARY RESOLUTION NUMBER 3:

Election of audit and risk committee members

"RESOLVED THAT each of the following independent non-executive directors, who fulfil the requirements of section 94(4) of the Companies Act, be and are hereby elected, each by way of a separate vote, as members of the audit and risk committee:

3.1 Ms P Langeni (chairperson)
3.2 Mr B Nackan*
3.3 Mr DA Nathan"

** Subject to re-election as a director pursuant to ordinary resolution number 2*

ELECTION OF MEMBERS OF THE AUDIT AND RISK COMMITTEE

The Board, through the nomination committee, has recommended the election of Ms P Langeni, Mr B Nackan and Mr DA Nathan to the audit and risk committee. The nomination committee and the Board are satisfied that each member standing for election meets the requirements of section 94(4) of the Companies Act, as well as the minimum qualification requirements for a member of an audit and risk committee, and that collectively they have adequate relevant knowledge and experience to equip the audit committee to perform its functions as contemplated in section 94(7) of the Companies Act.

The resolutions pertaining to the election of the members of the audit and risk committee are to be voted on individually. Brief curricula vitae in respect of the abovementioned directors are set out on pages 36 to 39 of this publication.

ORDINARY RESOLUTION NUMBER 4:

Reappointment of independent registered auditors

"RESOLVED THAT KPMG Inc., on recommendation by the audit and risk committee, be and is hereby reappointed as the independent registered auditor of the Company and that Mr GS Kolbé be noted as the individual determined by KPMG Inc. to be responsible for performing the functions of the auditor and who will undertake the audit of the Company for the ensuing year."

ORDINARY RESOLUTION NUMBER 5:

Placing the unissued ordinary shares under the control of the directors

"RESOLVED THAT, subject to the provisions of the Companies Act, the MOI and the JSE Listings Requirements (Listings Requirements) up to a maximum of 556 650 184 authorised but unissued ordinary shares of no par value, representing 10% of the issued shares as at the date of passing this resolution of the Company, be and are hereby placed under the control of the directors of the Company until the Company's next annual general meeting, with the authority to allot, issue and otherwise dispose of all or part thereof (including by way of the issue of instruments which are or may be compulsorily convertible into shares of any class) at their discretion, to fund the acquisition of property assets and/or vendor consideration placings, as detailed in the Listings Requirements; provided that the maximum discount at which shares may be issued in terms of this authority is 5% of the weighted average traded price of such shares, measured over 10 business days prior to the date that the price of the issue is agreed between the Company and the party subscribing for the shares (or, in the case of instruments which are or may be compulsorily convertible into shares of any class, the date that such instruments are issued) adjusted for any cum distribution portion, if applicable."

PLACING THE UNISSUED ORDINARY SHARES UNDER THE CONTROL OF THE DIRECTORS

In terms of the Company's MOI, shareholders must approve the placement of the unissued authorised ordinary shares under the control of the directors. The existing authority renewed at the annual general meeting held on 18 February 2016 expires at this meeting. The renewed authority will be subject at all times to the Companies Act, the Listings Requirements and the restrictions imposed by the Company's MOI as stated above.

The 556 650 184 authorised but unissued ordinary shares referred to above are after taking into account the 460 000 000 shares to be listed on the Johannesburg Stock Exchange on Monday, 9 January 2017, pursuant to the scheme of arrangement proposed by The Pivotal Fund Limited and more fully explained on page 22 of this publication.

In line with best practice, the directors of the Company have elected to seek renewal of this authority to issue ordinary unissued shares to ensure that the Company has maximum flexibility in managing capital resources.

ORDINARY RESOLUTION NUMBER 6:

General authority to issue shares for cash

"RESOLVED THAT, subject to the restrictions set out below and subject to the provisions of the Companies Act and the Listings Requirements, the directors of the Company be and are hereby authorised, until the Company's next annual general meeting, provided that this authority shall not extend beyond 15 months, to allot and issue shares of the Company for cash, on the following basis:

(a) The allotment and issue of shares for cash shall be made only to persons qualifying as 'public shareholders', as defined in the Listings Requirements, and not to 'related parties';
(b) The total aggregate number of shares which may be issued for cash in terms of this authority, including instruments which are or may be compulsorily convertible into shares of any class, may not exceed 255 325 092 shares, being 5% of the Company's issued shares as at the date of notice of this meeting, excluding treasury shares. Accordingly, any shares issued under this authority, prior to this authority lapsing, shall be deducted from the 255 325 092 shares the Company is authorised to issue in terms of this authority, for the purpose of determining the remaining number of shares that may be issued in terms of this authority;
(c) In the event of a subdivision or consolidation of shares prior to this authority lapsing, the existing authority shall be adjusted accordingly to represent the same allocation ratio;
(d) The maximum discount at which shares may be issued is 5% of the weighted average traded price of such shares, measured over the 30 business days prior to the date that the price of the issue is agreed between the Company and the party subscribing for the shares (or, in the case of instruments which are or may be compulsorily convertible into shares of any class, the date that such instruments are issued) adjusted for any cum distribution portion if applicable; and
(e) After the Company has issued shares for cash which represent, on a cumulative basis within the period that this authority is valid, 5% or more of the number of shares in issue prior to that issue, the Company shall publish an announcement containing full details of the issue, including the number of shares issued, the average discount to the weighted average traded price of the shares over the 30 days prior to the date that the issue is agreed in writing and an explanation, including supporting documentation (if any), of the intended use of the funds."

In order for ordinary resolution number 6 to be adopted, the support of at least 75% of votes cast by shareholders present or represented by proxy at the meeting is required in terms of the Listing Requirements.

ORDINARY RESOLUTION NUMBER 7:

Specific authority to issue shares pursuant to a reinvestment option

"RESOLVED THAT, subject to the provisions of the Companies Act, the Company's MOI and the Listings Requirements, the directors be and are hereby authorised, by way of a specific standing authority, to issue ordinary shares of no par value (new shares), as and when they deem appropriate, for the exclusive purpose of affording shareholders opportunities from time to time to elect to reinvest their dividends in new shares of the Company pursuant to a reinvestment option."

ORDINARY RESOLUTION NUMBER 8:

Remuneration policy

"RESOLVED THAT, in accordance with Principle 2.27 of the King Code of Governance Principles for South Africa 2009 (King Code), and through a non-binding advisory vote, the Company's remuneration policy and the implementation thereof, be and is hereby approved."

In terms of Principle 2.27 of the King Code, shareholder approval is sought for the Company's remuneration policy, and the implementation thereof, by way of a non-binding advisory vote. The non-binding vote enables shareholders to express their views on the Company's remuneration policy and on its implementation.

The Remuneration Policy is set out on pages 42 to 44 of this publication.

SPECIAL RESOLUTION NUMBER 1:

Remuneration of non-executive directors

"RESOLVED THAT, in terms of sections 66(8) and 66(9) of the Companies Act and on the recommendation of the remuneration committee, the Company be and is hereby authorised to remunerate its non-executive directors for their services as directors and/or pay any fees related thereto as detailed in the following table, provided that the aforementioned authority shall be valid until the next annual general meeting of the Company."

Figures in R'000s	Proposed 2017 fees	2016 fees
Lead independent director	**530**	500
Non-executive director	**380**	360
Audit and risk committee chairman	**180**	170
Audit and risk committee member	**150**	140
Remuneration and/or nomination committee chairman/member	**70**	65
Social, ethics and transformation committee chairman/member	**70**	65
Investment committee member	**110**	105

Reason for and effect of special resolution number 1:

In terms of sections 66(8) and 66(9) of the Companies Act, remuneration may only be paid to directors for their services as directors in accordance with a special resolution approved by shareholders within the previous two years and if not prohibited in terms of the Company's MOI.

Therefore, the reason for special resolution number 1 is for the Company to obtain the approval of shareholders, by way of special resolution, for the payment of the remuneration payable by the Company to its non-executive directors for their services as directors of the Company in accordance with section 66 of the Companies Act.

The effect of special resolution number 1 is that the Company will be able to pay its non-executive directors for the services they render to the Company as directors, as detailed above, without requiring further shareholder approval until the next annual general meeting.

SPECIAL RESOLUTION NUMBER 2:

Approval for the granting of financial assistance in terms of section 44 of the Companies Act

"RESOLVED THAT, by way of a special resolution, the Board may authorise the Company, for a period of two years from the date on which this resolution is passed, to generally provide any direct or indirect financial assistance in the manner contemplated in and subject to the provisions of section 44 of the Companies Act, to any of its present or future subsidiaries and/or any other company or corporation that is or becomes related or interrelated to the Company and/or to a member of a related or interrelated company or corporation, pursuant to the authority hereby conferred upon the Board for these purposes."

Reason for and effect of special resolution number 2:

The Company would like the ability to provide financial assistance in appropriate circumstances, and if the need arises, in accordance with section 44 of the Companies Act. This authority is necessary for the Company to provide financial assistance in appropriate circumstances.

Under the Companies Act, the Company will, however, require the special resolution referred to above to be adopted, provided that the Board of Directors of the Company is satisfied that the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company and that, immediately after providing the financial assistance, the Company would satisfy the solvency and liquidity test contemplated in the Companies Act.

In the circumstances and in order to, *inter alia*, ensure that the Company's subsidiaries and other related and interrelated companies and corporations have access to financing and/or financial backing from the Company, it is necessary to obtain the approval of shareholders, as set out in special resolution number 2.

Therefore, the reason for and effect of special resolution number 2 is to permit the Company to provide direct or indirect financial assistance (within the meaning attributed to that term in section 44 of the Companies Act) to the entities referred to in special resolution number 2 above.

SPECIAL RESOLUTION NUMBER 3:

Approval for the granting of financial assistance in terms of section 45 of the Companies Act

"RESOLVED THAT, by way of a special resolution, the Board may authorise the Company, for a period of two years from the date on which this resolution is passed, to generally provide any direct or indirect financial assistance in the manner contemplated in and subject to the provisions of section 45 of the Companies Act, to any of its present or future subsidiaries and/or any other company or corporation that is or becomes related or interrelated to the Company and/or to a member of a related or interrelated company or corporation, pursuant to the authority hereby conferred upon the Board for these purposes, and that inasmuch as the Company's provision of financial assistance to its subsidiaries will at any and all times be in excess of one-tenth of 1% of the Company's net worth, the Company hereby provides notice to its shareholders of that fact."

Reason for and effect of special resolution number 3:

The Company would like the ability to provide financial assistance in appropriate circumstances and, if the need arises, in accordance with section 45 of the Companies Act. This authority is necessary for the Company to provide financial assistance in appropriate circumstances.

Under the Companies Act, the Company will, however, require the special resolution referred to above to be adopted, provided that the Board of Directors of the Company is satisfied that the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company and that, immediately after providing the financial assistance, the Company would satisfy the solvency and liquidity test contemplated in the Companies Act.

In the circumstances and in order to, *inter alia*, ensure that the Company's subsidiaries and other related and interrelated companies and corporations have access to financing and/or financial backing from the Company, it is necessary to obtain the approval of shareholders, as set out in special resolution number 3.

Therefore, the reason for and effect of special resolution number 3 is to permit the Company to provide direct or indirect financial assistance (within the meaning attributed to that term in section 45 of the Companies Act) to the entities referred to in special resolution number 3 above.

Notice in terms of section 45(5) of the Companies Act in respect of special resolution number 3:

Notice is hereby given to shareholders of the Company, in terms of section 45(5) of the Companies Act, of a resolution adopted by the Board authorising the Company to provide such direct or indirect financial assistance as specified in the special resolution above:

(a) By the time that this meeting notice is delivered to shareholders of the Company, the Board will have adopted a resolution (section 45 board resolution) authorising the Company to provide, at any time and from time to time during the period of two years commencing on the date on which the special resolution is adopted, any direct or indirect financial assistance as contemplated in section 45 of the Companies Act, to any one or more related or interrelated companies or corporations of the Company and/or to any one or more members of any such related or interrelated company or corporation and/or to any one or more persons related to any such company or corporation;
(b) The section 45 board resolution will be effective only if and to the extent that special resolution number 3 is adopted by the shareholders of the Company, and the provision of any such direct or indirect financial assistance by the Company, pursuant to any such resolution, will always be subject to the board being satisfied that: (i) immediately after providing such financial assistance, the Company will satisfy the solvency and liquidity test as referred to in section 45(3)(b)(i) of the Companies Act, and (ii) the terms under which such financial assistance is to be given, are fair and reasonable to the Company as referred to in section 45(3)(b)(ii) of the Companies Act; and
(c) Inasmuch as the section 45 board resolution contemplates that such financial assistance will in the aggregate exceed one-tenth of 1% of the Company's net worth at the date of adoption of such resolution, the Company hereby provides notice of the section 45 board resolution to shareholders of the Company.

SPECIAL RESOLUTION NUMBER 4:

General authority for an acquisition of shares issued by the Company

"RESOLVED THAT the Board of Directors of the Company be and is hereby authorised, by way of a renewable general authority, to approve the repurchase by the Company, or by any of its subsidiaries, of any of the shares issued by the Company, upon such terms and conditions and in such amounts as the Board of Directors may from time to time determine, but subject to the provisions of sections 46 and 48 of the Companies Act, the MOI of the Company and the Listings Requirements, including, *inter alia*, that:

(a) Any acquisition of shares shall be implemented through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty (reported trades are prohibited);
(b) This general authority shall only be valid until the Company's next annual general meeting, provided that it shall not extend beyond 15 months from the date of passing this special resolution;
(c) The Company (or any subsidiary) is duly authorised by its MOI to do so;
(d) Acquisitions of shares in the aggregate in any one financial year may not exceed 20% (or 10% where the acquisitions are effected by a subsidiary) of the Company's issued ordinary share capital as at the date of passing this special resolution;
(e) In determining the price at which shares issued by the Company are acquired by it, or any of its subsidiaries, in terms of this general authority, the maximum premium at which such shares may be acquired will be 10% of the weighted average of the market value on the JSE over the 5 business days immediately preceding the repurchase of such shares;
(f) At any point in time, the Company, or any subsidiary, may appoint only one agent to effect repurchases on its behalf;
(g) Repurchases may not take place during a prohibited period (as defined in paragraph 3.67 of the Listings Requirements) unless a repurchase programme is in place (where the dates and quantities of shares to be repurchased during the prohibited period are fixed) and has been submitted to the JSE in writing prior to commencement of the prohibited period;

(h) An announcement will be published as soon as the Company, or any of its subsidiaries, have acquired shares constituting, on a cumulative basis, 3% of the number of shares in issue prior to the acquisition, pursuant to which the aforesaid threshold is reached, and for each 3% in aggregate acquired thereafter, containing full details of such acquisitions; and
(i) The Board of Directors of the Company must resolve that the repurchase is authorised, the Company and its subsidiaries have passed the solvency and liquidity test, as set out in section 4 of the Companies Act, and since that test was performed, there have been no material changes to the financial position of the Group."

In accordance with the Listings Requirements, the directors record that although there is no immediate intention to effect a repurchase of the shares of the Company, the directors will utilise this general authority to repurchase shares as and when suitable opportunities present themselves, which may require expeditious and immediate action.

Reason for and effect of special resolution number 4:

The reason for special resolution number 4 is to grant the Company, or a subsidiary of the Company, a general authority in terms of the Companies Act and the Listings Requirements for the acquisition by the Company, or any of its subsidiaries, of shares issued by the Company, which authority shall be valid until the earlier of the next annual general meeting of the Company or the variation or revocation of such general authority by special resolution by any subsequent general meeting of the Company, provided that the general authority granted at this meeting shall not exceed beyond 15 months from the date of this meeting.

The effect of the passing of this special resolution will be to authorise the Company, or any of its subsidiaries, to acquire shares issued by the Company.

ADDITIONAL DISCLOSURES/INFORMATION REQUIRED IN TERMS OF THE LISTINGS REQUIREMENTS:

Directors' statement after considering the effect of a repurchase pursuant to a general authority:

The Board of Directors of the Company undertakes that, after considering the maximum number of shares that may be repurchased and the price at which the repurchases may take place pursuant to the repurchase general authority, for a period of 12 months after the date of this meeting notice:

→ The Company and the Group will, in the ordinary course of business, be able to pay their debts as they become due;
→ The consolidated assets of the Company and the Group, fairly valued in accordance with International Financial Reporting Standards, will exceed the consolidated liabilities of the Company and the Group; and
→ The Company and Group's share capital, reserves and working capital will be adequate for ordinary business purposes.

Directors' responsibility statement

The directors, whose details appear on pages 30 to 31 of the integrated report, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution number 4 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 special resolution contains all information required by the Companies Act and the Listings Requirements.

General information

The following additional information, some of which may appear elsewhere in the integrated report, is provided in terms of paragraph 11.26 of the Listings Requirements for purposes of this general authority.

Information relating to the major shareholders of the Company can be found on pages 102 to 103 of the Group annual financial statements.

Other than the facts and developments reported on in the annual financial statements, which are available on the Company's website www.redefine.co.za, there have been no material changes in the financial or trading position of the Company and its subsidiaries since the date of signature of the audit report for the financial year ended 31 August 2016.

Information relating to the share capital of the Company can be found on page 30 of this publication.

NOTICE OF ANNUAL GENERAL MEETING [CONTINUED]

SPECIAL RESOLUTION NUMBER 5:

Increase in authorised share capital

"RESOLVED THAT in accordance with section 36(2) of the Companies Act and clause 8.1 of the Company's MOI, the authorised share capital of the Company, comprising 6 500 000 000 (six billion five hundred million) ordinary no par value shares, be and is hereby increased by the creation of a further 3 500 000 000 (three billion five hundred million) ordinary no par value shares, so that after the increase, the authorised share capital shall comprise 10 000 000 000 (ten billion) ordinary no par value shares, with effect from the date of filing and approval of the notice of amendment with the Companies and Intellectual Property Commission, and that clause 8.1 of the MOI be amended to reflect the increase of the Company's authorised share capital as follows:

"8.1 The Company is authorised to issue 10 000 000 000 ordinary no par value shares, of the same class, each of which ranks *pari passu* in respect of all rights and entitles the holder to..."

Reason for and effect of special resolution number 5:

The Company would like to increase the authorised share capital of the Company from 6 500 000 000 ordinary no par value shares to 10 000 000 000 ordinary no par value shares allowing for the allotment and issue of ordinary shares in the Company as is allowed for in the Company's MOI, but subject to the necessary consents and approvals being in place by ordinary shareholders and in accordance with the Listings Requirements and the Companies Act. The issued share capital of the Company will remain unchanged.

SPECIAL RESOLUTION NUMBER 6:

Adoption of new Memorandum of Incorporation

"RESOLVED THAT, subject to the approval of special resolution number 5 above, the Board of Directors abrogate the existing MOI in its entirety and replace same with a new Memorandum of Incorporation, which will be tabled at the meeting and initialled by the chairman for purposes of identification, with effect from the date of filing and approval thereof with the Companies and Intellectual Property Commission."

The salient features of the Company's new Memorandum of Incorporation are set out on pages 58 to 62 of this publication and form an integral part of this notice of annual general meeting. The proposed new Memorandum of Incorporation is available on the Company's website, www.redefine.co.za

Reason for and effect of special resolution number 6:

The reason for special resolution number 6 is to abrogate the existing MOI in its entirety and replace same with a new Memorandum of Incorporation to ensure compliance with the Companies Act and the amended Listings Requirements.

ORDINARY RESOLUTION NUMBER 9:

Authorisation of directors

"RESOLVED THAT any director of the Company or the company secretary be and is hereby authorised to sign all such documentation and to do all such things as may be necessary for or incidental to the implementation of all the ordinary and special resolutions which are passed by the shareholders."

AUTHORISATION OF DIRECTORS

To authorise the directors or the company secretary of the Company to do all such things, sign all such documents and take all such actions as may be necessary for or incidental to the implementation of the ordinary and special resolutions contained in this notice.

By order of the Board,

Bronwyn Baker
Company secretary
30 December 2016

Registered Address:
Rosebank Towers, Office level 5, 19 Biermann Avenue
Rosebank
Johannesburg
2196

Transfer Secretaries:
Computershare Investor Services Proprietary Limited
Rosebank Towers, Office level 2, 15 Biermann Avenue
Rosebank
Johannesburg
2196

SECTION 1:
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Figures in R'000s	2016	Restated* 2015
Continuing operations		
Revenue		
Property portfolio revenue	6 548 293	6 304 742
– Contractual rental income	6 510 127	6 141 437
– Straight-line rental income accrual	38 166	163 305
Investment income	98 355	344 229
Total revenue	6 646 648	6 648 971
Costs		
Operating costs	(2 241 032)	(2 084 709)
Administration costs	(210 241)	(228 834)
Net operating profit	4 195 375	4 335 428
Other gains	80 036	128 514
– Insurance proceeds received	–	119 420
– Trading income/(loss)	294	(1 946)
– Fee income	62 927	–
– Sundry income	16 815	11 040
Changes in fair values of properties, listed securities and financial instruments	168 471	2 242 360
Amortisation of intangible assets	(62 856)	(62 856)
Impairment of financial assets	(13 886)	–
Equity accounted profit (net of taxation)	1 405 932	453 053
Profit before finance costs and taxation	5 773 072	7 096 499
Net interest costs	(1 389 672)	(1 433 753)
– Interest income	596 418	249 311
– Interest expense	(1 986 090)	(1 683 064)
Foreign exchange gain/(loss)	309 941	(223 072)
Profit before taxation	4 693 341	5 439 674
Taxation	(88 298)	170 662
Profit from continuing operations	4 605 043	5 610 336
Discontinued operations		
Profit from discontinued operations (net of taxation)	5 923	–
Profit for the year	4 610 966	5 610 336
Attributable to:		
– Redefine Properties Limited shareholders	4 565 617	5 334 419
– Non-controlling interest	45 349	275 917
Other comprehensive income	74 829	522 382
Items that may not be reclassified subsequently to profit or loss		
Share of revaluation of property, plant and equipment of an associate	1 177	–
Items that are or may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations:		
– Subsidiaries	(12 687)	(70 491)
– Associates	86 339	592 873
Total comprehensive income for the year	4 685 795	6 132 718
Attributable to:		
– Redefine Properties Limited shareholders	4 640 446	5 856 801
– Non-controlling interest	45 349	275 917
Earnings and diluted earnings per share – continuing operations (cents)	101.32	142.52

* *Refer to restatement note on page 24*

STATEMENT OF FINANCIAL POSITION

Figures in R'000s	2016	Restated* 2015
ASSETS		
Non-current assets	**77 029 317**	67 765 330
Investment properties	**51 728 681**	49 898 869
– Fair value of investment properties	**48 223 712**	46 589 717
– Straight-line rental income accrual	**1 474 928**	1 436 762
– Properties under development	**2 030 041**	1 872 390
Listed securities	**974 620**	988 793
Goodwill and intangible assets	**5 304 191**	5 367 047
Interest in associates and joint ventures	**17 954 385**	10 434 484
Derivative assets	**172 296**	166 047
Loans receivable	**838 692**	621 825
Other financial assets	**36 391**	252 717
Property, plant and equipment	**20 061**	35 548
Current assets	**1 612 719**	1 433 778
Properties held-for-trading	**–**	1 080
Trade and other receivables	**577 560**	617 964
Loans receivable	**20 799**	587 440
Other financial assets	**675 078**	–
Derivative assets	**73 286**	11 002
Listed security income receivable	**57 630**	86 368
Cash and cash equivalents	**208 366**	129 924
Non-current assets held-for-sale	**1 170 172**	1 289 612
Total assets	**79 812 208**	70 488 720
EQUITY AND LIABILITIES		
Equity	**49 641 362**	45 137 272
Shareholders' interest	**49 360 062**	45 137 272
Stated capital	**36 526 352**	33 209 605
Reserves	**12 833 710**	11 927 667
Non-controlling interests	**281 300**	–
Non-current liabilities	**21 453 096**	21 946 950
Interest-bearing borrowings	**21 148 712**	21 602 140
Derivative liabilities	**35 066**	69 891
Deferred taxation	**269 318**	274 919
Current liabilities	**8 532 556**	3 404 498
Trade and other payables	**922 864**	906 398
Interest-bearing borrowings	**7 041 390**	1 980 226
Interest accrual on interest-bearing borrowings	**307 881**	199 832
Derivative liabilities	**2 978**	24 496
Other financial liabilities	**253 016**	271 154
Taxation payable	**4 427**	22 392
Non-current liabilities held-for-sale	**185 194**	–
Total equity and liabilities	**79 812 208**	70 488 720
Number of shares in issue^ ('000)	**4 700 911**	4 393 103
Net asset value per share (excluding deferred tax and NCI) (cents)	**1 055.74**	1 033.72
Net tangible asset value per share (excluding deferred tax, NCI and goodwill and intangible assets) (cents)	**942.91**	911.55

^ *Net of 361 396 896 (2015: 361 396 896) treasury shares*
* *Refer to restatement note on page 24*

STATEMENT OF CHANGES IN EQUITY

SUMMARISED AUDITED GROUP RESULTS FOR THE YEAR ENDED 31 AUGUST 2016

Figures in R'000s	Shareholders interest	Non-controlling interests	Total equity
Balance as at 31 August 2014 (as previously reported)	32 720 342	3 015 595	35 735 937
Restatement*	(573 562)	–	(573 562)
Balance as at 31 August 2014 (restated*)	**32 146 780**	**3 015 595**	**35 162 375**
Total comprehensive income for the year	5 856 801	275 917	6 132 718
Profit for the year (restated*)	5 334 419	275 917	5 610 336
Other comprehensive income for the year (restated*)	522 382	–	522 382
Transactions with owners (contributions and distributions)	8 372 109	(264 910)	8 107 199
Issue of ordinary shares	11 179 971	–	11 179 971
Dividends (restated*)	(2 870 318)	(264 910)	(3 135 228)
Recognition of share-based payments	8 008	–	8 008
Cash adjustment on business combination (Leaf)	54 448	–	54 448
Transactions with owners (change in ownership in interest)	(1 238 418)	(3 026 602)	(4 265 020)
Transactions with non-controlling interests (NCI)	(1 238 418)	(3 026 602)	(4 265 020)
Balance as at 31 August 2015 (restated*)	**45 137 272**	**–**	**45 137 272**
Total comprehensive income for the year	4 640 446	45 349	4 685 795
Profit for the year	4 565 617	45 349	4 610 966
Other comprehensive income for the year	74 829	–	74 829
Transactions with owners (contributions and distributions)	(417 656)	(12 814)	(430 470)
Issue of ordinary shares	3 318 016	–	3 318 016
Dividends	(3 673 124)	(12 814)	(3 685 938)
Recognition of share-based payments	16 846	–	16 846
Share of post acquisition change in net assets of associates	(79 394)	–	(79 394)
Transactions with owners (change in ownership in interest)	–	248 765	248 765
Acquisition of subsidiary with NCI	–	248 765	248 765
Balance as at 31 August 2016	**49 360 062**	**281 300**	**49 641 362**

* *Refer to restatement note on page 24*

STATEMENT OF CASH FLOWS

Figures in R'000s	2016	Restated* 2015
Cash generated from operations	**4 494 765**	4 239 622
Interest received	**596 418**	306 229
Interest paid	**(2 125 060)**	(1 623 328)
Taxation paid	**(111 864)**	(97 442)
Net cash inflow from operating activities	**2 854 259**	2 825 081
Net cash outflow from investing activities	**(7 358 891)**	(6 371 977)
Net cash inflow from financing activities	**4 737 426**	3 459 777
Net movement in cash and cash equivalents	**232 794**	(87 119)
Cash and cash equivalents at beginning of year	**129 924**	350 606
Foreign currency translation effects on cash and cash equivalents	**(154 352)**	(133 563)
Cash and cash equivalents at end of year	**208 366**	129 924

* *Refer to restatement note on page 24*

DISTRIBUTABLE INCOME ANALYSIS

Figures in R'000s	South Africa	International	Total
Contractual rental income (excluding straight-line rental accrual)	6 510 127	–	6 510 127
Investment income	98 355	–	98 355
Total revenue	6 608 482	–	6 608 482
Operating costs	(2 241 032)	–	(2 241 032)
Administration costs	(180 573)	(29 668)	(210 241)
Net operating profit	4 186 877	(29 668)	4 157 209
Other gains	22 576	57 460	80 036
Distributable equity income	61 076	962 580	1 023 656
Net distributable profit before finance costs and taxation	4 270 529	990 372	5 260 901
Net interest costs	(1 426 791)	37 119	(1 389 672)
– Interest income	296 310	300 108	596 418
– Interest expense	(1 723 101)	(262 989)	(1 986 090)
Realised foreign exchange gains	–	66 615	66 615
Net distributable profit before taxation and NCI	2 843 738	1 094 106	3 937 844
Current taxation and withholding taxation	1 931	(95 830)	(93 899)
Net income from operations before distributable adjustments	2 845 669	998 276	3 843 945
NCI's share of distributable income	(15 724)	–	(15 724)
Distributable income before distributable income adjustments	2 829 945	998 276	3 828 221
Below the line distributable income adjustments:			
– Antecedent distribution	83 088	–	83 088
– Accrual for listed security income	3 250	–	3 250
– Transaction costs relating to business acquisitions	4 187	–	4 187
– Other	10 028	25 681	35 709
Distributable income	2 930 498	1 023 957	3 954 455

RECONCILIATION OF HEADLINE AND DISTRIBUTABLE EARNINGS

Figures in R'000s	2016	Restated* 2015
Profit for the year attributable to Redefine shareholders	4 565 617	5 334 419
Changes in fair value of properties	(827 689)	(2 111 739)
Bargain purchase on acquisition of associate	(288 548)	–
Profit on dilution of ownership interest in an associate	(11 610)	–
Impairment of interest in an associate	4 639	–
Non-controlling interest portion of changes in fair value of properties	28 848	–
Insurance proceeds received	–	(119 420)
Headline earnings attributable to Redefine shareholders	**3 471 257**	3 103 260
Changes in fair values of listed securities and financial instruments (net of deferred taxation)	162 488	(532 016)
Amortisation of intangible assets (net of deferred taxation)	45 256	45 256
Impairment of loan to joint venture	9 247	–
Transactions costs relating to business acquisitions	4 187	4 874
Antecedent distribution	83 088	209 474
REIT distributable income declared post year-end	3 250	13 751
Straight-line rental income accrual	(38 166)	(163 305)
Unrealised foreign exchange (gain)/loss	(243 326)	233 848
Fair value adjustments and other non-distributable items of associates and NCI (other than investment property)	421 465	160 558
NCI portion of Fountainhead's distributable income for the period 1 March 2015 to 3 August 2015	–	101 917
Other distributable income	35 709	46 262
Pre-acquisition distribution received	–	21 520
Distributable income for the year	**3 954 455**	3 245 399
Six months ended February	1 871 951	1 444 227
Six months ended August	2 082 504	1 801 172
Total distributions	**3 954 455**	3 245 399
Actual number of shares in issue (000)^	4 700 911	4 393 103
Weighted average number of shares in issue (000)^	4 500 281	3 743 055
Diluted weighted average number of shares in issue (000)^	4 500 281	3 743 055
Basic and diluted earnings per share (cents)	**101.45**	142.52
– Continuing operations	101.32	142.52
– Discontinued operations	0.13	–
Headline earnings per share (cents)	**77.13**	82.91
Diluted headline earnings per share (cents)#	**77.13**	82.91
Distribution per share (cents)	**86.00**	80.00

* *Refer to restatement note on page 24*
^ *Excludes 361 396 896 (2015: 361 396 896) treasury shares*
\# *There were no dilutive shares in issue*

SEGMENTAL ANALYSIS

Figures in R'000s	Office	Retail	Industrial	Specialised	Total
Year ended 31 August 2016					
Contractual rental income[¥]	**2 449 801**	**2 751 315**	**1 170 058**	**138 953**	**6 510 127**
Operating costs	**(783 123)**	**(1 075 576)**	**(341 362)**	**(40 971)**	**(2 241 032)**
Net property income	**1 666 678**	**1 675 739**	**828 696**	**97 982**	**4 269 095**
Investment property portfolio[#]	**18 033 797**	**21 344 930**	**10 163 302**	**1 326 783**	**50 868 812**
Year ended 31 August 2015					
Contractual rental income[¥^]	2 257 374	2 820 293	1 021 436	42 334	6 141 437
Operating costs[^]	(740 678)	(1 078 539)	(265 233)	(259)	(2 084 709)
Net property income^	**1 516 696**	**1 741 754**	**756 203**	**42 075**	**4 056 728**
Investment property portfolio[#]	18 355 620	20 622 822	9 917 549	420 100	49 316 091

¥ *Excluding straight-line rental income accrual*
\# *Excluding properties under development and held-for-trading. Properties classified as held-for-sale are included*
^ *The Fountainhead reporting segment disclosed in the prior year has been allocated to the underlying segments*

PROFILE

Redefine is an internally managed Real Estate Investment Trust (REIT) with a primary goal of growing and improving cash flow to deliver quality earnings, which will underpin sustained growth in distributions, and support growth in total return per share. Redefine is listed on the Johannesburg Stock Exchange (JSE) with a market capitalisation of R58.1 billion and is included in the JSE Top 40 index. Redefine manages a diversified property asset platform with a value of R72.7 billion (2015: R63.8 billion), comprising local and international property investments. Redefine's shares are among the most actively traded on the JSE, making it a highly liquid single-entry point for gaining exposure to quality domestic properties and a spread of multiple international commercial real estate markets.

At 31 August 2016, Redefine's diversified, local property portfolio was valued at R54.7 billion (2015: R52.8 billion). The Group's international real estate investments, valued at R18,0 billion (2015: R11.0 billion) represent 24.8% (2015: 17.2%) of total property assets and provide geographic diversification into the UK, German, Australian and Polish property markets. Redefine has a 30.1% (2015: 30.1%) equity interest, with a value of R5.0 billion (2015: R4.8 billion), in Redefine International PLC (RI PLC) which is listed on both the London Stock Exchange (LSE) and the JSE. Redefine and RI PLC co-own a German retail portfolio valued at R799 million (2015: R653 million). In addition, Redefine has a R6.3 billion (2015: R5.0 billion) presence in the Australian property market through a direct 50% (2015: 50%) interest in North Sydney's landmark tower, Northpoint, as well as a holding of 25.5% (2015: 25.6%) in Cromwell Property Group (Cromwell), one of the leading property groups listed on the Australian Stock Exchange (ASX). On 1 June 2016, Redefine acquired a 44.9% share in Echo Polska Properties (EPP) valued at R3.9 billion. EPP owns a portfolio of prime retail and office real estate assets throughout Poland. EPP listed on both the Luxembourg Stock Exchange (LuxSE) and the JSE during September 2016.

FINANCIAL RESULTS

Redefine's Board has declared a distribution of 44.3 (2015: 41.0) cents per share for the six months ended 31 August 2016, an increase of 8.0% (2015: 7.5%) on the comparable period, which is in line with market guidance. This brings the full-year distribution to 86.0 (2015: 80.0) cents per share resulting in year-on-year growth of 7.5% (2015: 7.3%). Gross distributable income for the year increased by 21.8% (2015: 36.3%) benefiting from a number of substantial quality acquisitions made in recent years.

Property portfolio revenue for the year contributed 98.5% (2015: 94.8%) of total revenue, income from listed securities represented 1.5% (2015: 5.2%).

Operating costs were 34.4% (2015: 33.9%) of contractual rental income (excluding straight-line rental income accruals) – the increase resulting mainly from higher municipal costs. Net of electricity and utility recoveries, operating costs were 17.9% (2015: 18.0%) of contractual rental income. Redefine's international property investments contributed 25.9% (2015: 17.0%) of distributable income.

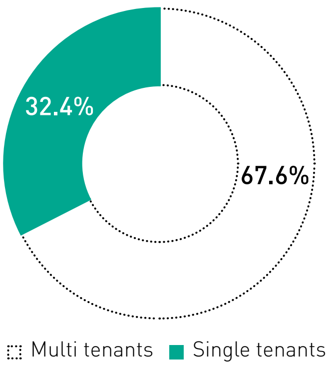
CHANGES IN FAIR VALUES

The Group's property portfolio was independently valued at 31 August 2016, producing a net increase in value of R307.4 million (2015: R1.9 billion). In terms of IAS 40 and IFRS 13, Redefine's investment properties are measured at fair value and are categorised as level 3 investments. There were no transfers between levels 1, 2 and 3 during the period. The investment in listed securities decreased in value by R275.4 million (2015: increase of R160.8 million) during the year. The balance of R136.5 million (2015: R146.4 million) mainly relates to the increase in the mark-to-market of the Group's derivatives, which protect the Group against adverse movements in interest and foreign exchange rates, these were valued using the swap curve and forward pricing methods respectively. In terms of IAS 39 and IFRS 13, Redefine's listed securities and derivatives are measured at fair value through profit or loss and are categorised as level 1 and level 2 investments respectively. There were no transfers between levels 1, 2 and 3 during the period.

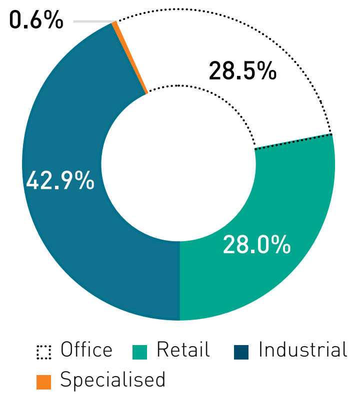
PROPERTY PORTFOLIO

The portfolio vacancy rate declined during the year by 0.5% (2015: 0.1%) to 4.9% (2015: 5.4%). Leases covering 492 126m² (2015: 510 649m²) were renewed during the year at an average rental increase of 3.3% (2015: 3.0%) with the tenant retention rate a pleasing 92.0% (2015: 87.0%). A further 401 128m² (2015: 338 294m²) was let across the portfolio. Net arrears improved to R39.8 million (2015: 41.8 million). Net arrears represent 6.3% (2015: 8.3%) of gross monthly rental.

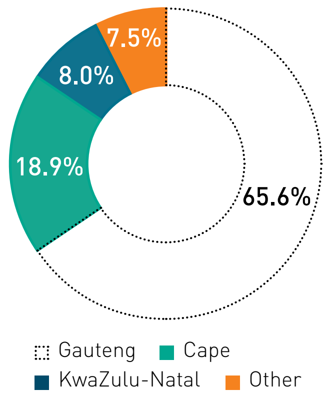
PORTFOLIO SPLIT BY TENANT



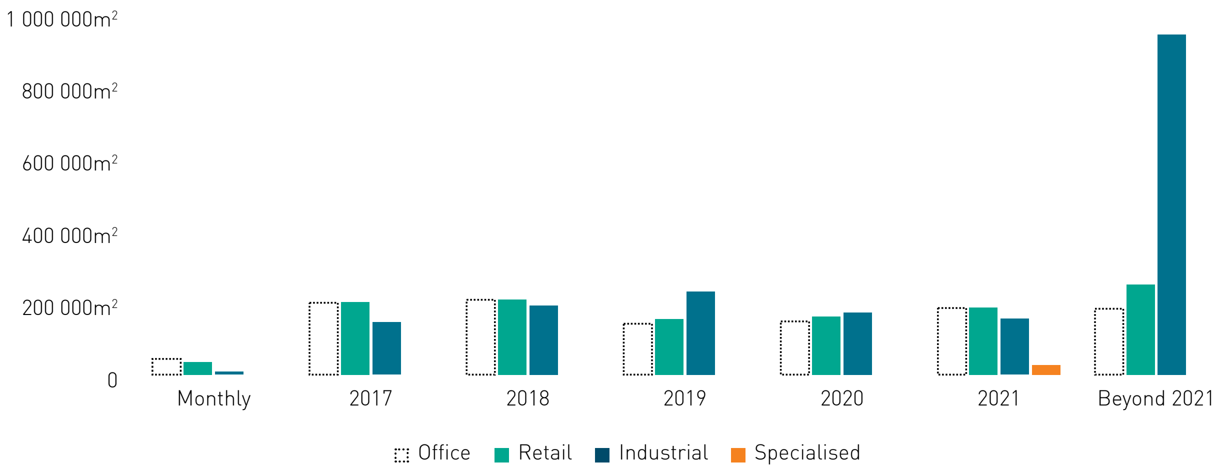
SECTORAL SPREAD BY GLA



GEOGRAPHIC SPREAD BY GLA



LEASE EXPIRY PROFILE BY GLA



SECTORAL VACANCY BY GLA

	31 August 2016 vacancy before strategic vacancy (%)	Strategic vacancy* (%)	31 August 2016 (%)	31 August 2015 (%)
Office	**14.1**	**5.4**	**8.7**	8.5
Retail	**5.1**	**1.5**	**3.6**	4.3
Industrial	**4.4**	**1.0**	**3.4**	3.8
Specialised	**–**	**–**	**–**	–
	7.4	**2.4**	**4.9**	5.4

* *Strategic vacancies comprise properties held-for-sale and properties under development.*

REDEFINE'S PROPERTY PORTFOLIO STRATEGY

Redefine continues to deliver on its strategy of diversifying, growing and improving the quality of its property portfolio. During the year, management's primary domestic portfolio focus was on protecting, expanding and improving existing well-located properties.

- → **Acquisitions:** Redefine acquired and transferred four properties, with a GLA of 21 547m², during the year, for an aggregate consideration of R228.3 million, at an initial yield of 9.4%. In addition, Redefine acquired three development properties for an aggregate consideration of R285.7 million with a developable area of 369 285m² (Redefine's share: 153 104m²). Subsequent to the reporting period, Redefine acquired a further two development properties, for an aggregate consideration of R250.5 million with a developable area of 493 265m² (Redefine's share: 268 715m²).
- → **Developments:** Redevelopment projects are in progress in the existing portfolio with an approved value of R1.1 billion at an average yield of 6.4%. New development projects covering 156 876m² of GLA with an approved value of R2.5 billion at an average yield of 9.2%, are presently in progress. Projects totalling R2.2 billion were completed during the year.
- → **Disposals:** Sixteen properties with a GLA of 177 189m², which did not meet Redefine's investment strategy, were disposed of during the year to various buyers for an aggregate consideration of R1.4 billion, at an average yield of 8.5%. In addition, agreements, subject to the usual conditions precedent, were concluded for the disposal of properties for an aggregate consideration of R431.5 million, with a GLA of 82 067m² at an average yield of 7.2%.
- → **Government-tenanted offices:** In line with its strategy to dispose of its government-tenanted portfolio, Redefine concluded an agreement with Delta Property Fund Limited (Delta) to dispose of 15 office properties with a GLA of 191 567m² at an average yield of 16.4% for R1.3 billion in exchange for 162 043 079 Delta shares. The effective date of the transaction was 1 April 2016. Redefine will dispose of the balance of its government-tenanted portfolio on a deal-by-deal basis.
- → **Student accommodation:** During the year, Redefine acquired a 51% equity interest in Respublica Student Living Proprietary Limited (RSL) for R438.6 million at an initial yield of 10.6%. RSL owns and manages student accommodation facilities with a current capacity of 3 687 beds. Yale Village (Parktown) and Hatfield Square, two of Redefine's secondary office assets, are being converted into student accommodation with bed capacities of 332 and 2 200 beds respectively.
- → **Sustainability:** As part of Redefine's focus on sustainability and cost efficiency, various energy-efficient and sustainable building technologies are being implemented in new developments as well as in existing buildings, including the installation of solar PV (photovoltaic) and smart metering of electricity and water. To protect income, Redefine has taken steps to ensure that there is uninterrupted electricity supply at its key retail properties.

LISTED SECURITIES

Redefine currently owns the following listed securities:

	2016		2015	
	Market value R'000	Held (%)	Market value R'000	Held (%)
Emira Property Fund	784 321	11.5	988 793	11.5
Arrowhead Properties Limited	190 299	2.4	–	–
	974 620		988 793	

INTERESTS IN ASSOCIATES

Redefine currently holds the following equity-accounted investments in associates:

		2016		2015	
	Stock exchange	Carrying value R'000	Held (%)	Carrying value R'000	Held (%)
Cromwell Property Group	ASX	5 511 449	25.5	4 349 773	25.6
Redefine International PLC	LSE and JSE	4 972 179	30.1	4 751 602	30.1
Echo Polska Properties NV	LuxSE and JSE	3 918 640	44.9	–	–
Delta Property Fund Limited	JSE	1 597 967	22.8	–	–
International Hotel Properties Limited	LuxSE and JSE	332 767	27.5	–	–
		16 333 002		9 101 375	

RI PLC: On 16 February 2016, RI PLC undertook a capital raise in which Redefine participated and acquired 81.4 million additional RI PLC shares for a consideration of R762 million. During the year, Redefine also participated in RI PLC's dividend reinvestment schemes and elected to receive 14.9 million shares.

EPP: Redefine's international strategy is centred on geographic diversification and exploiting attractive initial yield spread. On 1 June 2016, Redefine significantly extended the scope of its international interests via a 44.9% investment into EPP, a high-yielding commercial platform comprising 21 properties in the Polish market valued at EUR1.2 billion (R19.4 billion). The transaction represented a unique opportunity to create the leading commercial real estate platform in Poland and to build instant critical mass by acquiring a high-quality retail-based portfolio with a strong local partner also providing a substantial development pipeline which will generate additional growth. Redefine's purchase consideration was funded by an offshore 12-month bridge facility of EUR250 million (R4,04 billion). Subsequent to year end, Redefine successfully placed secured bonds with a principal amount of EUR150 million (R2.4 billion) bearing a coupon of 1.5%, exchangeable in five years into ordinary shares of RI PLC, the proceeds of which were used to partially refinance the bridge facility. The balance of the bridge facility will be refinanced through a combination of secured offshore bank funding and cross-currency swaps.

OFFER TO ACQUIRE THE PIVOTAL FUND LIMITED (PIVOTAL)

On 30 August 2016, Redefine announced an offer to acquire all of the Pivotal shares from Pivotal shareholders by scheme of arrangement. Following implementation of the scheme, Pivotal shareholders will receive approximately 138.54 Redefine shares and 9.38 EPP shares for every 100 Pivotal shares held. The Pivotal acquisition is in line with Redefine's strategy to diversify, grow and improve the quality of its portfolio and recycle its capital through disposing of non-core assets and replacing them with prime assets. The acquisition positions Redefine even more competitively in the commercial property sector in line with its strategic intent to become the landlord of choice in A-grade office space in sought-after areas in South Africa. The transaction is subject to Pivotal shareholder, senior lender and the usual regulatory approvals which are expected by 30 November 2016.

FUNDING AND EQUITY RAISES

Redefine's debt represented 38.5% (2015: 36.7%) of the value of its property assets as at 31 August 2016. The average cost of local funding is 8.8% (2015: 8.4%) – interest rates are fixed on 82.1% (2015: 81.3%) of local borrowings for an average period of 2.2 years (2015: 2.8 years). The interest cover ratio (which includes equity-accounted profit and listed security income) is 4.3x (2015: 3.4x). Redefine has unutilised committed bank facilities of R3.4 billion (2015: R2.9 billion) as at 31 August 2016 which provides assurance that Redefine will be able to meet its short-term commitments. The majority of the short-term portion of interest-bearing borrowings is being refinanced.

On 20 July 2016, Redefine issued 137 million shares through an accelerated book-build for R1.5 billion in cash. In addition, Redefine conserved R1.8 billion in cash through the issue of 170.9 million shares under the dividend reinvestment alternative, which was taken up by 47% of shareholders.

Moody's credit rating:

On 11 May 2016, Moody's repositioned the national scale rating. As a result of the recalibration, Redefine's national credit rating has improved and has been adjusted to the following:

Global long-term Baa3	Global short-term P-3
National long-term Aa2.za	National short-term P-1.za

The rating was refreshed during July 2016 and remains unchanged.

COMMITMENTS

Capital development commitments outstanding amount to R2.4 billion (2015: R2.2 billion) and committed property acquisitions totalled R250.5 million (2015: R415 million). Future commitments will be funded by undrawn banking facilities.

BROAD-BASED BLACK ECONOMIC EMPOWERMENT

Redefine has achieved a level 3 BBBEE contributor rating, significantly bolstering its empowerment credentials compared with the previous level 6 status.

PROSPECTS

The general overview of the demand side of the domestic economy suggests a tight economic situation for all corporates, consumers, investors and the public sector. The most pressing factor in the present situation is the lack of investor confidence. Productive investment remains the panacea for future economic growth and job creation. It is therefore imperative that all facets of South Africa should aim to advance the well-being of the economic and business environment. Business confidence and trust remain key variables to improved economic performance.

On the international front, low interest rates, volatile exchange rate movements and tepid growth are set to continue.

Redefine's diversified asset platform has been structured to sustain the creation of value at low risk and, combined with a motivated and aligned management team, focused on the disciplined execution of what matters most, to realise Redefine's vision to be the best South African REIT. Prospects for 2017 are subject to numerous factors which remain uncertain, including volatile financial markets, the continuing possibility of a sovereign credit downgrade and the outcome of the offer to acquire Pivotal. Growth in distributable income per share for 2017 is anticipated to range between 7.5% to 8.5%.

This forecast is predicated on the assumption that current trading conditions will prevail. Forecast rental income is based on contractual terms and anticipated market-related renewals. The forecast has not been reviewed or reported on by the Group's independent external auditors.

Redefine's use of distribution per share as a relevant measure of financial performance remains unchanged from prior years.

DECLARATION OF A CASH DIVIDEND WITH THE ELECTION TO REINVEST THE CASH DIVIDEND IN RETURN FOR REDEFINE SHARES

The directors of Redefine have declared a final cash dividend of 44.30000 cents per share, for the six months ended 31 August 2016, from the Company's distributable income (the cash dividend).

Shareholders will be entitled, in respect of all or part of their shareholdings, to elect to reinvest the cash dividend in return for Redefine shares (the share reinvestment alternative), failing which they will receive the cash dividend of 44.30000 cents per share that will be paid to those shareholders not electing to participate in the share reinvestment alternative.

A circular providing further information in respect of the cash dividend and share reinvestment alternative was posted to Redefine shareholders on 4 November 2016.

TAX IMPLICATIONS

Redefine was granted REIT status by the JSE with effect from 1 September 2013 in line with the REIT structure as provided for in the Income Tax Act, No 58 of 1962, as amended (the Income Tax Act), and section 13 of the JSE Listings Requirements. The REIT structure is a tax regime that allows a REIT to deduct qualifying distributions paid to investors, in determining its taxable income. The cash dividend of 44.30000 cents per share meets the requirements of a qualifying distribution for the purposes of section 25BB of the Income Tax Act (a qualifying distribution) with the result that:

→ Qualifying distributions received by resident Redefine shareholders must be included in the gross income of such shareholders (as a non-exempt dividend in terms of section 10(1)(k)(aa) of the Income Tax Act), with the effect that the qualifying distribution is taxable as income in the hands of the Redefine shareholder. These qualifying distributions are, however, exempt from dividends withholding tax, provided that the South African resident shareholders provided the following forms to their CSDP or broker, as the case may be, in respect of uncertificated shares, or the Company, in respect of certificated shares:
  - a declaration that the dividends are exempt from dividends tax; and
  - a written undertaking to inform the CSDP, broker or the Company, as the case may be, should the circumstances affecting the exemption change or the beneficial owner cease to be the beneficial owner, both in the form prescribed by the commissioner for the South African Revenue Service.

Shareholders are advised to contact their CSDP, broker or the Company, as the case may be, to arrange for the abovementioned documents to be submitted prior to payment of the distribution, if such documents have not already been submitted.

→ Qualifying distributions received by non-resident Redefine shareholders will not be taxable as income and instead will be treated as ordinary dividends but which are exempt in terms of the usual dividend exemptions per section 10(1)(k) of the Income Tax Act. It should be noted that until 31 December 2013, qualifying distributions received by non-residents were not subject to dividends withholding tax. Since 1 January 2014, any qualifying distribution will be subject to dividends withholding tax at 15%, unless the rate is reduced in terms of any applicable agreement for the avoidance of double taxation agreement (DTA) between South Africa and the country of residence of the shareholder. Assuming dividends withholding tax will be withheld at a rate of 15%, the net dividend amount due to non-resident shareholders is 37.65500 cents per share.

  A reduced dividend withholding rate in terms of the applicable DTA may only be relied upon if the non-resident shareholder has provided the following forms to their CSDP or broker, as the case may be, in respect of uncertificated shares, or the Company, in respect of certificated shares:
  - a declaration that the dividend is subject to a reduced rate as a result of the application of a DTA; and
  - a written undertaking to inform their CSDP, broker or the Company, as the case may be, should the circumstances affecting the reduced rate change or the beneficial owner ceases to be the beneficial owner, both in the form prescribed by the commissioner for the South African Revenue Service.

Non-resident shareholders are advised to contact their CSDP, broker or the Company, as the case may be, to arrange for the abovementioned documents to be submitted prior to payment of the dividend if such documents have not already been submitted, if applicable.

Shareholders are advised that in electing to participate in the share reinvestment alternative, pre-taxation funds are utilised for reinvestment purposes and that taxation will be due on the total cash dividend amount of 44.30000 cents per share.

OTHER INFORMATION

→ The ordinary issued share capital of Redefine is 5 062 307 743 ordinary shares of no par value before any election to reinvest the cash dividend.
→ Income tax reference number of Redefine: 917/852/484/0.

The cash dividend or share reinvestment alternative may have tax implications for resident as well as non-resident shareholders. Shareholders are therefore encouraged to consult their professional advisers should they be in any doubt as to the appropriate action to take.

DIVIDEND DECLARATION AFTER REPORTING DATE

In line with IAS 10 *Events after the Reporting Period*, the declaration of the dividend occurred after the end of the reporting period, resulting in a non-adjusting event which is not recognised in the financial statements.

RESTATEMENTS

Investments in associates and joint ventures

The Group's accounting policy for investments in associates and joint ventures is to use the equity method, whereby the investments are initially recognised at cost and increased or decreased by the Group's share of post-acquisition profits or losses and other comprehensive income.

In prior periods, the Group did not include its share of the associates' other comprehensive income when applying the equity method. Accordingly, these results are restated with the change applied retrospectively. The change is of a non-cash flow nature and has no effect on the distributable income or profit or loss. We believe this change will give a fairer reflection of the economic substance of investments, particularly where those investments operate in foreign currencies and will provide more relevant information to the users of the financial statements.

Loans receivables – Ma Afrika Tikkun Endowment Trust

In the financial year ended 31 August 2013, Redefine granted Ma Afrika Tikkun Endowment Trust (Ma Afrika) a loan to acquire Redefine shares. The loan is secured by 55 520 130 Redefine shares and will be repaid using the dividends on the shares and the proceeds generated by the future sale of shares. As the loan only has recourse to the shares and no other assets, the issue of the shares on loan account should have, for accounting purposes, been treated as an option grant which vested on the date when the loan was granted.

In prior years, Redefine accounted for the shares as issued and recognised a loan receivable. The comparatives for the 2016 financial statements have been restated to account for the issue of a share option, instead of the issue of Redefine shares and related loan. The guarantee fee receivable related to this loan has also been derecognised and is included in the valuation of the option.

Dipula BEE Trust

In 2012, Redefine sold 50 million Dipula Income Fund Limited B shares (Dipula B shares) to the Dipula BEE Trust for a consideration of R270 million and a 33.3% beneficiary interest in the Dipula BEE Trust. The Dipula BEE Trust obtained bank funding for the purchase of the shares. Redefine in turn provided a guarantee of R180 million and agreed to a put option of R90 million (minimum) as security for the bank loan. The Dipula BEE Trust cannot dispose of the 50 million Dipula B shares without Redefine's approval. Redefine has assessed that it neither retained nor transferred substantially all the risks and rewards of ownership of the 50 million Dipula B shares and Redefine retained control of the 50 million Dipula B shares. Therefore, Redefine should have continued to recognise the 50 million Dipula B shares to the extent of its continuing involvement. Redefine should also have recognised an associated liability for the amount it could be required to pay in terms of the guarantee and put option. In 2012, Redefine derecognised the 50 million Dipula B shares and recognised a financial guarantee receivable and disclosed the related financial guarantee liability. Accordingly, this transaction has been restated retrospectively to reflect Redefine's continuing involvement in the 50 million Dipula B shares and associated liability.

RECLASSIFICATION

Derivative assets and liabilities

In the prior year, the interest rate swaps presented as derivative assets and liabilities were offset. Accordingly, the derivative assets/liabilities have been reclassified with the change applied retrospectively. The change is of a non-cash flow nature and has no effect on the distributable income or profit or loss.

Interest accrual on interest-bearing borrowings

In the prior years, the interest accrual on interest-bearing borrowings was presented together with trade and other payables. The interest accrual on interest-bearing borrowings has been reclassified to a separate line on the statement of financial position with the change applied retrospectively. The change is of a non-cash flow nature and has no effect on the distributable income or profit or loss. There is no impact on the Group's basic or diluted earnings per share and no impact on the total operating, investing or financing cash flows for the year ended 31 August 2015.

Cash flow – dividends paid

In the prior years, the dividends paid and dividends paid to non-controlling interests were presented as cash flows from operating activities. Dividends paid and dividends paid to non-controlling interests have been reclassified to cash flows from financing activities with the change applied retrospectively to be in line with how Redefine manages its cash.

PRIOR YEAR RESTATEMENT

	2015		
Figures in R'000s	As previously reported	Restatement/ Reclassification	As restated
STATEMENT OF FINANCIAL POSITION			
Non-current assets	**67 465 410**	**299 920**	**67 765 330**
Interest in associates and joint ventures	9 823 319	611 165	10 434 484
Derivative assets	93 150	72 897	166 047
Loans receivable	1 184 924	(563 099)	621 825
Other financial assets	–	252 717	252 717
Guarantee fees receivable	73 760	(73 760)	–
Current assets	**1 422 776**	**11 002**	**1 433 778**
Derivative assets	–	11 002	11 002
Total assets	**70 177 798**	**310 922**	**70 488 720**
Equity	**45 145 459**	**(8 187)**	**45 137 272**
Stated capital	33 738 010	(528 405)	33 209 605
Reserves	11 407 449	520 218	11 927 667
Non-current liabilities	**21 894 566**	**52 384**	**21 946 950**
Derivative liabilities	–	69 891	69 891
Other financial liabilities	17 507	(17 507)	–
Current liabilities	**3 137 773**	**266 725**	**3 404 498**
Trade and other payables	1 106 230	(199 832)	906 398
Interest accrual on interest-bearing borrowings	–	199 832	199 832
Derivative liabilities	10 488	14 008	24 496
Other financial liabilities	18 437	252 717	271 154
Total equity and liabilities	**70 177 798**	**310 922**	**70 488 720**
Number of shares in issue ('000)	4 448 623	(55 520)	4 393 103
Net asset value per share (cents)	1 021.00	12.72	1 033.72
Net tangible asset value per share (cents)	900.35	11.20	911.55
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME			
Other gains	**162 274**	**(33 760)**	**128 514**
– Fee income	33 760	(33 760)	–
Profit before finance costs and taxation	**7 130 259**	**(33 760)**	**7 096 499**
Net interest costs	**(1 376 835)**	**(56 918)**	**(1 433 753)**
– Interest income	306 229	(56 918)	249 311
Profit for the year	**5 701 014**	**(90 678)**	**5 610 336**
Other comprehensive (loss)/income	**(90 397)**	**612 779**	**522 382**
Exchange differences on translation of foreign operations:			
– Associates and joint ventures	(19 906)	612 779	592 873
Total comprehensive income for the year	**5 610 617**	**522 101**	**6 132 718**
Total comprehensive income for the year – attributable to Redefine Properties Limited shareholders	**5 334 700**	**522 101**	**5 856 801**
Earnings per share (basic and diluted) (cents)	142.82	(0.30)	142.52

	2015		
Figures in R'000s	**As previously reported**	**Restatement/ Reclassification**	**As restated**
STATEMENT OF CASH FLOW			
Cash flows from operating activities			
Cash generated from operations	4 299 358	(59 736)	4 239 622
Interest paid	(1 683 064)	59 736	(1 623 328)
Dividends paid	(2 859 144)	2 859 144	–
Dividends paid to non-controlling interests	(264 910)	264 910	–
Net cash inflow from operating activities	**(298 973)**	**3 124 054**	**2 825 081**
Cash flows from financing activities			
Dividends paid	–	(2 859 144)	(2 859 144)
Dividends paid to non-controlling interests	–	(264 910)	(264 910)
Net cash inflow from financing activities	**6 583 831**	**(3 124 054)**	**3 459 777**

	2014		
Figures in R'000s	**As previously reported**	**Restatement/ Reclassification**	**As restated**
STATEMENT OF FINANCIAL POSITION			
Non-current assets	**55 007 339**	**(272 715)**	**54 734 624**
Interest in associates and joint ventures	4 173 173	(1 614)	4 171 559
Derivative assets	–	75 746	75 746
Loans receivable	1 727 212	(549 455)	1 177 757
Other financial assets	23 510	252 608	276 118
Guarantee fees receivable	50 000	(50 000)	–
Current assets	**992 697**	**1 927**	**994 624**
Derivative assets	–	1 927	1 927
Total assets	**57 490 164**	**(270 788)**	**57 219 376**
Equity	**35 735 937**	**(573 562)**	**35 162 375**
Stated capital	22 558 039	(528 405)	22 029 634
Reserves	10 162 303	(45 157)	10 117 146
Non-current liabilities	**14 997 245**	**32 073**	**15 029 318**
Derivative liabilities	95 192	59 580	154 772
Other financial liabilities	36 731	(27 507)	9 224
Current liabilities	**6 756 982**	**270 701**	**7 027 683**
Trade and other payables	1 294 307	(140 096)	1 154 211
Interest accrual on interest-bearing borrowings	–	140 096	140 096
Derivative liabilities	926	18 093	19 019
Other financial liabilities	12 872	252 608	265 480
Total equity and liabilities	**57 490 164**	**(270 788)**	**57 219 376**
Number of shares in issue ('000)	3 404 630	(55 520)	3 349 110
Net asset value per share (cents)	976.03	(0.94)	975.09
Net tangible asset value per share (cents)	819.52	(3.54)	815.98

EXTERNAL AUDITORS

The appointment of KPMG Inc. as the Group's external auditors commencing for the financial year ending 31 August 2016 was confirmed by shareholders at the annual general meeting held on 18 February 2016.

BASIS OF PREPARATION

The summarised consolidated financial statements are prepared in accordance with the JSE Listings Requirements for provisional reports and the requirements of the Companies Act applicable to summarised financial statements. The JSE Listings Requirements require provisional reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting. The accounting policies applied in the preparation of the consolidated financial statements from which the summarised financial statements are derived are in terms of IFRS and are consistent with those applied in the previous consolidated financial statements.

This summarised report is extracted from the audited information, but is not itself audited. The consolidated financial statements are audited by KPMG Inc., who expressed an unmodified opinion thereon. The auditor's report does not necessarily report on all the information contained in these summarised consolidated financial statements. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of the auditor's report together with the accompanying audited consolidated financial statements, both of which are available for inspection at the Company's registered office. The directors of Redefine Properties Limited take full responsibility for the preparation of this report and that the selected financial information has been correctly extracted from the underlying consolidated financial statements.

By order of the Board

Redefine Properties Limited
2 November 2016


90 RIVONIA, GAUTENG

SECTION 2: DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

TO THE SHAREHOLDERS OF REDEFINE PROPERTIES LIMITED

CORPORATE OVERVIEW

Redefine is a listed Real Estate Investment Trust (REIT). It derives rental income from investments in office, retail, industrial and specialised properties, and distributions from listed security investments.

NATURE OF THE BUSINESS

The nature of business and operations are commented on in detail in the Company overview section of the IR.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

The financial statements are prepared in terms of International Financial Reporting Standards (IFRS) and the requirements of the Companies Act, No 71 of 2008 (as amended).

STATED CAPITAL

The Company's authorised stated capital consists of 6 500 000 000 ordinary shares of no par value.

Pursuant to the general authority granted at the annual general meetings (AGM) in February 2015 and February 2016, the following additional shares were issued during the year:

- 95 989 000 shares were issued at an issue price of R10.30 per share on 2 December 2015;
- 74 865 868 shares were issued at an issue price of R10.80 per share on 30 May 2016; and
- 136 953 086 shares were issued at an issue price of R11.25 per share on 20 July 2016.

At 31 August 2016, there were 5 062 307 743 shares in issue, all of which rank for the dividend declared on 2 November 2016.

DIVIDEND DISTRIBUTIONS

On 5 November 2015, the Board declared a final dividend of 41.00 cents per share for the six months ended 31 August 2015 which was paid on 30 November 2015.

On 5 May 2016, the Board declared an interim dividend of 41.70 cents per share for the six months ended 28 February 2016 which was paid on 30 May 2016.

Subsequent to year end, on 2 November 2016 the Board declared a final dividend of 44.30 cents per share for the six months ended 31 August 2016 which was paid on 28 November 2016.

This dividend has been declared from distributable earnings and meets the requirement of a REIT 'qualifying distribution' for purposes of section 25BB of the Income Tax Act, No 58 of 1962 (as amended).

DIRECTORATE

The directors of the Company at the date of this report were:

Executive directors:

M Wainer – Executive chairman
AJ König – Chief executive officer
LC Kok – Financial director
DH Rice – Chief operating officer+
MJ Ruttell – Executive: development@

Non-executive directors:

B Nackan* – Lead independent director
DA Nathan*
GZ Steffens* #
HK Mehta*
M Barkhuysen*
MJ Watters
NB Langa-Royds*
P Langeni*

* *Independent*
\+ *British*
\# *German*
@ *Irish*

B Nackan, GZ Steffens and MJ Watters retire at the forthcoming annual general meeting and are eligible for re-election.

The following changes to the directorate took place during the year:

- NB Langa-Royds was appointed on 4 November 2015; and
- M Barkhuysen was appointed on 4 November 2015.

DIRECTORS' INTERESTS

The interests of the directors in the shares of Redefine Properties Limited were as follows:

	Beneficial			
	Direct	**Indirect**	**Associate**	**Total**
August 2016				
AJ König	**4 162 557**	**–**	**–**	**4 162 557**
B Nackan	**12 718**	**–**	**–**	**12 718**
DA Nathan	**–**	**–**	**–**	**–**
DH Rice	**3 443 292**	**–**	**–**	**3 443 292**
GZ Steffens	**–**	**–**	**–**	**–**
HK Mehta	**284 859**	**32 614 062**	**69 190 127**	**102 089 048**
LC Kok	**1 515 583**	**–**	**–**	**1 515 583**
M Barkhuysen	**100 000**	**–**	**–**	**100 000**
M Wainer	**8 889 727**	**13 055 661**	**348 793**	**22 294 181**
MJ Ruttell	**652 557**	**–**	**–**	**652 557**
MJ Watters	**–**	**–**	**–**	**–**
NB Langa-Royds	**–**	**–**	**–**	**–**
P Langeni	**–**	**–**	**–**	**–**
	19 061 293	**45 669 723**	**69 538 920**	**134 269 936**
August 2015				
AJ König	2 690 514	–	–	2 690 514
B Nackan	11 609	–	–	11 609
DA Nathan	–	–	–	–
DH Rice	2 685 175	–	–	2 685 175
GZ Steffens	–	–	–	–
HK Mehta	107 345	31 434 972	69 190 127	100 732 444
M Wainer	8 304 495	13 055 661	319 814	21 679 970
LC Kok	99 988	–	–	99 988
MJ Ruttell	212 990	–	–	212 990
MJ Watters	–	–	–	–
P Langeni	–	–	–	–
	14 112 116	44 490 633	69 509 941	128 112 690

EXECUTIVE DIRECTORS' EMOLUMENTS

Figures in R'000s	Salary and allowances	Bonuses and performance-related payments	Other benefits and payments	Retirement benefits	Total
August 2016					
AJ König	**3 680**	**7 095**	**144**	**420**	**11 339**
DH Rice	**3 243**	**7 152**	**209**	**297**	**10 901**
LC Kok	**2 750**	**3 430**	**186**	**323**	**6 689**
M Wainer	**4 842**	**9 895**	**1 168***	**–**	**15 905**
MJ Ruttell	**2 120**	**3 624**	**–**	**–**	**5 744**
	16 635	**31 196**	**1 707**	**1 040**	**50 578**
August 2015					
AJ König	3 268	6 070	128	368	9 834
DH Rice	2 929	6 174	170	263	9 536
LC Kok	2 346	1 616	158	275	4 395
M Wainer	3 863	8 191	147	–	12 201
MJ Ruttell	1 613	3 262	–	–	4 875
	14 019	25 313	603	906	40 841

* *Fees for executive directors sitting on Group Company Boards are earned by Redefine Properties Limited, except for a fee of R999 000 paid to M Wainer in his capacity as non-executive director for the Cromwell Property Group. This has been included in the other benefits and payments column.*

Executive directors' total remuneration in terms of IFRS

The table below provides an indication of the total cost to company in relation to executive directors' remuneration. Total cash payments and benefits reflect the information disclosed above. The IFRS accounting charge reflects the cost that has been expensed by the Company in profit or loss in the relevant year in relation to long-term incentive awards that have been granted to executives.

Figures in R'000s	Salary, bonuses and other benefits	IFRS charge in respect of staff incentive scheme awards^	Total IFRS remuneration
August 2016			
AJ König	**11 339**	**5 164**	**16 503**
DH Rice	**10 901**	**4 943**	**15 844**
LC Kok	**6 689**	**3 363**	**10 052**
M Wainer	**15 905**	**6 795**	**22 700**
MJ Ruttell	**5 744**	**2 503**	**8 247**
	50 578	**22 768**	**73 346**
August 2015			
AJ König	9 834	2 889	12 723
DH Rice	9 536	3 019	12 555
LC Kok	4 395	2 878	7 273
M Wainer	12 201	3 948	16 149
MJ Ruttell	4 875	2 805	7 680
	40 841	15 539	56 380

^ *The IFRS charge is a calculation based on the present value of total awards made to executives that will vest in future years, compared to the amount calculated in the prior year, arriving at the expense accounted for in profit or loss. It should be noted that the amount estimated here may differ significantly from the actual expense in the current and future years, which is based on the number of shares that vested calculated at the price at which they vested.*

NON-EXECUTIVE DIRECTORS' FEES

The fees paid to non-executive directors for the year ended 31 August 2016 were calculated on the following basis as approved by the remuneration committee and by the Board, on authority granted by shareholders at the annual general meeting held on 18 February 2016:

Figures in R'000s	2016	2015
Basic annual fee for non-executive directors		
Lead independent director	**500**	–
Non-executive director	**360**	330
Audit and risk committee chairman	**170**	155
Audit and risk committee member	**140**	130
Remuneration and nomination committee chairman/member	**65**	60
Investment committee chairman	**105**	95
Social, ethics and transformation committee chairman/member	**65**	60
Non-executive directors' fees		
B Nackan	**810**	615
DA Nathan	**595**	545
GZ Steffens	**565**	520
HK Mehta	**425**	423
M Barkhuysen	**300**	–
MJ Watters	**360**	330
NB Langa-Royds	**322**	–
P Langeni	**360**	110
RW Rees	**–**	215
	3 737	2 758

DETAILS OF THE EXECUTIVE DIRECTORS' RESTRICTED SHARE SCHEME

The number of conditional share awards allotted in terms of the conditional share award scheme are:

	2015	Granted	Forfeited	Vested	2016
AJ König	585 000	300 000	(37 800)	(142 200)	**705 000**
DH Rice	675 000	275 000	(47 250)	(177 750)	**725 000**
LC Kok	480 000	230 000	(33 600)	(126 400)	**550 000**
M Wainer	900 000	400 000	(63 000)	(237 000)	**1 000 000**
MJ Ruttell	450 000	155 000	(31 500)	(118 500)	**455 000**
	3 090 000	1 360 000	(213 150)	(801 850)	**3 435 000**

The third grant of the restricted share scheme took place during the current financial year.

In terms of this scheme the directors have a conditional right to a share, which is awarded subject to performance and vesting conditions. Refer to note 19, share-based payments, in the Group annual financial statements.

DETAILS OF THE EXECUTIVE DIRECTORS' SHORT-TERM INCENTIVE SCHEME

The number of conditional share awards allocated in terms of the deferred short-term incentive scheme are:

	2015	Granted	Forfeited	Vested	2016
AJ König	–	260 248	–	–	**260 248**
DH Rice	–	229 886	–	–	**229 886**
LC Kok	–	199 833	–	–	**199 833**
M Wainer	–	341 730	–	–	**341 730**
MJ Ruttell	–	131 363	–	–	**131 363**
	–	1 163 060	–	–	**1 163 060**

The first grant of the short-term incentive scheme took place during the current financial year.

DETAILS OF THE EXECUTIVE DIRECTORS' MATCHING SCHEME

In terms of this scheme, the directors are invited annually to utilise a predetermined percentage of their after-tax bonus to acquire Redefine shares. Directors holding these shares at the third anniversary of the date of award will be awarded additional Redefine shares free of consideration based on a multiple of the original shares linked to the Group and individuals' performances. Refer to note 19, share-based payments, in the Group annual financial statements.

	2015	Expected award	Adjustments	2016
AJ König	635 115	348 969	–	**984 084**
DH Rice	578 085	309 618	–	**887 703**
LC Kok	–	228 963	–	**228 963**
M Wainer	738 102	444 693	–	**1 182 795**
MJ Ruttell	44 890	35 867	–	**80 757**
	1 996 192	1 368 110	–	**3 364 302**

PRESCRIBED OFFICER

Following a review of the definition of a 'prescribed officer' in terms of the Companies Act, in the context of decision-making processes within the Group, executive management and the Board have concluded that only members of the executive committee can be regarded as a 'prescribed officer'.

SERVICE CONTRACTS

Executive directors retire from their positions and from the Board (as executive directors) at the age of 65. Though normal retirement age is 65 years for executive directors, the Company's retirement policy makes provision to extend the working relationship beyond the normal retirement age. The executive directors are subject to three calendar months' written notice under their existing employment contracts.

GOING CONCERN

The Group earned a net profit for the year ended 31 August 2016 of R4.61 billion (2015: R5.61 billion), as of that date, the Group had a positive net asset value and its current liabilities together with non-current liabilities held-for-sale, exceeded its current assets together with non-current assets held-for-sale by R5.93 billion (2015: R0.68 billion).

The majority of the current interest-bearing borrowings have been refinanced subsequent to year end (refer to subsequent events). Furthermore, Redefine has access to long-term undrawn interest-bearing borrowings (refer to note 21 interest-bearing borrowings in the Group annual financial statements) for additional funding requirements. Based on the above, the directors consider that the Company and its subsidiaries have adequate resources to continue operating for the foreseeable future and that it is appropriate to adopt the going-concern basis in preparing the Group financial statements. The directors have satisfied themselves that the Group is in a sound financial position and that it has access to sufficient funding facilities to meet its foreseeable cash requirements.

SUBSEQUENT EVENTS

Dividend declaration after the reporting date

In line with IAS 10, *Events After the Reporting Period*, the declaration of the dividend of 44.30 cents per share occurred after the end of the reporting period, resulting in a non-adjusting event that is not recognised in the Group annual financial statements.

Offer to acquire the Pivotal Fund Limited (Pivotal)

On 30 August 2016, Redefine announced an offer to acquire all of the Pivotal shares from Pivotal shareholders by scheme of arrangement. Following implementation of the scheme, Pivotal shareholders will receive approximately 138.54 Redefine shares and 9.38 EPP shares for every 100 Pivotal shares held. The Pivotal acquisition is in line with Redefine's strategy to diversify, grow and improve the quality of its portfolio and recycle its capital through disposing of non-core assets and replacing them with prime assets. The acquisition positions Redefine even more competitively in the commercial property sector in line with its strategic intent to become the landlord of choice in A-grade office space in sought after areas in South Africa. The transaction is subject to Pivotal shareholder, senior lender and usual regulatory approvals, which are expected by 30 November 2016.

Exchangeable bonds

On 5 September 2016, Redefine successfully placed secured bonds with a principal amount of EUR150 million (R2.4 billion), exchangeable into ordinary shares of RI PLC, the proceeds of which were used to partially refinance debt raised by Redefine on its acquisition of its shareholding in EPP. The initial exchange price of the bonds was set at EUR0.61904 per RI PLC share and the initial exchange ratio of the bonds was set at 161 540.61 RI PLC shares per bond. The bonds were issued at 100% of their principal amount and, unless previously exchanged, redeemed or repurchased and cancelled, will be redeemed at par (Redefine will have the flexibility to settle in cash, deliver the underlying RI PLC shares or any combination thereof) on 16 September 2021. Holders of the bonds will have the option to require an early redemption of their bonds on the third anniversary of the issue date, at their principal amount, together with accrued interest.

SHAREHOLDERS' ANALYSIS

The shareholders' analysis is disclosed in the Group annual financial statements on pages 102 to 103.

SECTION 3: BOARD OF DIRECTORS

Leon Kok (45)
Financial director
BCom, BCom Hons (Acc), CA (SA)

Marc Wainer (68)
Executive chairman

Andrew König (49)
Chief executive officer
BCom, BAcc, CA (SA)

Ntombi Langa-Royds (54)
Independent non-executive director
BA (Law), LLB

Marius Barkhuysen (60)
Independent non-executive director

David Nathan (67)
Independent non-executive director
CA (SA)

Günter Steffens (79)
Independent non-executive director

David Rice (60)
Chief operating officer

Mike Ruttell (58)
Executive director: development
BSc QS, MRICS, HBS AMP

Michael Watters (57)
Non-executive director
BSc Eng (Civil), MBA

Bridgitte Mathews (47)*
Independent non-executive director
CA (SA), HDip Tax

Bernie Nackan (72)
Lead independent non-executive director
BA Econ, SEP

Harish Mehta (66)
Independent non-executive director
BSc, MBA

Phumzile Langeni (42)
Independent non-executive director
BCom, BCom Hons

* *Appointed by the Board on 30 November 2016, with effect from 9 February 2017*

BOARD OF DIRECTORS [CONTINUED]

MARC WAINER (68)

Executive chairman

Appointment to the Board:
Marc was appointed to the Board in 1999, chief executive officer in 2009 and subsequently became executive chairman in August 2014.

Committee membership:
Member of the executive and investment committees.

External appointments:
Director of Redefine International PLC and Cromwell Property Group of Australia.

He is also a non-executive director of Elwain Investments Proprietary Limited and Echo Polska Properties N.V.

Previous experience:
Until August 2014, Marc was chief executive officer of Redefine Properties, thereafter moving to the executive chairman role. He has approximately 40 years' experience in all aspects of real estate.

Marc's primary focus is on acquisitions and disposals, international investments and investor relations as well as playing a role in conceptual development at Redefine.

He is responsible for leading the Board and for ensuring the integrity and effectiveness of the Board and its committees.

ANDREW KÖNIG (49)

Chief executive officer
BCom, BAcc, CA (SA)

Appointment to the Board:
Andrew was appointed as financial director and to the Board in 2011 and elected as chief executive officer in August 2014.

Committee membership:
Chairman of the executive committee and member of the investment committee.

External appointments:
Alternate director to Marc Wainer on the Redefine International PLC Board.

Non-executive director of Cromwell Property Group of Australia, Echo Polska Properties N.V. and Delta Property Fund Limited.

Previous experience:
A chartered accountant with approximately 25 years of commercial and financial experience, Andrew was previously group financial director of Independent News and Media. He is responsible for the effective management and running of Redefine's business in terms of the strategies and objectives approved by the Board, as well as all aspects of corporate activity and communications.

BERNIE NACKAN (72)

Lead independent non-executive director
BA Econ, SEP

Appointment to the Board:
Appointed in 2009.

Committee membership:
Chairman of the nomination and investment committees, member of the audit and risk and remuneration committees.

External appointments:
Non-executive director of Redefine International PLC and the Rezco Asset Management Group.

Previous experience:
Bernie was financial editor of the Rand Daily Mail and an executive director of Sage Group from 1974 until his retirement in 2003.

He was a member of the Collective Investment Schemes Advisory Committee for 10 years.

DAVID RICE (60)

Chief operating officer

Appointment to the Board:
David was appointed to the Board in August 2009 and subsequently became chief operating officer in March 2011.

Committee membership:
Member of the executive and investment committees.

Previous experience:
David was managing director of ApexHi Properties Limited from 2006 until the merger of Redefine, ApexHi and Madison Property Fund Managers Holdings Limited.

He is responsible for all aspects of the asset and property management of the business which includes the general administration of the property portfolio.

David has more than 30 years' experience in the property industry.

LEON KOK (45)

Financial director
BCom, BCom Hons (Acc), CA (SA)

Appointment to the Board:
Appointed in October 2014.

Committee membership:
Member of the executive and social and ethics committees.

Previous experience:
Leon is a chartered accountant with an excellent blend of operational experience, sound business acumen and technical accounting knowledge. He joined Redefine in 2014 from a 13-year career at Peermont Global Limited.

He is responsible for all aspects of finance, legal and human resources management and supports the chief executive officer in corporate activities, regulatory compliance and investor relations.

MICHAEL WATTERS (57)

Non-executive director
BSc Eng (Civil), MBA

Appointment to the Board:
Appointed in August 2014.

External appointments:
CEO of Redefine International PLC, non-executive chairman of Redefine BDL Hotel Group Limited and non-executive director of International Hotel Group Limited.

Previous experience:
A qualified engineer with a BSc Engineering Degree and an MBA. Mike has approximately 28 years' experience in investment banking and real estate industries.

He has held directorships of some of South Africa's top-rated listed property funds including Sycom Property Fund, Hyprop Investments Limited as well as the Sapphire Retail Fund in the UK.

MARIUS BARKHUYSEN (60)

Independent non-executive director

Appointment to the Board:
Appointed in November 2015.

External appointments:
None

Previous experience:
Marius has over 35 years' experience in property and an in-depth understanding of retail property. He was previously an independent non-executive director of Fountainhead Property Trust and a director and member of the executive committee of Pepkor Holdings Proprietary Limited.

PHUMZILE LANGENI (42)

Independent non-executive director
BCom, BCom Hons

Appointment to the Board:
Appointed in May 2015.

External appointments:
Executive Chairman of Afropulse Group Proprietary Limited.

Non-executive chairman of Astrapak Limited and the Mineworkers Investment Company Proprietary Limited and non-executive director of several other listed and unlisted companies.

Phumzile is also the non-executive chairperson of KZN Development Holdings.

Previous experience:
Phumzile is a stockbroker by training and was previously the economic adviser to the Minister of Minerals and Energy.

NTOMBI LANGA-ROYDS (54)

Independent non-executive director
BA (Law), LLB

Appointment to the Board:
Appointed in November 2015.

External appointments:
Independent non-executive director of Murray & Roberts Holdings Limited, Mpact Limited, Europ Assistance Worldwide Services (South Africa) Proprietary Limited and other unlisted companies.

Ntombi is also a trustee of the Murray & Roberts Trust, the Mpact Share Incentive Scheme and the Mpact Foundation.

Previous experience:
Ntombi has more than 25 years' experience in human resources. She was previously a non-executive director of the Pretoria Portland Cement Company Limited and African Bank Investments Limited and the owner of Nthake Consulting, a human resources consultancy business.

MIKE RUTTELL (58)

Executive director: development
BSc QS, MRICS, HBS AMP

Appointment to the Board:
Appointed in September 2013.

Committee membership:
Member of the executive and social and ethics committees.

Previous experience:
Mike is a quantity surveyor by profession with over 36 years of technical and commercial experience in the construction and property development sectors both in South Africa and internationally.

He is responsible for all aspects of Redefine's development activities.

HARISH MEHTA (66)

Independent non-executive director
BSc, MBA

Appointment to the Board:
Appointed in September 2009.

Committee membership:
Member of the remuneration and nomination committees.

External appointments:
Non-executive chairman of Times Media Group Limited and Wasteman Group Proprietary Limited.

Non-executive director of the Spar Group Limited, Tiso Blackstar Group SE (listed on the London Stock Exchange), the KZN Provincial Board of First National Bank and Cibapac Proprietary Limited.

Harish is the executive chairman of Clearwater Capital, a strategic BEE shareholder in Redefine.

Previous experience:
Harish was formerly the managing director of the Universal Print Group Proprietary Limited.

GÜNTER STEFFENS (79)

Independent non-executive director

Appointment to the Board:
Appointed in September 2013.

Committee membership:
Chairman of the remuneration committee and member of the audit and risk and nomination committees.

External appointments:
Director of Astrapak Limited and Imara Holdings Limited (listed in Botswana) and serves on the Boards of several non-listed companies.

Previous experience:
Günter established Dresdner Bank AG in London and ran it for 25 years. He subsequently oversaw the bank's interests in Southern Africa.

He was chairman of the German-British Chamber of Commerce and The Foreign Banks and Securities Houses Association and is a member of the Worshipful Company of International Bankers.

DAVID NATHAN (67)

Independent non-executive director
CA (SA)

Appointment to the Board:
Appointed in March 2014.

Committee membership:
Chairman of both the audit and risk and social and ethics committees.

External appointments:
Non-executive director and member of audit and risk as well as social and ethics committees of Karan Beef Proprietary Limited.

David is also a director of various other local and foreign companies.

Previous experience:
Before retiring, David was a senior partner at Grant Thornton (Jhb) with close on 40 years of experience at the firm of which 35 years were as a partner. He has extensive experience of boards, governance, finance, investment and risk matters and an extensive knowledge of exchange control matters, property and investment trusts.

BRIDGITTE MATHEWS (47)

Independent non-executive director
CA (SA), HDip Tax

Appointment to the Board:
Appointed with effect from 9 February 2017.

Committee membership:
Appointed as the chairperson of the remuneration committee and a member of the nomination committee with effect from 9 February 2017.

External appointments:
Founder of Ca Vie Investments Proprietary Limited, a specialist business process management consulting firm and a member of African Women Chartered Accountants.

Independent non-executive director of OneLogix Group Limited, Suidwes Agriculture Group (RF) Proprietary Limited, Agrinet Proprietary Limited, PSG Group Limited and PSG Financial Services Limited.

Deputy chairperson of ATKV NPC and chairperson of the Board of trustees of the Redefine Empowerment Trust.

Previous experience:
Bridgitte was previously a trustee of the Q(h)ubeka Trust and the group financial controller of Independent News and Media South Africa Proprietary Limited.

SECTION 4: REMUNERATION REPORT

PART 1:

LETTER FROM THE CHAIRMAN OF THE REDEFINE REMUNERATION COMMITTEE TO ALL STAKEHOLDERS

Dear Stakeholders

I am pleased to present the committee's remuneration report for the 2016 financial year (FY2016).

A key objective of this report is to describe how Redefine Properties Limited (Redefine or the Company) has implemented its remuneration policy throughout the organisation. Redefine has contributed actively in the communities it operates in and broader transformation within the South African context (refer to SES for further information). We also conducted a rigorous examination of internal pay levels to ensure that they are aligned to the principle of equal pay for work of equal value. The report also demonstrates that the remuneration structure is aligned with the Company's overall business strategy and is based on the principle of 'pay for performance' and on drawing a link between executive salary increases and increases across the organisation.

This report sets out Redefine's remuneration arrangements in FY2016. In line with the King III report on corporate governance, we have segmented the remuneration report into three sections:

- A letter to stakeholders setting out the background to our remuneration strategy and policy (part 1);
- The forward-looking remuneration policy (part 2); and
- The implementation of these arrangements in FY2016 (part 3).

The Company is a recognised leader in integrated reporting, ranked in the top 10 of all JSE-listed companies and disclosure of remuneration in this report is designed to be fully transparent and understandable. We also reflect the clear links between the overall Company strategy, specifically Redefine's strategic matters, and the Company's remuneration policy.

The committee's activities were geared towards monitoring the achievement of Redefine's strategic matters, listed on page 21 of the IR.

Redefine's share price performance was impacted by the events of December 2015, as was the case for most companies listed on the Johannesburg Stock Exchange. The increase in the repo rate, economic uncertainty and currency weakness in recent months also posed challenges for Redefine – however, the Company has continued to focus on increasing operational efficiency and managing relationships with key stakeholders (including local government), and management was pleased to report a 7.5% growth in distributions for the full FY2016.

In FY2016 we revised our Short-Term Incentive (STI) performance conditions to emphasise financial performance (in the form of total return based on Net Tangible Asset Value (NTAV)), and on individual performance indicators (linked to financial and strategic matters which directly affect Redefine's profitability), and we also increased the focus on behavioural competencies (specifically leadership and transformational objectives). A clear distinction is now drawn between the performance conditions for STIs and Long-Term Incentives (LTIs) respectively. The performance conditions for the STI (and the introduction of bonus deferral) have been geared towards maximising Redefine's short- to medium-term profitability; and the performance conditions for the LTI are geared towards realising Redefine's long-term strategic matters. More detail of these aspects is set out in the STI section under part 2 of this report.

We have also revised the 2016 LTI performance conditions under the Restricted Share Scheme by reducing the weighting of the individual performance component from 18% to 15%, Company financial performance was increased to 60%, previously 42%, while only 25% (reduced from 40%) of the total award will be based on retention. We have also introduced Minimum Shareholding Requirements (MSR), for executive management to increase long-term alignment. These changes to our policy are aligned with the views of our stakeholders and are designed to achieve greater alignment with stakeholder interest, as well as with the strategic matters of the organisation.

In line with King III, stakeholders will again have the opportunity to vote on the following aspects of the remuneration policy at the 2016 annual general meeting:

- A non-binding advisory vote on part 2 of this report; and
- The recommended fees for non-executive directors set out in part 3.

To ensure that the remuneration policy and its implementation are informed by market-related data, we have retained PwC as the independent remuneration advisor to the remuneration committee (Remco).

Redefine actively engages with stakeholders and will continue to do so in future. The following table sets out the results of the stakeholder engagement on our 2015 remuneration report, and the 2016 remuneration policy, and the actions taken by Redefine in respect of each element.

Stakeholder comments	Remco responses
More detail is recommended on the performance conditions for the matching share scheme	Financial performance conditions for the matching and restricted share schemes are the same. In this report Remco has added more detail on the individual performance element applicable to both schemes.
The rebasing exercise for executive TGP levels should not be conducted annually but every few years	Redefine does not conduct a rebasing exercise annually. A remuneration benchmarking exercise is, however, conducted annually, to monitor market benchmarks for TGP at all levels.
The exclusion of certain property companies from the benchmarking comparator group requires explanation	Some of the property companies were deemed unsuitable and were excluded from the benchmarking comparator group for the following reasons: → Offshore companies whose financial statements are denominated in currencies other than South African Rand; and → Companies that do not have long-term incentive schemes which would distort the benchmarking.
STI and LTI performance conditions should not be the same	The STI performance conditions are now sufficiently distinguished from the LTI performance conditions. In terms of the new STI formula, the Company financial performance component is 50%. The individual performance component is 35% and includes financial and strategic performance conditions which directly affect Redefine's cash flow and profitability. Behavioural competencies are weighted 15%, measuring leadership capabilities and the achievement of transformational objectives.
The LTI performance conditions are weighted too heavily towards retention and individual performance	Following consultation with advisors and stakeholders, the retention component on LTIs has been narrowed from 40% to 25%. The individual performance component was reduced from 18% to 15% and the Company financial performance component was increased from 42% to 60%.
Performance conditions should be considered for the share purchase scheme	The share purchase scheme is a means of encouraging co-investment and is at full financial risk to the participant. Therefore it is not subject to additional performance conditions.
The committee should ensure that the performance conditions for the LTI schemes are sufficiently stretching	Review of the performance conditions in line with market best practice is recognised as an imperative by the Remco. Redefine will continue to set appropriate vesting levels at different targets.

In order to align remuneration outcomes with policy, this year's remuneration report discloses both the FY2016 remuneration policy and the amounts accrued in respect of FY2016 performance – albeit that the benefit may technically only be paid or equity delivered to executives in FY2017. This should facilitate enhanced stakeholder analysis and understanding.

Remco recommended this remuneration report to the Board on 2 November 2016 and it was subsequently endorsed.

Günter Steffens
Chairman
Remuneration committee

PART 2:

THE REMUNERATION POLICY

Remuneration governance

Remco operates independently from executive management. It acts as an overseer and makes recommendations on remuneration decisions to the Board for its consideration and final approval. Remco is governed by its terms of reference, which are reviewed and amended as and when required and approved by the Board. In summary, the role and duties of the Remco are to:

- Review and approve the Company's recruitment, retention and termination policies and procedures for senior executives to enable the Company to attract and retain executives and directors who can create value for shareholders.
- Oversee the establishment of a remuneration policy that will promote the achievement of strategic objectives and encourage individual performance.
- Oversee the setting and administering of remuneration at all levels in the Company.
- Ensure that the remuneration policy is put to a non-binding advisory vote at the annual general meeting.
- Ensure that any remuneration policy fairly and responsibly rewards executives having regard to the performance of the Company, the performance of the executive and prevailing remuneration trends in the market.
- Review the outcomes of the implementation of the remuneration policy to determine whether the set objectives are being achieved.
- Ensure that the mix of fixed and variable pay (in cash, shares and other elements) meets the Company's needs and strategic objectives.
- Satisfy itself as to the accuracy of recorded performance measures that govern the vesting of incentives.
- Ensure that all benefits, including retirement benefits and other financial arrangements, are justified and correctly valued.
- Consider the results of the evaluation of the performance of the CEO and other executive directors, both as directors and as executives in determining remuneration.
- Select an appropriate comparative group when comparing remuneration levels.
- Regularly review incentive schemes presented by management to ensure continued contribution to shareholder value and that these are administered in terms of the rules.
- Consider the appropriateness of early vesting of share-based schemes at the end of employment.
- Advise on the remuneration of non-executive directors.
- Oversee the preparation and recommendation to the Board of the remuneration report to determine whether it:
  - is accurate, complete and transparent;
  - provides a clear explanation of how the remuneration policy has been implemented;
  - provides a sufficient level of disclosure as required in terms of King III or provides the rationale behind principles not applied by the Company. Where the principles are not applied by the Company, the committee should review the rationale provided by the Company and whether this is acceptable; and
  - provides sufficient forward-looking information for stakeholders to pass a special resolution in terms of section 66(9) of the Companies Act.

The members of the committee are:

- GZ Steffens (chairman);
- B Nackan; and
- HK Mehta.

Invitees to the committee meetings in the 2016 financial year were:

- M Wainer (executive chairman);
- AJ König (chief executive officer);
- LC Kok (financial director);
- DH Rice (chief operating officer);
- R Coetzee (head of human resources); and
- The independent remuneration advisor attends Remco meetings from time to time where relevant.

Invitees to Remco meetings have no vote and are not present when their own remuneration is discussed.

In line with the recommendations of King III, all the members of the Remco are independent non-executive directors. The Remco members do not decide on their own remuneration; instead they request that executive management propose directors' fees and the fee structure (through independent advice and benchmarking). Subsequently, this is tabled before the Board for recommendation to shareholders for approval by special resolution.

Remco met five times during the financial period ending 31 August 2016. A schedule of meeting attendances is provided in the table on page 8 of the CGR .

The Remco chairman reports to the Board following each committee meeting and attends the annual general meeting to respond to questions from stakeholders on the Remco's areas of responsibility.

2016 key Remco actions and decisions

During 2016, the key Remco actions and decisions taken were as follows:

- Reviewed the terms of reference and recommended this to the Board for approval.
- Reviewed the remuneration policy and strategy and recommended it to the Board for approval.
- Reviewed the employee group risk benefits, as well as standard conditions of service, for all employees.
- Made awards under the LTI schemes to eligible employees and approved vesting of awards.
- Reviewed the continued appropriateness of the total remuneration comparator group.
- Reviewed executive directors' total remuneration with input from PwC, and approved overall TGP increases for all levels against the market.
- Conducted a benchmarking study for non-executive directors' fees (with assistance from the executive team and external advisors) against the market to inform non-executive director fee proposals for the 2017 financial year.
- Reviewed and amended the STI performance conditions and drew a clear and appropriate distinction between STI and LTI performance conditions.
- Implemented MSRs to support the direct alignment of management with stakeholders through the holding of Redefine shares throughout their tenure.
- Revisited the LTI split between the performance and retention component and narrowed the retention component; this will be implemented in the new financial year.
- Undertook an analysis of major shareholders' known voting policies, records, shareholder priorities and issues, and proactively engaged with stakeholders in this regard.
- Reviewed and approved the 2016 remuneration report.

Plans for 2017

Malus and Clawback

During the 2017 financial year, it is intended to review the Company's risk adjustment mechanisms for executive pay. The Company will consider the implications of malus (over unvested instruments) and clawback (over vested instruments).

Broad-based incentive scheme

In the 2017 financial year, Redefine plans to introduce a broad-based incentive scheme for all employees as a means of retaining talent, uplifting individuals and narrowing the pay gap. The scheme is multifaceted and intends to reward long service and incentivise employees to contribute to the growth of the Company. Exco members will not be eligible to participate in this scheme. The parameters of this scheme will be set out in the FY2017 remuneration report.

Stakeholder engagement

Remco will continue to respond to stakeholders on the remuneration policy and to address any relevant matters. Redefine is committed to maintaining regular, transparent and informative dialogue with stakeholders, aimed at building relationships based on trust and mutual understanding. Remco regularly reviews the Company's remuneration policy to ensure that interests are aligned to create long-term value for the Company and its stakeholders, and that those employees who play a key role in implementing the Company's strategy and achieving the Company's goals are appropriately incentivised.

Redefine's remuneration philosophy

Redefine believes that appropriately designed fair and market-related remuneration will drive and retain high-calibre executives who contribute positively to the Company's strategic objectives. Remuneration must be designed to support the Company's employment philosophy of attracting self-starting, skilled employees who subscribe to the values and the Company's culture of enterprise and innovation. A motivated and skilled management team is considered as being integral to the achievement of corporate objectives and members of the team are remunerated accordingly for their contributions.

Remuneration is not a stand-alone management process, but is integrated into other management processes that are aligned to achieving the Company's strategic objectives. The strategic principles included in the remuneration policy are aligned to the broader human resources strategy, which in itself supports the overall business strategy.

To reinforce a culture of enterprise and innovation, the targeted remuneration mix offered to key talent is deliberately weighted more heavily towards variable pay (STIs and LTIs) that is linked to the achievement of predetermined performance criteria. The performance criteria are selected and aligned to the Company's strategic objectives and the targets are set at levels that encourage high performance, but avoid excessive risk-taking behaviour by executives. Financial rewards are complemented with non-financial rewards such as career growth and training opportunities for individuals.

The desired outcomes from the Company's remuneration policy include:

- Enhanced internal fairness through consistent remuneration decision-making;
- Appropriate and responsible remuneration decisions;
- Enhanced employer of choice profile; and
- Alignment with our desired corporate culture.

Remuneration structure and design

The remuneration policy is linked to the Company's business strategy and strategic matters as well as sustainable value creation.

The table below summarises the composition of total remuneration offered to all employees, the LTI component applies to executive directors and other key employees on invitation.

Components	Fixed/ variable	Purpose	Performance period and measures	Operation and delivery	Changes in the year
TGP *TGP, and the policy of positioning it between the 50th and 75th percentile of the market, is positioned to attract and retain executives and key talent.*	Fixed	Core element that reflects market value of role with increases linked to company and individual performance.	Reviewed annually in September based on performance against predetermined performance criteria, consumer price inflation, affordability and market surveys.	Increases are effective on 1 September each year. Benchmarked against national and industry comparator companies. Positioned on average between the 50th and the 75th percentile.	Interim adjustments to executive remuneration based on market data. The difference between the benchmarking comparator group, and the variable pay comparator group (for the testing of performance conditions), is drawn in part 3 of the report.
Benefits (included in TGP) *Benefits are positioned to attract and retain talent.*	Fixed	Provident fund, death and disability cover and medical aid. Benefits paid by the Company: Income continuation cover, funeral cover and administration costs.	Reviewed annually.	Included in comparator benchmarking.	No material change.
STI scheme *STI encourages disciplined growth and diversification of the local property asset base by focusing on enhancing the value of assets (e.g. through the introduction of the total return based on the NTAV performance condition and total distribution). NTAV creates value for stakeholders by increasing the value of the Company's investment property portfolio.*	Variable	Create a high-performance culture through a cash bonus in relation to performance against predetermined company and individual performance criteria.	Annual: The performance period is the same as the financial year, i.e. 1 September to 31 August.	Payable in December each year in respect of the previous financial year. The key measures are NTAV; distribution; individual performance indicators (based on financial and profitability targets); and behavioural competencies (leadership and transformation).	Revised STI performance conditions, weightings and vesting levels. Refer to page 47.
LTI schemes *LTI encourages sustainable long-term returns for stakeholders. The individual performance component is designed to foster the achievement of the Company's strategic matters. The distribution-based components (i.e. budgeted distribution per share, and growth in distributions per share) are aimed at achieving higher yields for stakeholders over a long-term horizon.*	Variable	Alignment with long-term shareholder interests and retention of key employees.	Over a period of time.	Vesting occurs over a period of at least three years. The key measure is total shareholder return measured by growth in distributions per share and achievement of budgeted distributions, as well as the achievement of strategic objectives.	Revised LTI vesting levels.

Purpose of the remuneration policy

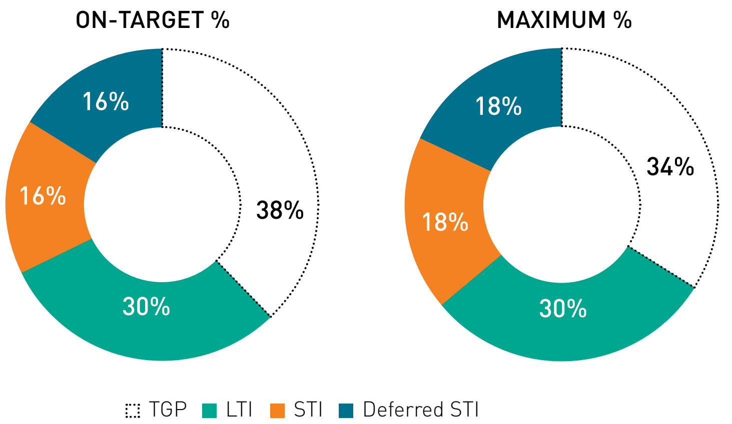
The purpose of Redefine's remuneration policy is to govern all the components of remuneration within the shareholder-approved remuneration framework and guiding principles. The policy sets out Redefine's approach to remuneration and is underpinned by the primary objective of promoting the achievement of the Company's strategic objectives.

Composition of executive director remuneration

Remuneration of the executive directors is structured taking cognisance of the short- and long-term objectives of the Company and is designed to support alignment with strategy, performance and behaviour. The mix is aimed at ensuring an optimal balance of remuneration between guaranteed and both short- and long-term incentives.

Remuneration is monitored and reviewed on an ongoing basis by Remco to ensure that the relative percentages of guaranteed and variable pay are market-related and aligned with the corporate objectives.

The following graphs reflect the mix of on-target remuneration, and the maximum potential compensation of executive directors. There will be nil variable pay below threshold performance.



Total guaranteed package

The Company conducts annual external benchmarking and participates in remuneration surveys to determine the market positioning at all levels in order to remain competitive. The TGP details are contained in the table on page 52.

The companies forming part of the total reward benchmarking comparator group were selected across all industries, based on sizing metrics, e.g. Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA), profit and market capitalisation (refer to Part 3). The benchmarking comparator group for total reward and the variable pay comparator group (for testing of the achievement of performance conditions) are different, as the variable pay comparator group is a relative measure of the achievement of corporate performance measures against other companies in the REIT sector.

The Remco approaches the internal wage gap issue from a sustainability, fairness and inclusiveness perspective. Redefine also conducted an exercise to measure its internal pay differentials designed to identify which employees' remuneration was out of line with others performing the same jobs, and whether these differentials were justifiable, in line with the principle of Equal Pay for work of Equal Value. As required by the Employment Equity Act, Redefine will take progressive steps to address internal disparities identified.

Short-Term Incentives

The STI scheme is established at all levels of the organisation. It is linked to performance at both an individual and company level and is measured against a set of pre-determined Key Performance Indicators (KPIs), which include:

- Company financial performance;
- Individual performance; and
- Behavioural competencies.

STIs are not a condition of employment, but are awarded by Remco based on the principles outlined in this report. The affordability of incentives and the Company's financial constraints are taken into account when awarding STIs.

Short-term incentives for executive directors are calculated based on the following formula:

TGP	X	200%	X	STI SCORE%*	=	TOTAL STI

50% — **Current**: Paid in cash as bonus

50% — **Deferred#**
- Paid in restricted shares
- Vesting in equal tranches over 3 years

* *Should the overall STI score be less than 60% no STI will be payable (Remco will not exercise its discretion to waive this rule in the event of underperformance).*

\# *As performance is measured on award, the deferral is only subject to an employment condition during the vesting period. The introduction of a deferral of STIs into shares increases the alignment between shareholders and management.*

STI score is calculated as follows:

Objectives	Description of key performance indicators	Measurement scale		Weighting (%)
Company financial performance	Total return based on net tangible asset value (NTAV) is based on the following formula:^ $$\frac{\left[\begin{array}{c}\text{Year-on-year change in RDF NTAV per share}\\ \text{+ Distribution for the year per share}\end{array}\right]}{\text{RDF opening NTAV (cents)}} \text{X100}$$ = Total return %	**If total return (%)**	**Score**	50
		Less than 9.9	0	
		Between 10.0 – 10.9	30	
		Between 11.0 – 11.9	34	
		Between 12.0 – 12.9	38	
		Between 13.0 – 13.9	42	
		Between 14.0 – 14.9	46	
		More than 15.0	50	
Individual performance	→ Based on strategic and financial objectives and 2016 priorities which have a direct influence on Redefine's cash flow and profitability → The balanced scorecard is specific to each executive director	→ Each director has 5 specific KPIs, refer to part 3 for a detailed breakdown per director → Each of the 5 KPIs holds equal weighting of 7%		35
Behavioural competencies	→ Leadership behaviour and achieving transformational objectives. → A rating out of 100% is given to each director measured by conducting 360° perception surveys	**Scale**	**Score**	15
		Below 70%	0	
		Between 70.0% – 79.9%	0 –14@	
		Above 80.0% or greater than average score	15	
		@ Based on a sliding scale		
				100

^ *Total return based on NTAV was introduced as the Company financial performance measure as Redefine's executives have direct influence over it (as opposed to other performance measures which are more dependent on external factors). The achievement of total return based on NTAV is considered an appropriate and challenging performance measure for executives.*

Remco may apply reasonable judgement to review the STI outcomes and to moderate any payments to avoid unexpected or unjustifiable outcomes.

Long-term incentives

The participants are invited on an annual basis to participate in Redefine's LTI plans, based on each employee's role, as well as Company and individual performance.

The table below is a summary of the LTI plans:

Scheme name	Restricted share scheme (RSS)	Matching share scheme (MSS)	Share purchase scheme (SPS)
Description	Participants will be awarded an approved number of Redefine shares, free of consideration.	Participants will be invited to utilise a predetermined percentage of their after tax annual STI to acquire Redefine shares. Participants holding shares at the third anniversary of the date of award will be awarded Redefine shares free of consideration by the Company based on a multiple linked to company and individual performance. The key measure is total shareholder return measured in growth in distributions per share; the achievement of budgeted distributions and the achievement of individual KPIs.	Participants will be awarded the opportunity to acquire Redefine shares by way of a market-related interest bearing loan (JIBAR plus 200 basis points), on an arm's length basis, granted by the Company.
Rationale	Attraction, incentivisation and retention of executive directors and key employees.	Incentivisation and retention of key employees. Enhance employee and shareholder alignment through achieving and encouraging direct ownership by employees of Redefine shares.	Enhance employee and shareholder alignment through achieving and encouraging direct ownership by employees of Redefine shares. This is essentially a 'management buy-in' plan and exposes participants to the risk of share price growth and the repayment of the full loan for purchase of the shares (even in instances where the share price decreases from purchase date).
Vesting conditions	25% of the award of shares will be subject to the participant remaining in the employment of the Company (time vesting). This is the retention element of the award. 75% of the award will vest subject to meeting pre-determined performance conditions (performance vesting). Vesting period is three years.	Remain in the employment of the Company. Company and individual performance.	No vesting conditions.
Participation	Executive directors and key employees.	Executive directors and key employees.	Executive directors and key employees.
References	Refer to note 19. AFS	Refer to note 19. AFS	Refer to note 19. AFS

Share appreciation scheme

The share appreciation scheme is a legacy scheme. Under this scheme, participants were awarded phantom shares based on a multiple of the participants' TGP giving consideration to job grade, performance, retention and attraction requirements. The participants' benefit reflected the appreciation of the share price over the strike price. The last tranche vested on 1 September 2015.

Delivery of shares under LTI schemes

Remco resolved to settle shares issued in terms of the long-term incentive schemes by buying them in the market, thus avoiding dilution.

The aggregate number of shares at any one time that may be allocated under all the long-term incentive plans may not exceed 207 478 031 shares (which represent approximately 7.5% of the number of issued shares as at the date of approval of the long-term incentive plans by shareholders). This dilution limit is lower than the general dilution limit among JSE-listed companies, which is 10% of issued share capital. The limit excludes shares allocated by way of awards in terms of the long-term incentive plans, which have been forfeited by participants. These limits will be adjusted proportionately in the event of a sub-division or consolidation of shares.

Performance conditions and LTI allocation levels

Redefine's awards policy is to make annual allocations at the same time each year, thus avoiding the volatility of large irregular once-off awards.

The Remco will not waive the achievement of performance conditions for normal LTI allocations. Furthermore, the Company does not support the retesting of performance conditions for any of its LTI schemes. The performance criteria and vesting levels for the LTI schemes (specifically the RSS and MSS) are set out in the table on the next page.

The RSS and MSS vesting conditions are calculated based on the following formula:

NUMBER OF SHARES AWARDED X **LTI SCORE%** = **TOTAL VESTING SHARES**

The LTI score is calculated as follows:

Objectives	Description of key performance indicators	Measurement scale		RSS Weighting (%)	MSS Weighting (%)
Company financial performance (growth in distribution)	Growth in distributions per share in relation to peer companies The variable pay comparator group for testing the meeting of the relative performance condition comprises: → Growthpoint Properties → Vukile → SA Corporate → Emira → Investec Property Fund	**Scale**	**Vesting (%)**	30	35
		Target achieved			
		No – Below peer distribution	0.0%		
		Yes – Equal to peer distributions growth	30.0%		
		Available stretch			
		Between 0.10% – 0.49% better than peer distributions growth	33.0%		
		Between 0.5% – 0.99% better than peer distributions growth	36.0%		
		Above 1.0% better than peer distributions growth	39.0%		
Company financial performance (achievement of budget)	Achievement of approved budgeted distributions per share The directors are measured against meeting the approved budgeted distribution per share	**Scale**	**Vesting (%)**	30	35
		Target achieved			
		No – Below budget	0.0%		
		Yes – Budget achieved	30.0%		
		Available stretch			
		Between 0.10% – 0.49% better than budget	33.0%		
		Between 0.5% – 0.99% better than budget	36.0%		
		1.0% better than budget	39.0%		
Individual performance	The short-term incentive score is used to incorporate individual performance, behavioural competencies and a further element of Company financial performance Calculation: **STI SCORE % (AS CALCULATED PER PAGE 47)** X **WEIGHTING %** = **EFFECTIVE INDIVIDUAL PERFORMANCE SCORE**			15	30
Retention	Automatic vesting of 25% due to the director still being in Redefine Properties Limited employ at vesting date			25	0
				100	100#

 # The average score for 3 years is used
The total LTI score is capped at 100%

Minimum shareholding requirements (MSR)

A formal MSR policy for executive directors was introduced from 1 September 2015. The policy is intended to encourage executive directors to build or to increase their shareholding in Redefine through the incentive plans and to become personally invested in the Company. This increases executive ownership and 'skin in the game' and encourages alignment between management and shareholders. It also sends a very positive message to shareholders in the Company.

The salient features are as follows:

- Executive directors are required to hold shares equal in value to at least 200% of their TGP, which must be accumulated over five years from the later of the introduction of the MSR policy or the appointment of the executive.
- The executive director must maintain the target shareholding throughout his/her tenure with the Company.
- Shares in Redefine must be held outright, and unvested awards will not count towards this requirement.
- Executives may satisfy the MSR by purchasing shares in Redefine using their after-tax bonuses or by retaining shares that have already vested under the Company's deferred STI scheme, and the Company's LTI incentive scheme.
- Executives may elect to subject their unvested share awards to an additional holding period (after the performance and employment conditions have been met), during which they cannot trade with the shares. These shares will count towards meeting the MSR target.
- Executive directors will not be entitled to a larger than normal (market benchmark) STI or LTI award in any year to assist them in meeting their MSR.
- The Company may require that MSR shares be held in a separate account with an administrator appointed by the Company.

Executive director service contracts

Executive directors are on standard employment contracts with three-month notice periods. While the normal retirement age is 65, the Company's retirement policy makes provision for extending the working relationship between the executive and the Company beyond the normal retirement age. There are no contractual arrangements for balloon payments or other special severance payments or loss of office payments on termination of employment for underperformance. For early termination, there is no automatic entitlement to bonuses or share-based payments, and any bonus payments made on early termination may be made purely at the discretion of Remco. There are no restraints of trade on executive directors.

While there is no automatic entitlement to a payment in the event of a change of control, LTIs will vest in accordance with the approved share plan rules.

External appointments

Executives directors may not serve as non-executive directors in other companies without the express approval of the Board.

Sign-on awards

Redefine may make ad hoc sign-on awards to new executives and key employees. The awards will be made subject to a three-year vesting period. If the executive forfeited awards at a previous employer (with shorter vesting periods), the quantum of the sign-on award should be increased to reflect this. The award will also be subject to forfeiture should the employee leave the Company during the vesting period. Redefine has also introduced clawback over the award (i.e. if the executive resigns before the end of the three-year period, he will be compelled to return any restricted shares which have vested in him to the Company).

Non-executive director fee policy

Non-executive director fees are reviewed annually, based on market benchmarks following research into trends in non-executive director remuneration among companies of a similar size and complexity. The fees recognise the responsibilities borne by directors throughout the year and not only during meetings. The fees comprise an annual fee as tabulated in part 3 of this report. Fee increase levels are typically modest and considered against pay increase levels for executives and the broader workforce.

The fee proposals endorsed by the Board are proposed at the annual general meeting for shareholder approval, by special resolution, prior to payment for the following financial year. Non-executive directors are paid in cash.

In addition, non-executive directors are reimbursed for travel expenses on official business, where necessary, as well as other direct business-related expenses.

Non-executive directors do not participate in the Company's variable pay plans in order to avoid any potential conflict of interest and to maintain their independence.

None of the non-executive directors have a contract of employment with the Company. Their appointments are made in terms of the Company's Memorandum of Incorporation and are confirmed initially at the first annual general meeting of shareholders following their appointment, and thereafter at a minimum of three-year intervals.

PART 3:

IMPLEMENTATION OF THE POLICY – EXECUTIVE DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION

Total guaranteed package

In determining the TGP increases for executive directors, the Remco referred to market conditions, as well as data drawn from the companies in the total remuneration comparator group for purposes of benchmarking. The basis of selection of the comparator group was to consider JSE companies of a similar size to Redefine. This differs from the variable pay comparator group (used for testing of the meeting of performance conditions), which was selected primarily based on industry.

Benchmarking comparator group for total remuneration	Variable pay comparator group (for testing of the meeting of performance conditions)
Liberty Holdings, Life Healthcare Group Holdings, Capitec Bank Holdings, MMI Holdings, Netcare, Tiger Brands, Mr Price Group, Growthpoint Properties, Discovery, Woolworths Holdings	Growthpoint Properties, Vukile, SA Corporate, Emira, Investec Property Fund

No rebasing exercise of executive pay levels was conducted in FY2016 as it was performed during FY2015.

Internal wage gap

Redefine is committed to addressing the internal wage gap. In this regard, when determining average executive remuneration increase levels, we have taken into account the average increase levels for middle management and general employees.

Redefine recognises that the employees at the lower levels in the organisation in particular have been affected by the current economic environment. In order to assist these employees, Redefine increased the salaries effective 01 September 2016 for junior staff by an average of 9% (Sep 2015: 6.3%), senior and mid-level staff on average by 7.3%, (Sep 2015: 6.3%) and executives by 6% (Sep 2015: 6.5%). The introduction of a broad-based incentive scheme in 2017 will assist in reducing the wage gap.

Executive remuneration

The table below provides an analysis of remuneration received in the 2016 financial year, presented as the total 'single figure' remuneration of executive directors (all prescribed officers of the Company are directors).

Executive remuneration

Figures in R'000	TGP			STI	LTI			
Directors	Salary	Retirement benefits	Other benefits and payments	Annual cash bonus	Share appre-ciation scheme	Restricted share scheme	Other	Total
For the year ended August 2016								
AJ König	**3 680**	**420**	**144**	**2 730**	**2 865**	**1 500**	**–**	**11 339**
DH Rice	**3 243**	**297**	**209**	**2 412**	**2 865**	**1 875**	**–**	**10 901**
LC Kok	**2 750**	**323**	**186**	**2 096**	**–**	**1 334**	**–**	**6 689**
M Wainer	**4 842**	**–**	**169**	**3 585**	**3 810**	**2 500**	**999***	**15 905**
MJ Ruttell	**2 120**	**–**	**–**	**1 378**	**996**	**1 250**	**–**	**5 744**
For the year ended August 2015								
AJ König	3 268	368	128	2 628	1 929	1 513	–	9 834
DH Rice	2 929	263	170	2 354	1 929	1 891	–	9 536
LC Kok	2 346	275	158	–	–	1 616	–	4 395
M Wainer	3 863	–	147	3 084	2 586	2 521	–	12 201
MJ Ruttell	1 613	–	–	1 068	679	1 515	–	4 875

* *This amount relates to director's fees paid to M Wainer by Cromwell Property Group as a non-executive director*

Detailed individual KPIs of directors

Each director is measured based on five specific strategic and financial objectives. These KPIs have a direct influence on Redefine's cash flow and profitability. Each of the KPIs below holds a weighting of 7%.

AJ König

1 Diversify exposure to new asset classes outside of the traditional property sectors
2 Expand into markets offering growth and secure income streams
3 Support expansion of existing investments in listed securities
4 Invest in improving existing directly held assets
5 Improve investor sentiment of international exposure

DH Rice

1 Critical assessment of each property's investment life cycle
2 Let vacant space
3 Maintain strong focus on tenant retention and relationships
4 Increase focus on parking and non-GLA income
5 Critically evaluate specialist non-core functions

LC Kok

1 Refine BEE strategy to align with changes in codes and maintain rating
2 Continue to maintain margins and maximise cash flow
3 Improve capability, availability and use of electronic communication platforms
4 Focus an balance sheet management
5 Implement hedging of income

M Wainer

1 Disciplined growth and diversification of the local property asset base
2 Growth and geographic diversification in international real estate markets
3 Unlock value-add opportunities of existing properties
4 Provide mentorship and strategic thought leadership to fellow executives
5 Ensure the effective and efficient functioning of the board

MJ Ruttell

1 Deal with the electricity supply crisis
2 Develop properties to timeline
3 Develop properties to budget
4 Develop properties to quality specification
5 Explore yield-enhancing opportunities in student accommodation

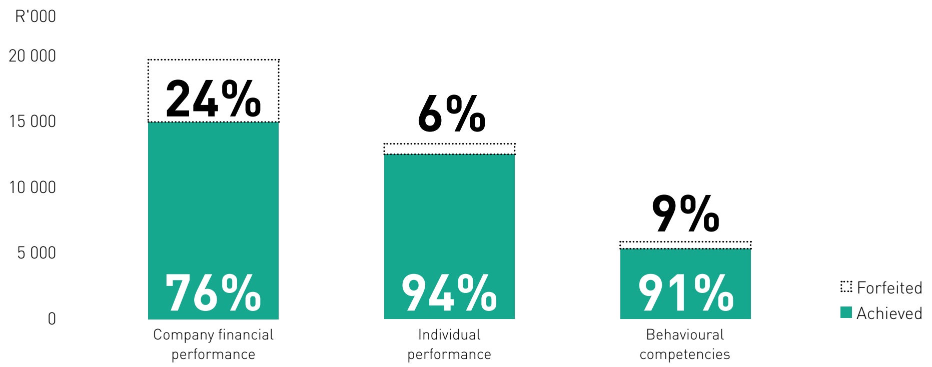
Short-term incentive outcomes for the 2016 financial year

Director	Vesting %	TGP R'000	Cash bonus* R'000	Deferred portion R'000
AJ König	84	4 452	3 740	3 740
DH Rice	81	3 933	3 186	3 186
LC Kok	84	3 419	2 872	2 872
M Wainer	88	5 816	5 118	5 118
MJ Ruttell	82	2 250	1 845	1 845

* *This cash bonus was paid in December 2016*

Short-term incentive outcomes

The graph below shows the actual performance outcomes of executive directors for the year under review on the STI per KPI.



Long-term incentive outcomes

The table below illustrates on an individual executive director level the value of LTIs allocated, settled, forfeited and the current value of shares not yet settled.

			Number of shares					Value			
Director	**Scheme**	**Year granted**	**August 2015**	**Allocated in year**	**Settled**	**Forfeited**	**August 2016**	**Grant price R**	**Settled price R**	**Current share value (August 2016) R**	**Total esti-mated value R'000**
AJ König	SAR	2011	400 000	–	(400 000)	–	–	6.50	11.10	11.02	–
	SAR	2012	250 000	–	(250 000)	–	–	7.00	11.10	11.02	–
	RSS	2014/15/16	585 000	300 000	(142 200)	(37 800)	705 000	*	–	11.02	7 769
	Deferred STI	2016	–	260 248	–	–	260 248	@	–	11.02	2 868
DH Rice	SAR	2011	400 000	–	(400 000)	–	–	6.50	11.10	11.02	–
	SAR	2012	250 000	–	(250 000)	–	–	7.00	11.10	11.02	–
	RSS	2014/15/16	675 000	275 000	(177 750)	(47 250)	725 000	*	–	11.02	7 990
	Deferred STI	2016	–	229 886	–		229 886	@	–	11.02	2 533
LC Kok	RSS	2015/16	480 000	230 000	(126 400)	(33 600)	550 000	*	–	11.02	6 061
	Deferred STI	2016	–	199 833	–	–	199 833	@	–	11.02	2 202
M Wainer	SAR	2011	650 000	–	(650 000)	–	–	6.50	11.10	11.02	–
	SAR	2012	200 000	–	(200 000)	–	–	7.00	11.10	11.02	–
	RSS	2014/15/16	900 000	400 000	(237 000)	(63 000)	1 000 000	*	–	11.02	11 020
	Deferred STI	2016	–	341 730	–	–	341 730	@	–	11.02	3 766
MJ Ruttell	SAR	2011	187 500	–	(187 500)		–	6.50	11.10	11.02	–
	SAR	2012	32 500	–	(32 500)	–	–	7.00	11.10	11.02	–
	RSS	2014/15/16	450 000	155 000	(118 500)	(31 500)	455 000	*	–	11.02	5 014
	Deferred STI	2016	–	131 363	–	–	131 363	@	–	11.02	1 448

SAR – Share appreciation rights

* *In terms of this scheme the directors have a conditional right to a share, which is awarded subject to performance and vesting conditions. No grant price is applicable as the restricted scheme is settled in shares.*

@ *In terms of the deferred STI, 50% of the STI is deferred in shares which vest over 3 years in equal tranches. No grant price is applicable.*

Long-term Incentive Scheme score

The LTI scheme score is calculated based on the prior year's policy. The achievement of the relative growth in distribution against the companies in Redefine's variable pay comparator group are set out below.

Growth in distribution	August 2016 %
Below 0.5% of peer distributions growth	0.0
Between 0.01% and 0.49% lower than peer distributions growth	15.0
Equal to peer distributions growth	75.0
Between 0.01% and 0.49% better than peer distributions growth	85.0
Between 0.5% and 1.0% better than peer distributions growth	90.0
Above 1.01% of peer distributions growth	100.0
Average growth of peer distributions	6.69
Growth in distributions achieved	7.50

Achieved 0.81% better than peer distributions growth, therefore 90% vesting.

Achievement of budget	August 2016 %
Budget not achieved	0.0
Budget achieved	75.0
Between 0.01% and 0.49% better than budget	85.0
Between 0.5% and 0.99% better than budget	90.0
1% better than budget	95.0
More than 1.01% better than budget	100.0

Achieved 0.94% better than budget, therefore 90% vesting.

Individual performance details for all directors

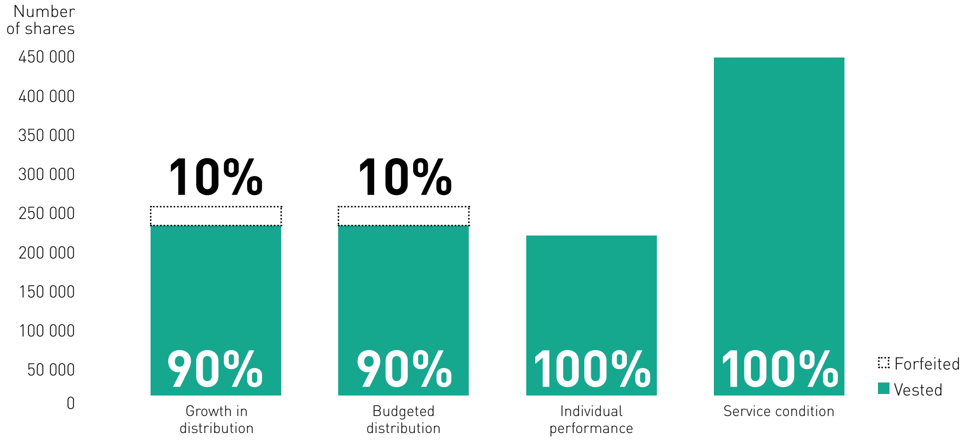
For the current year's award the directors all had the same 6 KPIs, each of these holds equal weighting.

1 Secure core growth and capital appreciation prospects through active asset management
2 Efficiently manage all aspects of our properties through focused property management
3 Grow and diversify the local property asset base through disciplined investment criteria
4 Prudently manage the funding of the business
5 Geographically diversify to deliver real growth from international markets
6 Exploit value-add opportunities for existing properties

Long-term Incentive Scheme performance outcomes: Restricted Share Scheme

Director	Vesting achieved per above %	Shares available	Shares vested November 2016
AJ König	95.8	180 000	172 440
DH Rice	95.8	225 000	215 550
LC Kok	95.8	160 000	153 280
M Wainer	95.8	300 000	287 400
MJ Ruttell	95.8	150 000	143 700
Total		1 015 000	972 370

Restricted Share Scheme outcomes

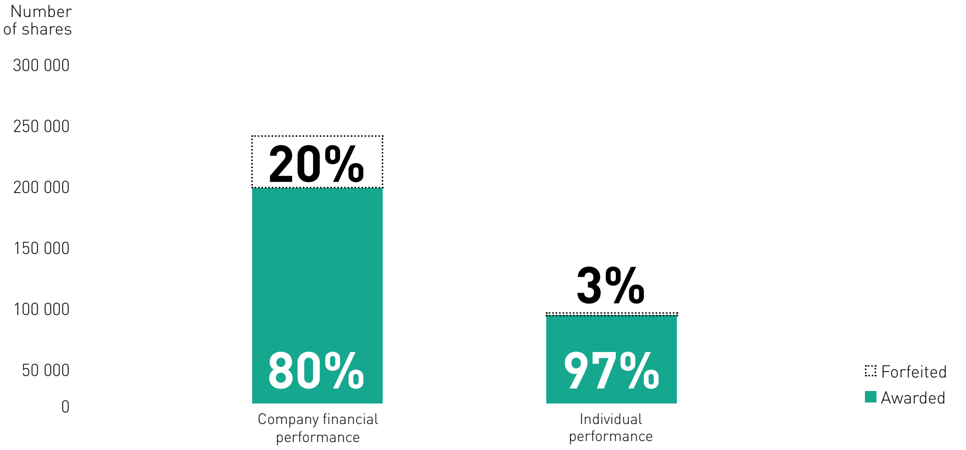


Long-term Incentive Scheme performance outcomes: Matching Share Scheme

Director	Vesting % achieved*	Shares awarded November 2016
AJ König	84.7	261 005
DH Rice	84.3	239 766
M Wainer	85.0	301 979
MJ Ruttell	84.3	21 505
Total		824 255

* *Based on the average company financial performance for the past three years and individual performance.*

Matching Share Scheme outcomes



Share Purchase Scheme

In terms of the SPS, the directors are able to purchase Redefine shares by way of loan from the Company. The loan bears an interest rate of JIBAR plus 200 basis points and is secured by the shares purchased under this scheme. This is not considered remuneration as the directors pay Redefine a market-related interest rate and bear full financial risk.

Number of shares purchased under the SPS:

Director	August 2015	Acquired	Disposed	August 2016
AJ König	2 139 143	1 200 000	–	3 339 143
DH Rice	1 971 367	1 200 000	(771 367)	2 400 000
LC Kok	–	1 200 000	–	1 200 000
M Wainer	2 432 751	1 200 000	–	3 632 751
MJ Ruttell	–	300 000	–	300 000
Total	6 543 261	5 100 000	(771 367)	10 871 894

Approved LTI dilution limits

The Board has resolved that the Company settle the LTI awards made in terms of the LTI scheme by buying shares in the market, thus there is no dilution of shares at this stage.

Non-executive directors' fees

The table below illustrates the current shareholder approved and proposed fee increases in respect of non-executive directors.

Committee and role	2016 R'000	Proposed FY2017 R'000	% increase in proposed fees
Lead independent director	**500**	530	6.00
Non-executive director	**360**	380	5.50
Audit and risk committee chairman	**170**	180	5.88
Audit and risk committee member	**140**	150	7.14
Remuneration committee and nomination committee chairman/member	**65**	70	7.69
Investment committee chairman	**105**	110	4.76
Social, ethics and transformation committee chairman/member	**65**	70	7.69

The Board is of the view that the current fee structure of a single annual fee, rather than a retainer and meeting attendance fees, is more appropriate for the Board and the committees in light of the contribution of the members.

Non-executive directors' fees are paid bi-annually in arrears. The performance of directors is assessed by the chairman on an ongoing basis and by way of an annual Board assessment.

The proposed 2017 non-executive directors' fees will be tabled for approval by shareholders in accordance with the Companies Act, No 71 of 2008, and the King III report at the Group's annual general meeting to be held on 9 February 2017. Refer to special shareholders' resolution number one in the notice of annual general meeting.

Approval

This remuneration report was approved by the remuneration committee of Redefine Properties Limited on 2 November 2016.

Yours sincerely

Günter Steffens
Chairman
Remuneration committee

SECTION 5:
SALIENT FEATURES OF THE NEW MEMORANDUM OF INCORPORATION

This annexure is a summary of the salient features of the new Memorandum of Incorporation and does not include all of the details set out therein. Shareholders should refer to the complete Memorandum of Incorporation, which is available on the Company's website, www.redefine.co.za and is open for inspection at the Company's registered address from 30 December 2016 posting of IR until 9 February 2017.

The numbering of the salient features of the Memorandum of Incorporation set out below is consistent with the numbering of the full Memorandum of Incorporation and the definitions used in this summary of salient features are as they are in the Memorandum of Incorporation.

3. LIMITATION OF LIABILITY

No person shall, solely by reason of being an incorporator, shareholder, director or company secretary of the Company, be liable for any liabilities or obligations of the Company.

4. POWERS OF THE COMPANY AND STATUS AS A PUBIC COMPANY

4.1 The Company has, subject to section 19(1)(b) of the Act, all of the legal powers and capacity of an individual.

4.2 There is no provision contained in this Memorandum of Incorporation which constitutes a restriction condition as contemplated in section 15(2)(b) of the Act.

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

4.4 No special resolution contemplated in section 20(2) or section 20(6) of the Act to ratify any action, which is contrary to the JSE Listings Requirements, shall be proposed to the shareholders unless otherwise agreed to by the JSE.

4.5 The Company, incorporated in terms of the Act on 26 August 1999, is a pre-existing company as defined in the Act, and accordingly continued to exist as a public company upon the Act taking effect, as if it had been incorporated and registered in terms of the Act, in accordance with the provisions of item 2 of Schedule 5 to the Act. This Memorandum of Incorporation replaces and supersedes the Memorandum of Incorporation of the Company applicable immediately prior to the filing date.

4.6 The Company is incorporated in accordance with and governed by:

4.6.1 the unalterable provisions of the Act (subject to any higher standards, greater restrictions, longer periods of time or more onerous requirements set out in this Memorandum of Incorporation in accordance with the provisions of section 15(2)(a)(iii) of the Act); and

4.6.2 the alterable provisions of the Act, subject to the limitations, restrictions, qualification, extension or other alterations set out in this Memorandum of Incorporation in accordance with the provisions of the Act.

4.7 The Company is entitled to offer its securities to the public, subject to compliance with this Memorandum of Incorporation and the Act.

4.8 The Company is accordingly classified as a public company in terms of section 8(2) of the Act.

8. ISSUE OF SHARES AND VARIATION OF RIGHTS

8.1 The Company is authorised to issue 10 000 000 000 ordinary no par value Shares, of the same class, each of which ranks pari passu in respect of all rights and entitled the holder to:

8.1.1 vote on any matter to be decided by the shareholders of the Company and to one vote in respect of each share held by a shareholder in the case of a vote by means of a poll and to vote at every general meeting or annual general meeting, in person or by proxy;

8.1.2 participate proportionally in any distribution made by the Company; and

8.1.3 receive proportionally the net assets of the Company upon its liquidation.

8.2 The Board shall not have the power to:

8.2.1 increase or decrease the number of authorised shares of any class of the Company's shares; or

8.2.2 consolidate and reduce the number of the Company's issued and authorised shares of any class; or

8.2.3 subdivide its shares of any class by increasing the number of its issued and authorised shares of that class without an increase of its capital; or

8.2.4 reclassify any classified shares that have been authorised but not issued; or

8.2.5 classify any unclassified shares that have been authorised but not issued; or

8.2.6 determine the preference, rights, limitations or other terms of any shares, and such powers shall only be capable of being exercised by the shareholders by way of a special resolution of the shareholders and an amendment to the Memorandum of Incorporation.

15. CAPITALISATION SHARES

15.3 If, on any capitalisation issue or in respect of any corporate action undertaken in accordance with the provisions of the JSE Listings Requirements, in terms of which shareholders would, but for the provisions of this clause 15.3, become entitled to fractions of shares, such entitlement to a fraction will be administered in accordance with the provisions of the JSE Listings Requirements.

17. FINANCIAL ASSISTANCE

The Board may authorise the Company to provide financial assistance by way of loan, guarantee, the provision of security or otherwise to any person for the purpose of, or in connection with, the subscription of any option, or any securities issued or to be issued by the Company or a related or interrelated company, or for the purchase of any such securities, as set out in section 44 of the Act, and the authority of the Board in this regard is not limited or restricted by this Memorandum of Incorporation.

18. ACQUISITION BY THE COMPANY OF ITS OWN SHARES

18.1 Subject to the JSE Listings Requirements, the provisions of Section 48 of the Act and under the further provisions of this clause:

18.1.1 the Board may determine that the Company acquire a number of its own shares; and

18.1.2 the Board of any subsidiary of the Company may determine that such subsidiary acquire shares of the Company, but:

18.1.2.1 not more than 10%, in aggregate, of the number of issued shares of any class may be held by, or for the benefit of, all of the subsidiaries of the Company taken together; and

18.1.2.2 no voting rights attached to those shares may be exercised while the shares are held by that subsidiary and it remains a subsidiary of the Company.

18.2 Any decision by the Company to acquire its own shares must satisfy the JSE Listings Requirements and the requirements of section 46 of the Act and, accordingly, the Company may not acquire its own shares unless:

18.2.1 for as long as it is required in terms of the JSE Listing Requirements, the acquisition has been approved by a special resolution of the Shareholders in terms of the JSE Listing Requirements, whether in respect of a particular repurchase or generally approved by the Shareholders and unless such an acquisition otherwise complies with sections 5.67 to 5.69 of the JSE Listing Requirements (or such other sections as may be applicable from time to time);

18.2.2 the acquisition:

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

18.2.2.2 the Board, by resolution, has authorised the acquisition.

18.2.3 it reasonably appears that the Company will satisfy the Solvency and Liquidity Test immediately after completing the proposed acquisition; and

18.2.4 the Board by resolution, has acknowledged that it has applied the Solvency and Liquidity Test and reasonably concluded that the Company will satisfy the Solvency and Liquidity Test immediately after completing the proposed acquisition.

21. SHAREHOLDERS' MEETING BY ELECTRONIC COMMUNICATION

21.1 Subject to the provisions of the JSE Listing Requirements, and without derogating from the generality of the provisions of clause 20.25, the Company may conduct a shareholders' meeting entirely by Electronic Communication but must provide for participation in the meeting by Electronic Communication, as set out in section 63 of the Act, and the power of the Company to do so is not limited or restricted by this Memorandum of Incorporation. Accordingly:

21.1.1 any shareholders' meeting may be conducted entirely by Electronic Communication; or

21.1.2 one or more shareholders, or proxies for shareholders, may participate by Electronic Communication in all or part of any shareholders' meeting that is being held in person so long as the Electronic Communication employed ordinarily enables all persons' participation in that meeting to communicate concurrently with each other and without an intermediary, and to participate reasonably effectively in the meeting.

21.2 Any notice of any meeting of shareholders at which it will be possible for shareholders to participate by way of Electronic Communication shall inform shareholders of the ability to so participate and shall provide any necessary information to enable shareholders or their proxies to access the available medium or means of Electronic Communication, provided that such access shall be at the expense of the shareholder or proxy concerned.

22. VOTES OF SHAREHOLDERS

22.1 Subject to any special rights or restrictions as to voting attached to any shares by or in accordance with this Memorandum of Incorporation, at a meeting of the Company:

22.1.1 every person present and entitled to exercise voting rights shall be entitled to one vote on a show of hands, irrespective of the number of voting rights that person would otherwise be entitled to exercise;

22.1.2 on a poll any person who is present at the meeting, whether as a shareholder or as a proxy for a shareholder, has the number of votes determined in accordance with the voting rights associated with securities held by that shareholder; and

22.1.3 the holders of shares other than ordinary shares shall not be entitled to vote on any resolution at a meeting of shareholders, except as provided in clause 22.2.

22.2 If any resolution is proposed as contemplated in clause 8.4, the holders of such shares (Affected Shareholders) shall be entitled to vote at the meeting of the ordinary shareholders as contemplated in clause 22.1, provided:

22.2.1 the vote of the ordinary shares held by the Affected Shareholders shall not carry any special rights or privileges and the Affected Shareholder shall be entitled to one vote for every affected share held in the event of a polled vote, and in the event that voting takes place by a show of hands, the provisions of clause 22.1.1 shall apply to votes cast by Affected Shareholders; and

22.2.2 the total voting rights of the Affected Shareholders in respect of the affected shares shall not be more than 24,99% of the total votes (including the votes of the remaining ordinary shareholders) exercisable at that meeting (with any cumulative fraction of a vote in respect of any affected shares held by an Affected Shareholder rounded down to the nearest whole number).

22.3 Voting shall be conducted by means of a polled vote in respect of any matter to be voted on at a meeting of shareholders if a demand is made for such a vote by:

22.3.1 at least five persons having the right to vote on that matter, either as shareholders or as proxies representing shareholders, as set out in section 63(7)(a) of the Act; or

22.3.2 the chairperson of the meeting.

22.4 If a poll is duly demanded, it shall be taken in such manner as the chairperson directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. In computing the majority on the poll, regard shall be had to the number of votes to which each shareholder is entitled.

22.5 In the case of an equality of votes, whether on a poll or on a show of hands, the chairperson of the meeting at which the poll or show of hands takes place, shall not be entitled to a second or casting vote.

22.6 A poll demanded on the election of a chairperson (as contemplated in 20.20) or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairperson of the meeting directs. The demand for a poll shall not prevent the continuation of a meeting for the transaction of any business other than the question upon which the poll has been demanded.

22.7 Where there are joint registered holders of any security, any one of such persons may exercise all of the voting rights attached to that security at any meeting, either personally or by proxy, as if he or she were solely entitled thereto. If more than 1 (one) of such joint holders is present at any meeting, personally or by proxy, the person so present whose name stands first in the securities register in respect of such security shall alone be entitled to vote in respect thereof.

22.8 The board of any company or controlling body of any entity or person that holds any securities of the Company may authorise any person to act as its representative at any meeting of the shareholders of the Company, in which event the following provisions will apply:

22.8.1 the person so authorised may exercise the same powers of the authorising company, entity or person as it could have exercised if it were an individual holder of securities; and

22.8.2 the authorising company, entity or person shall lodge a resolution of the directors of such company or controlling body of such other entity or person confirming the granting of such authority, and certified under the hand of the chairperson or secretary thereof, with the Company before the commencement of any shareholders' meeting at which such person intends to exercise any rights of such shareholder, unless excused from doing so by the chairperson of such meeting.

25. SHAREHOLDERS ACTING OTHER THAN AT A MEETING

25.1 In accordance with the provisions of section 60 of the Act, but subject to clause 25.4, a resolution that could be voted on at a shareholders' meeting (other than in respect of the election of directors) may instead be:

25.1.1 submitted by the Board for consideration to the shareholders entitled to exercise voting rights in relation to the resolution; and

25.1.2 voted on in writing by such shareholders within a period of 20 business days after the resolution was submitted to them.

26. COMPOSITION AND POWERS OF THE BOARD OF DIRECTORS

26.1 The Board must comprise at least four directors (which shall include the minimum number of directors that the Company must have to satisfy the requirement in terms of the Act, to appoint an audit committee and a social and ethics committee), to be elected by the shareholders as contemplated in section 68 of the Act. The shareholders shall be entitled, by ordinary resolution, to determine such maximum number of directors as they from time to time shall consider appropriate.

34. ANNUAL FINANCIAL STATEMENTS

34.1 The Company shall keep all such accurate and complete accounting records, in English, as are necessary to enable the Company to satisfy its obligations in terms of:

34.1.1 the Act;

34.1.2 the Regulations;

34.1.3 any other law with respect to the preparation of financial statements to which the Company shall be subject; and

34.1.4 the Memorandum of Incorporation.

34.2 The Company shall each year prepare annual financial statements within six months after the end of its financial year, or such shorter period as may be required in terms of the Listings Requirements and be appropriate to provide the required notice of an annual general meeting in terms of section 61(7) of the Act.

34.3 The Company shall appoint an auditor each year at its annual general meeting. If the Company appoints a firm as its auditor, any change in the composition of the members of that firm shall not by itself create a vacancy in the office of the auditor.

34.4 The annual financial statements of the Company must be prepared and audited in accordance with the provisions of section 30 of the Act.

34.5 A copy of the annual financial statements must be sent to shareholders, alternatively a notice of the publication of the annual financial statements setting out the required steps to obtain a copy of the annual financial statements may be sent to the shareholders by electronic communication at least 15 business days before the date of the annual general meeting of the Company at which such annual financial statements will be considered.

36. DISTRIBUTIONS

36.5 Distributions (in the form of a dividend or otherwise) shall be paid to shareholders registered as at a record date subsequent to the date of declaration or, if applicable, date of confirmation of the distribution, whichever is the later date.

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

36.7 All unclaimed monies due to shareholders shall not bear interest against the Company, and the Board shall, for the purpose of facilitating the winding up or deregistration of the Company before the date of any such forfeit, be entitled to delegate to any bank, registered as such in accordance with the laws of the Republic, the liability for payment of any such distribution or other money, payment of which has not been forfeited in terms of the aforegoing.

36.8 The Company shall transmit any distribution or amount payable in respect of a share by electronic bank transfer to such bank account as the registered holder thereof may have notified the Company in writing for this purpose, and the Company shall not be responsible for any loss in transmission. In the case of joint holders, the bank account of the first named in the register (or sub register, as the case may be) in respect of such joint holdings, the details of which bank account were furnished to the Company by such person, and the electronic transfer of the distribution or amount payable into such bank account shall be deemed a good discharge by the Company in respect thereof. For the purposes of this clause 36.8, no notice of change of bank account or instructions as to payment being made into any other bank account which is received by the Company after the date on which a holder must be registered in order to qualify for a distribution or other amount payable

SALIENT FEATURES OF THE NEW MEMORANDUM OF INCORPORATION [CONTINUED]

or which would have the effect of changing the currency in which such payment would be made, shall be effective in respect of such payment. A shareholder who is a South African resident shall only be entitled to supply a Rand-denominated bank account of a bank registered to operate such an account in the Republic. In the event that a shareholder has failed to furnish the Company with a valid bank account as envisaged in this clause 36.8, the distribution or other amount payable shall be deemed unclaimed distributions in accordance with clause 36.6.

36.9 The Company shall not be responsible for a shareholder's loss arising from any fraudulent, diverted or incorrect electronic funds transfer of distributions or other amounts payable to a shareholder unless such loss was due to the Company's gross negligence or wilful default.

39. ACCESS TO COMPANY RECORDS

39.1 Each person who holds or has a beneficial interest in any securities issued by the Company is entitled to inspect and copy, without any charge for any inspection or upon payment of no more than the prescribed maximum charge for any such copy, the information contained in the records of the Company referred to in section 26(1) of the Act being:

39.1.1 this Memorandum of Incorporation, and any amendments or alterations thereof;

39.1.2 a record of the directors, including the details of any person who has served as a director, for a period of seven years after that person has ceased to serve as a director, and any information relating to such persons referred to in section 24(5) of the Act;

39.1.3 all –

39.1.3.1 reports presented at an annual general meeting of the Company for a period of seven years after the date of any such meeting; and

39.1.3.2 annual financial statements required by the Act for a period of seven years after the date on which each particular statements were issued;

39.1.4 notice and minutes of all shareholders' meetings including –

39.1.4.1 all resolutions adopted by them, for seven years after the date each such resolution was adopted; and

39.1.4.2 any document that was made available by the Company to the holders of securities in relation to each resolution;

39.1.5 any written communications sent generally by the Company to all holders of any class of the Company's securities, for a period of seven years after the date on which each of such communications were issued; and

39.1.6 the Securities Register.

39.2 A person not contemplated in clause 39.1 has a right to inspect the securities register and the register of directors of the Company upon payment of an amount not exceeding the prescribed maximum fee, as set out in the Act, for any such inspection.

39.3 A person who wishes to inspect the uncertificated securities register may do so only through the Company in terms of section 26 of the Act, and in accordance with the rules of the Central Securities Depository. Within five business days after the date of a request for inspection, the Company must produce a record of the Uncertificated Securities Register, which record must reflect at least the details referred to in section 50(3)(b) of the Act at the close of business on the day on which the request for inspection was made.

SECTION 6: MATERIAL CHANGE STATEMENT

Section 06

Other than the subsequent events reported on in the directors' report of the Group annual financial statements, there have been no material changes in the affairs, financial or trading position of the Group between 31 August 2016 and 3 November 2016, the date on which the financial results were approved by the Board. The Group annual financial statements are available on the Company website www.redefine.co.za

FORM OF PROXY

Redefine Properties Limited
(Incorporated in the Republic of South Africa)
Registration Number: 1999/018591/06
JSE share code: RDF
ISIN: ZAE000190252
(Approved as a REIT by the JSE)
('Redefine' or 'the Company')

Where appropriate and applicable the terms defined in the notice of annual general meeting to which this form of proxy is attached and forms part of bear the same meanings in this form of proxy.

For use by shareholders of the Company holding certificated shares and/or dematerialised shareholders who have elected 'own name' registration, nominee companies of Central Securities Depository Participant's (CSDP) and brokers' nominee companies, registered as such at the close of business on Friday, 3 February 2017 (the record date), at the annual general meeting to be held at the offices of the Company at Rosebank Towers, Office Level 5, 19 Biermann Avenue, Rosebank, Johannesburg at 13h00 on Thursday, 9 February 2017 (Meeting) or any postponement or adjournment thereof.

If you are a dematerialised shareholder, other than with 'own name' registration, do not use this form. Dematerialised shareholders, other than with 'own name' registration, should provide instructions to their appointed CSDP or broker in the form as stipulated in the agreement entered into between the shareholder and the CSDP or broker.

I/We .... (names in block letters)

of (address) ....

being a shareholder(s) of the Company, and entitled to vote, do hereby appoint:

1. .... or failing him/her,

2. ....or failing him/her,

3. The chairman of the Meeting, ...

as my/our proxy to attend and speak and to vote for me/us and on my/our behalf at the Meeting and at any adjournment or postponement thereof, for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed at the Meeting, and to vote on the resolutions in respect of the ordinary shares registered in my/our name(s) as follows:

ORDINARY RESOLUTIONS	For*	Against*	Abstain*
Ordinary Resolution Number 1: Confirmation of appointment of Ms B Mathews as director			
Ordinary Resolution Number 2: Re-election of Mr B Nackan as director			
Ordinary Resolution Number 3.1: Election of Ms P Langeni as the chairperson and a member of the audit and risk committee			
Ordinary Resolution Number 3.2: Election of Mr B Nackan as a member of the audit and risk committee			
Ordinary Resolution Number 3.3: Election of Mr D Nathan as a member of the audit and risk committee			
Ordinary Resolution Number 4: Reappointment of KPMG Inc. as independent registered auditor			
Ordinary Resolution Number 5: Placing the unissued ordinary shares under the control of the directors			
Ordinary Resolution Number 6: General authority to issue shares for cash			
Ordinary Resolution Number 7: Specific authority to issue shares pursuant to a reinvestment option			
Ordinary Resolution Number 8: Advisory, non-binding approval of the remuneration policy			
Ordinary Resolution Number 9: Authorisation of directors			
SPECIAL RESOLUTIONS			
Special Resolution Number 1: Remuneration of non-executive directors			
Special Resolution Number 2: Financial assistance to related and interrelated parties in terms of section 44 of the Companies Act			
Special Resolution Number 3: Financial assistance to related and interrelated parties in terms of section 45 of the Companies Act			
Special Resolution Number 4: General authority for an acquisition of shares issued by the Company			
Special Resolution Number 5: Increase in authorised share capital			
Special Resolution Number 6: Adoption of new Memorandum of Incorporation			

* *One vote per share held by Redefine shareholders recorded in the register on the record date.*

Mark 'for', 'against' or 'abstain' as required. If no options are marked, the proxy will be entitled to vote as he/she thinks fit.

Please read the notes on the reverse side hereof.

Signed at ....on this .... day of ....20 ....

Full name(s) and capacity ....

Signature..

Assisted by (guardian)* ....

** Where applicable*

FORM OF PROXY [CONTINUED]

1. Only shareholders who are registered in the register of the company under their own name on the date on which shareholders must be recorded as such in the register maintained by the transfer secretaries, Computershare Investor Services Proprietary Limited, being Friday, 3 February 2017 (the record date), may complete a form of proxy or attend the meeting. This includes shareholders who have not dematerialised their shares or who have dematerialised their shares with 'own name' registration. The person whose name stands first on the form of proxy and who is present at the meeting will be entitled to act as proxy to the exclusion of those whose names follow. A proxy need not be a shareholder of the company.
2. Certificated shareholders wishing to attend the meeting have to ensure beforehand with the transfer secretaries of the company (being Computershare Investor Services Proprietary Limited) that their shares are registered in their own name.
3. Beneficial shareholders whose shares are not registered in their 'own name', but in the name of another, for example, a nominee, may not complete a form of proxy, unless a form of proxy is issued to them by a registered shareholder and they should contact the registered shareholder for assistance in issuing instructions on voting for their shares, or obtaining a proxy to attend, speak and, on a poll, vote at the meeting.
4. Dematerialised shareholders who have not elected 'own name' registration in the register of the company through a Central Securities Depository Participant (CSDP) and who wish to attend the meeting, must instruct the CSDP or broker to provide them with the necessary authority to attend.
5. Dematerialised shareholders who have not elected 'own name' registration in the register of the company through a CSDP, and who are unable to attend, but wish to vote at the meeting, must timeously provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between that shareholder and the CSDP or broker.
6. The completion and lodging of this form will not preclude the relevant shareholder from attending the meeting and speaking and voting in person thereat to the exclusion of any proxy appointed, should such shareholder wish to do so. In addition to the aforegoing, a shareholder may revoke the proxy appointment by:
   6.1 cancelling it in writing, or making a later inconsistent appointment of a proxy; and
   6.2 delivering a copy of the revocation instrument to the proxy, and to the Company.
7. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the relevant shareholder as of the later of the date:
   7.1 stated in the revocation instrument, if any; or
   7.2 upon which the revocation instrument is delivered to the proxy and the relevant company as required in section 58(4)(c)(ii) of the Companies Act, No 71 of 2008, as amended (the Companies Act).
8. Should the instrument appointing a proxy or proxies have been delivered to the company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the company's Memorandum of Incorporation to be delivered by the company to the shareholder must be delivered by the company to:
   8.1 the shareholder; or
   8.2 the proxy or proxies if the shareholder has in writing directed the relevant company to do so and has paid any reasonable fee charged by the company for doing so.
9. A proxy is entitled to exercise, or abstain from exercising, any voting right of the relevant shareholder without direction, except to the extent that the Memorandum of Incorporation of the company or the instrument appointing the proxy provides otherwise.
10. If the company issues an invitation to shareholders to appoint one or more persons named by the company as a proxy, or supplies a form of instrument for appointing a proxy:
    10.1 such invitation must be sent to every shareholder who is entitled to receive notice of the meeting at which the proxy is intended to be exercised;
    10.2 the company must not require that the proxy appointment be made irrevocable; and
    10.3 the proxy appointment remains valid only until the end of the relevant meeting at which it was intended to be used, unless revoked as contemplated in section 58(5) of the Companies Act.
11. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies. A deletion of any printed matter and the completion of any blank space(s) need not be signed or initialled.
12. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form unless previously recorded by the transfer secretaries of the company or waived by the chairman of the meeting.
13. A minor must be assisted by his/her parent/guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries.
14. A company holding shares in the company that wishes to attend and participate at the meeting should ensure that a resolution authorising a representative to act is passed by its directors. Resolutions authorising representatives in terms of section 57(5) of the Companies Act must be lodged with the company's transfer secretaries prior to the meeting.
15. Where there are joint holders of shares any one of such persons may vote at any meeting in respect of such shares as if he/she were solely entitled thereto; but if more than one of such joint holders is present or represented at the meeting, that one of the said persons whose name appears first in the register of shareholders of such shares or his/her proxy, as the case may be, shall alone be entitled to vote in respect thereof.
16. On a show of hands, every shareholder of the company present in person or represented by proxy shall have one vote only. On a poll, a shareholder who is present in person or represented by a proxy shall be entitled to that proportion of the total votes in the company which the aggregate amount of the nominal value of the shares held by him/her bears to the aggregate amount of the nominal value of all the shares of the relevant class issued by the company.
17. The chairman of the meeting may reject or accept any proxy which is completed and/or received other than in accordance with the instructions, provided that he/she shall not accept a proxy unless he/she is satisfied as to the matter in which a shareholder wishes to vote.
18. A proxy may not delegate his/her authority to act on behalf of the shareholder to another person.
19. A shareholder's instruction to the proxy must be indicated by the insertion of the relevant number of shares to be voted on behalf of that shareholder in the appropriate space provided. Failure to comply with the above will be deemed to authorise the chairperson of the meeting, if the chairperson is the authorised proxy, to vote in favour of the resolutions at the meeting or other proxy to vote or to abstain from voting at the meeting as he/she deems fit, in respect of the shares concerned. A shareholder or the proxy is not obliged to use all the votes exercisable by the shareholder or the proxy, but the total of votes cast in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the shareholder or the proxy.
20. It is requested that this form of proxy be lodged, posted, faxed or emailed to the transfer secretaries, Computershare Investor Services Proprietary Limited at Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196, or by fax on +27 11 688 6238, or by email on proxy@computershare.co.za, to be received by the company no later than 13h00 on Tuesday, 7 February 2017. A quorum for the purposes of considering the ordinary resolutions shall comprise 25% of all the voting rights that are entitled to be exercised by shareholders in respect of each matter to be decided at the meeting. In addition, a quorum shall consist of three shareholders of the company personally present or represented and entitled to vote at the meeting.
21. This form of proxy may be used at any adjournment or postponement of the meeting, including any postponement due to a lack of quorum, unless withdrawn by the shareholder.

SHAREHOLDERS' DIARY

Notice of annual general meeting and summarised audited Group results posted to shareholders	30 December 2016
Integrated report and Group annual financial statements available online	30 December 2016
Annual general meeting	9 February 2017
2017 half-year end	28 February 2017
Summarised interim financial results for 2017	8 May 2017
Interim dividend declaration	8 May 2017
2017 financial year end	31 August 2017
Summarised annual financial results for 2017	6 November 2017
Final dividend declaration	6 November 2017

Please note that these dates are subject to alteration

ADMINISTRATION

REDEFINE PROPERTIES LIMITED

Incorporated in the Republic of South Africa
Registration Number 1999/018591/06
JSE Share Code RDF ISIN: ZAE000190252
Approved as a REIT by the JSE

Registered office and business address

Rosebank Towers, Office Level 5, 19 Biermann Avenue,
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Should you wish to be placed on the mailing list to receive regular 'breaking news' email updates, please send an email to investorenquiries@redefine.co.za

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