



REBOSIS PROPERTY FUND LIMITED
INVESTMENT COMMITTEE – TERMS OF REFERENCE

Constitution

The board has established an Investment Committee to assist the board of directors in setting the investment policy to be adopted by the company and with transactions involving the company' s property portfolio and portfolio management as well as the review and approval of property budgets and valuations.

Membership

- This committee comprises three non-executive directors and the Chief Executive Officer.
- The board will appoint a chairperson from the members of the committee and determine the period for which he or she shall hold office.
- The committee will appoint a secretary of the Committee.
- The committee will meet at least quarterly.
- The quorum for decisions of the Committee shall be 3 of the members present subject to a majority (2 of the 3) being non-executive members.

Responsibilities of the Committee

1. Evaluate proposed acquisitions and disposals of property which exceed the levels of authority of the executive directors;
2. Evaluate proposed unbudgeted capital expenditure which exceed the levels of authority of the executive directors;
3. Review the annual net income budget and proposed capital expenditure budget for the next financial year; and

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4. Review the annual valuation of the property portfolio and recommend that such valuations be adopted by the board as the directors' valuations for annual financial statements.
5. Review these Terms of Reference at least annually.

Authority

Capital Expenditure

Rebosis Investment Committee to authorise capex above R15m up to R30m, with the Rebosis board approving capex over R30m.

Acquisitions & Disposals

Rebosis Investment Committee has authority to approve acquisitions and disposals of property up to R150m, above this level to be approved by the Rebosis Board taking into account the JSE Listing Requirements for related party transactions and shareholder disclosure &/or approval.

Investment Criteria Guidelines

Commercial Portfolio

- Capital threshold: R100 million value range;
- Size/category: 10 000 m², or 6 000 m² as part of a package of properties;
- Tenancy: single blue chip tenancy, (sovereign or if corporate should be top 100 companies).

Retail Portfolio

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- Capital threshold: total value of R250 million;
- Size/category: 20 000 m² Regional Centre bias, or Community Centre that can be developed into a Regional Centre, in terms of its size, potential and available bulk;
- Tenancy: 80% nationals/grade A tenants.

Disposal Criteria Guidelines

The disposal of any property will only be considered if the following criteria is met:

- Properties that acquired through the acquisition of a portfolio of properties and do not meet the investment criteria guidelines;
- When a property has reached its maturity cycle determined as follows:
 - A property is about to be vacant in the next two years due to a tenant indicating that they will be vacating and there is no reasonable prospect of retaining the tenant or re-tenanting the property;
 - The building is substantially vacant and all endeavours have been made to re-tenant without success;
 - More than 10% of the building has been vacant and it is likely that the vacancy will increase and there is no prospect of reducing in the medium term;
 - A retail asset has a low trading density with turnover growth equivalent to or less than retail sales growth in South Africa;
 - A retail asset has a high trading density with no further turnover growth or prospect for upside growth or expansion potential and requires a major upgrade without an improvement to the bottom line;
 - A nodal change of the area and exodus of existing tenants to another node.
- Market value is to be obtained on any disposal unless exceptional circumstances exist.
- When an unsolicited offer is made by a tenant:
 - Offers received on government tenant buildings will be considered favourable if there is adequate upside from a valuations perspective;

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- All other offers will be considered on a case by case basis with due consideration being given to the outstanding lease tenure and offer price in relation to the existing valuations on the property.