

## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 5 to 7 of this Circular have been used in this front cover.

### Action required

- This Circular is important and should be read with particular attention to the section entitled "Action required by Shareholders", which commences on page 2 of this Circular.
- If you are in any doubt as to what action you should take arising from this Circular, please consult your Broker, CSDP, banker, accountant, attorney or other professional adviser immediately.
- If you have disposed of all your Texton Shares, then this Circular should be handed to the purchaser of such Texton Shares or to the Broker, CSDP, banker or other agent through whom the disposal was effected.
- This Circular is not an invitation to the public to subscribe for Rights Offer Shares, but rather is issued in compliance with the Listings Requirements, for the purposes of providing information about Texton and the Rights Offer.



# TEXTON

PROPERTY FUND

## TEXTON PROPERTY FUND LIMITED

Approved as a REIT by the JSE  
(Incorporated in the Republic of South Africa)  
(Registration number 2005/019302/06)  
Share code: TEX  
ISIN: ZAE000190542  
("Texton" or "the Company")

## CIRCULAR TO TEXTON SHAREHOLDERS

regarding:

- a partially underwritten Rights Offer to raise up to R986 million through the issue of 100 000 000 new Texton Shares at the Issue Price per Rights Offer Share in the ratio of 36.22312 Rights Offer Shares for every 100 Texton Shares held on the Rights Offer Record Date;

and incorporating:

- a Form of Instruction for Texton Shareholders (for use by Certificated Shareholders only).

**Rights Offer opens at 9:00 on Monday, 21 September 2015**

**Rights Offer closes at 12:00 on Friday, 2 October 2015**

The Rights that are represented by the Letters of Allocation are valuable and may be traded on the JSE. Letters of Allocation can, however, only be traded in Dematerialised form and, accordingly, all Letters of Allocation have been issued in Dematerialised form.

The Rights Offer Shares will rank *pari passu* in every respect with the presently issued ordinary Shares in Texton and therefore the Issue Price per Rights Offer Share includes entitlement to receive the dividend declared for the second six months ended 30 June 2015 of 50.09 cents per Share.

There are no conversion or redemption provisions relating to the Rights Offer Shares.

The allocation of Rights Offer Shares will be such that only whole numbers of Rights Offer Shares will be issued and Texton Shareholders will be entitled to rounded numbers of Rights Offer Shares based on conventional rounding principles.

The Rights Offer may be affected by the laws of the relevant jurisdictions of foreign Texton Shareholders. Such foreign Texton Shareholders should inform themselves about and observe any applicable legal requirements of such jurisdictions in relation to all aspects of this Circular that may affect them, including the Rights Offer. It is the responsibility of any foreign Texton Shareholder to satisfy himself as to the full observation of the laws and regulatory requirements of the relevant jurisdiction in connection with this Circular and the Rights Offer, including the obtaining of any governmental, exchange control or other consent or the making of any filings which may be required, the compliance with other necessary formalities, the payment of any issue, transfer or other taxes or other requisite payments due in such jurisdiction.

The Rights Offer is governed by the laws of South Africa and is subject to any applicable South African laws and regulations, including the Exchange Control Regulations. Any foreign Texton Shareholder who is in doubt as to his position including, without limitation, his tax status, should consult an appropriate professional adviser in the relevant jurisdiction without delay.

The Directors, whose names appear on page 8 of this Circular, collectively and individually, accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts which have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that the Circular contains all information required by South African law and the Listings Requirements.

### Investment bank and sponsor

Out of the Ordinary®



### Legal advisers



Date of issue: 15 September 2015

Copies of this Circular, in English only, may be obtained at the Company's registered office or at the offices of the Transfer Secretary, during normal business hours 08:00 to 16:00 or Texton's website [www.texton.co.za](http://www.texton.co.za) from Tuesday, 15 September 2015 until Friday, 2 October 2015. The addresses of the Company and the Transfer Secretary are set out in the "Corporate information and advisers" section.

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## CORPORATE INFORMATION AND ADVISERS

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### Directors

PD Naidoo<sup>#</sup> (Chairman)  
PM Tau-Sekati<sup>+</sup> (Lead Independent Director)  
AN Du Hecquet de Rauville\* (Chief Executive Officer)  
NV Balfour<sup>+</sup>  
JA Legh<sup>#</sup>  
JR Macey<sup>+</sup>  
TS Sishuba<sup>+</sup>  
MJ van Heerden<sup>#</sup>  
KN Vundla<sup>+</sup>  
R Makhubela<sup>#</sup>

\* Executive

<sup>#</sup> Non-executive

<sup>+</sup> Independent non-executive

### Investment bank and sponsor

The Corporate Finance division of Investec Bank Limited  
(Registration number 1969/004763/06)  
2nd Floor  
100 Grayston Drive  
Sandown, Sandton, 2196  
(PO Box 785700, Sandton, 2146)

### Transfer Secretary

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

### Registered office

Texton Property Fund Limited  
(Registration number 2005/019302/06)  
54 Bompas Road  
Dunkeld West  
Johannesburg, 2196  
(PO Box 41394, Craighall Park, 2024)

### Date and place of incorporation

6 June 2005, Pretoria, South Africa

**Website:** <http://www.texton.co.za>

### Legal adviser

Glyn Marais Incorporated  
(Registration number 1990/000849/21)  
2nd Floor  
The Place  
1 Sandton Drive, Sandton  
(PO Box 652361, Benmore, 2010)

### Company Secretary

CIS Company Secretaries Proprietary Limited  
Represented by N Toerien  
(Registration number 2006/024494/07)  
Ground Floor  
70 Marshall Street  
Johannesburg, 2001  
(PO Box 61763, Marshalltown, 2107)

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## ACTION REQUIRED BY TEXTON SHAREHOLDERS

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The definitions commencing on pages 5 to 7 of this Circular apply *mutatis mutandis* to this section.

### Please take careful note of the following provisions regarding the action required by Texton Shareholders

1. If you are in any doubt as to what action you should take arising from this Circular, please consult your Broker, CSDP, banker, attorney, accountant or other professional adviser immediately.
2. If you have disposed of all of your Texton Shares, this Circular should be handed to the purchaser of such Texton Shares or to the Broker, CSDP, banker or other agent through whom the disposal was effected.
3. This Circular contains information relating to Texton and the Rights Offer. If you are a Texton Shareholder, you should carefully read through this Circular and decide how you wish to treat the Rights allocated to you in terms of the Rights Offer.

## ACTION REQUIRED BY CERTIFICATED SHAREHOLDERS

### Participation in the Rights Offer

If you are a Certificated Shareholder:

- the Form of Instruction will be posted to Certificated Shareholders on Tuesday, 15 September 2015;
- if you wish to subscribe for all or part of the Rights Offer Shares to which you are entitled, you must complete the Form of Instruction in accordance with the instructions contained therein and lodge it, together with the amount due in Rands, with the Transfer Secretary as follows:

**Hand delivered to:**

Corporate Actions division  
Computershare Investor Services Proprietary Limited  
Ground Floor  
70 Marshall Street  
Johannesburg  
2001

**Postal deliveries (at the risk of the Shareholder) to:**

Corporate Actions division  
Computershare Investor Services Proprietary Limited  
PO Box 61763  
Marshalltown  
2107

- The properly completed Form of Instruction together with proof of EFT/banker's draft of the amount due in Rands must be received by the Transfer Secretary by no later than 12:00 on Friday, 2 October 2015.
- All acceptances of all or part of the Rights Offer Shares sent by post by Certificated Shareholders will be accepted provided the envelope is received by no later than 12:00 on Friday, 2 October 2015.
- The Form of Instruction will be regarded as complete only when proof of EFT/banker's draft has been cleared for payment.
- Such payment will constitute an irrevocable acceptance of the Rights Offer upon the terms and conditions set out in this Circular and in the Form of Instruction once the EFT/banker's draft has been cleared for payment.
- All bankers' drafts received will be deposited immediately for payment. Should any payment be refused, Texton may in its sole discretion treat the relevant acceptance of Rights Offer Shares, if any, as void or may tender delivery of the appropriate Texton Share certificate to which this acceptance relates against payment in cash of the amount payable in terms thereof.

If you do not wish to exercise all of the Rights allocated to you as reflected in the Form of Instruction, you may either dispose of, or renounce, all or part of your Rights or do nothing (in which case your Rights will lapse).

If you wish to sell all or part of the Letter of Allocation attached to your Rights, you must complete Form A in the Form of Instruction and return it to the Transfer Secretary so as to be received by them by no later than 12:00 on Friday, 25 September 2015.

In this regard, none of the Transfer Secretary, any Broker appointed by them to effect the sale, or Texton, its Directors or employees, will have any obligation or be responsible for any loss or damage whatsoever in relation to, or arising from, the timing of such sale, the price obtained, or the failure to dispose of such Letters of Allocation. **Please note that the last day to trade Letters of Allocation is Friday, 25 September 2015.**

If you wish to renounce your Rights (or part thereof) in favour of any named Renounee, you must complete Form B in the Form of Instruction, and the Renounee must complete Form C in the Form of Instruction and return it to the Transfer Secretary so as to be received by no later than 12:00 on Friday, 2 October 2015, together with a bank-guaranteed cheque or banker's draft for the appropriate amount. Renounees must attach a certified true copy of their identification document to the Form of Instruction, where Forms B and C are completed.

Applications for Excess Rights Offer Shares will be allowed. If you wish to apply for Excess Rights Offer Shares, you must complete Blocks (7) and (8) of the Form of Instruction and return it to the Transfer Secretary, so as to be received by no later than 12:00 on Friday, 2 October 2015, together with sufficient funds to cover such application in accordance with your instruction. The right to apply for Excess Rights Offer Shares is transferable on renunciation of the Letters of Allocation.

Refund cheques in respect of unsuccessful applications for Excess Rights Offer Shares will be posted by registered post to the relevant applicants, at their own risk, on or about Wednesday, 7 October 2015. No interest will be paid on monies received in respect of unsuccessful applications.

**If the required documentation and payment have not been received in accordance with the instructions contained in the Form of Instruction, either from the Texton Shareholder or from any person in whose favour the Rights have been renounced, by 12:00 on Friday, 2 October 2015, then such Rights will be deemed to have been declined and will lapse.**

## **ACTION REQUIRED BY OWN-NAME DEMATERIALISED SHAREHOLDERS**

### **Participation in the Rights Offer**

If you are a Dematerialised Shareholder, you will not receive a Form of Instruction. Your CSDP or Broker will credit your account with the number of Letters of Allocation to which you are entitled and you should receive notification from your CSDP or Broker in this regard. If you are not contacted by your CSDP or Broker, you should contact your CSDP or Broker and provide them with your instructions.

If you do not wish to subscribe for all of the Rights Offer Shares allocated to you, you may either dispose of, or renounce, all or part of your Letters of Allocation.

If you wish to sell all or part of your Letters of Allocation, you are required to instruct your CSDP or Broker as to the number of Letters of Allocation you wish to sell. **Please note that the last day to trade the Letters of Allocation is Friday, 25 September 2015.**

If you wish to renounce your Letters of Allocation (or part thereof) in favour of any named Renounee, you are required to instruct your CSDP or Broker as to the number of Letters of Allocation you wish to renounce, and in favour of whom you wish to renounce those Letters of Allocation, by the cut off time required by the CSDP or Broker as per your agreement held with them.

If you wish to subscribe for all or part of your *Pro Rata* Rights Offer Shares, you are required to instruct your CSDP or Broker as to the number of Rights Offer Shares for which you wish to subscribe, by the cut off time required by the CSDP or Broker as per your agreement held with them.

CSDPs effect payment on a delivery-versus-payment basis and therefore you must ensure that the necessary funds are deposited with the relevant CSDP or Broker, as the case may be.

Applications for Excess Rights Offer Shares will be allowed. If you wish to apply for Excess Rights Offer Shares, you should instruct your CSDP or Broker as to the number of Excess Rights Offer Shares for which you wish to apply, by the cut off time required by the CSDP or Broker, and ensure that sufficient funds are deposited with your CSDP or Broker. The right to apply for Excess Rights Offer Shares is transferable on renunciation of the Letters of Allocation.

Instructions to your CSDP or Broker must be provided in the manner and time stipulated in the custody agreement governing the relationship between yourself and your CSDP or Broker. If your CSDP or Broker does not obtain instructions from you, they are obliged to act in terms of the mandate granted to them by you, or if the mandate is silent in this regard, not to subscribe for Rights Offer Shares in terms of the Rights Offer.

## **NON-RESIDENTS**

Texton Shareholders who are non-residents are referred to paragraph 9 of the Circular regarding applicable Exchange Control Regulations.

### **Notes:**

**Texton does not take responsibility, and will not be held liable, for any failure on the part of any CSDP or Broker to notify you of the Rights Offer and/or to obtain instructions from you to subscribe for the Rights Offer Shares and/or to sell the Rights to which you are entitled.**

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## IMPORTANT DATES AND TIMES

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The definitions commencing on pages 5 to 7 of this Circular have been used in the following table of important dates and times:

**2015**

Declaration Date relating to the announcement of the Rights Offer	Wednesday, 2 September
Finalisation Date relating to the announcement of the Rights Offer	Tuesday, 8 September
Last day to trade in Texton Shares in order to participate in the Rights Offer	Friday, 11 September
Listing and trading of Letters of Allocation on the JSE under JSE code: "TEXN" and ISIN: ZAE000208302	Monday, 14 September
Texton Shares commence trading on the JSE ex-Rights Offer entitlement	Monday, 14 September
Rights Offer Circular and Form of Instruction posted to Certificated Shareholders	Tuesday, 15 September
Record date for determination of Shareholders entitled to participate in the Rights Offer	Friday, 18 September
Rights Offer opens at 09:00	Monday, 21 September
Dematerialised Shareholders will have their accounts at their CSDP or Broker automatically credited with the Letters of Allocation	Monday, 21 September
Certificated Shareholders on the register will have their Letters of Allocation credited to their accounts held with the Transfer Secretary	Monday, 21 September
Rights Offer Circular posted to Dematerialised Shareholders	Tuesday, 22 September
Last day to trade Letters of Allocation on the JSE	Friday, 25 September
Maximum number of Rights Offer Shares listed and trading therein commences on the JSE	Monday, 28 September
Rights Offer closes at 12:00	Friday, 2 October
Record date for Letters of Allocation	Friday, 2 October
New Texton Shares issued	Monday, 5 October
Dematerialised Shareholders' accounts updated and debited by CSDP or Broker (in respect of Rights Offer Shares taken up in the Rights Offer)	Monday, 5 October
Certificates posted to Certificated Shareholders (in respect of the Rights Offer Shares taken up in the Rights Offer)	Monday, 5 October
Results of Rights Offer announced on SENS	Monday, 5 October
Refunds (if any) to Certificated Shareholders in respect of unsuccessful applications made for Excess Rights Offer Shares	Wednesday, 7 October
Certificates posted to Certificated Shareholders (in respect of successful applications for Excess Rights Offer Shares)	Wednesday, 7 October
Dematerialised Shareholders' accounts updated and debited by their CSDP or Broker (in respect of successful applications for Excess Rights Offer Shares)	Wednesday, 7 October
Last day to trade in order to participate in the Texton cash dividend	Friday, 9 October
Texton Shares trade ex dividend	Monday, 12 October
Dividend record date	Friday, 16 October
Dividend payment date	Monday, 19 October

### Notes:

1. All times indicated in this Circular are South African times.
2. Dematerialised Shareholders are required to inform their CSDP or Broker of their instructions in respect of the Rights Offer in the manner and time stipulated in the agreement governing the relationship between the Texton Shareholder and its CSDP or Broker.
3. Texton Share certificates may not be Dematerialised or rematerialised between Monday, 14 September and Friday, 18 September 2015, both days inclusive and between Monday, 12 October and Friday, 16 October 2015, both days inclusive.
4. Dematerialised Shareholders will have their accounts at their CSDP or Broker automatically credited with their Letters of Allocation and Certificated Shareholders will have their Letters of Allocation credited to a nominee account at Computershare Investor Services Proprietary Limited.

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## DEFINITIONS

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In this Circular (inclusive of the pages preceding these definitions), unless otherwise stated or clearly indicated by the context, the words in the first column have the meanings stated opposite them in the second column, words in the singular include the plural and *vice versa*, words incorporating one gender include the other gender and expressions denoting natural persons include juristic persons and associations of persons:

“Asset Management Agreement”	means the asset management agreement, dated 20 June 2011, initially entered into between Texton and Vunani Property Asset Management Proprietary Limited which was ceded to TPI effective 1 March 2014 pursuant to a Shareholders’ resolution dated 16 January 2014;
“Board”	means collectively the Directors;
“Broker”	means any person registered as a broking member (equities) in terms of the rules of the JSE made in accordance with the provisions of the Financial Markets Act;
“Business Day”	means any day other than a Saturday, Sunday or public holiday in South Africa;
“Certificated Shareholder(s)”	means registered holders of the Certificated Shares;
“Certificated Share(s)”	means Texton Shares represented by a share certificate or other physical document of title, which has not been surrendered for Dematerialisation in terms of the requirements of Strate;
“Circular”	means this bound document, dated Tuesday, 15 September 2015, including all annexures and attachments hereto;
“Committed Participants”	means those Shareholders who have entered into a Subscription Commitment Agreement with the Company;
“Committed Rights Offer Shares”	means such Rights Offer Shares which the Committed Participants have elected to irrevocably subscribe for in terms of the Rights Offer;
“Commitment Fee”	means the amount payable by the Company to the Committed Participants for providing the subscription commitment set out in the Subscription Commitment Agreement, being 1.5% (one point five percent) of the aggregate Issue Price of the Committed Rights Offer Shares;
“Common Monetary Area”	means South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
“Companies Act” or “Act”	means the South African Companies Act, No 71 of 2008, as amended or replaced from time to time;
“Company Secretary”	means CIS Company Secretaries Proprietary Limited, registration number 2006/024994/07, a private company duly registered and incorporated with limited liability under the laws of South Africa, represented by N Toerien;
“CSDP”	means Central Securities Depository Participant, as defined in the Financial Markets Act, appointed by the respective Dematerialised Shareholders for the purposes of, and in regard to, the Dematerialisation of documents of title for the purposes of incorporation into Strate;
“Declaration Date”	means the date, as required by the Listings Requirements, of the publication of the announcement setting out, <i>inter alia</i> , the action to be taken by Texton Shareholders in relation to the proposed Rights Offer, being Wednesday, 2 September 2015;
“Dematerialisation”	means the process by which Certificated Shares are converted to an electronic form as Dematerialised Shares and recorded in the sub-register of Shareholders maintained by a CSDP;
“Dematerialised Shareholders”	means all registered holders of Dematerialised Shares;
“Dematerialised Shares”	means Shares which have been incorporated into Strate and which are no longer evidenced by physical documents of title, but the evidence of ownership of which is determined electronically and recorded in the sub-register maintained by a CSDP;
“Directors”	means the directors of Texton at the Last Practicable Date, details of whom are set out on page 8 to this Circular;
“EFT”	means electronic funds transfer;

“Excess Rights Offer Shares”	means any Rights Offer Shares that are not taken up by Qualifying Shareholders in the Rights Offer and are therefore available for issue by the Company, in accordance with paragraph 3.6 on page 10 of this Circular, to the Underwriter or other persons who apply for Excess Rights Offer Shares;
“Exchange Control Regulations”	means the Exchange Control Regulations of South Africa issued under the Currency and Exchanges Act, 1933 (Act 9 of 1933), as amended;
“Finalisation Date”	means the date, as required by the Listings Requirements, of the announcement of the finalisation information relating to the Rights Offer;
“Financial Markets Act”	means the Financial Markets Act, No 19 of 2012, as amended or replaced from time to time;
“Form of Instruction”	means the form of instruction in respect of the Letters of Allocation reflecting the Ratio of Entitlement of Qualifying Shareholders that are Certificated Texton Shareholders and on which such Texton Shareholders should indicate whether they wish to exercise, sell or renounce all or some of their Letters of Allocation, which form will be posted to Certificated Texton Shareholders on Tuesday, 15 September 2015;
“Investment Bank and Sponsor”	means the corporate finance division of Investec Bank Limited, registration number 1969/004763/06, a public company duly registered and incorporated with unlimited liability under the laws of South Africa;
“Issue Price”	means the subscription price at which the Rights Offer Shares will be offered to Qualifying Shareholders in terms of the Rights Offer, being R9.86 per Rights Offer Share which represents a 5% discount to the 3 day VWAP as at the close of business on Tuesday, 1 September 2015;
“JSE”	means JSE Limited, registration number 2005/022939/06, a public company duly registered and incorporated with unlimited liability under the laws of South Africa, listed on the JSE and licensed as an exchange under the Financial Markets Act;
“Last Practicable Date”	means the last practicable date prior to finalisation of this Circular, being Tuesday, 1 September 2015;
“Legal Advisor”	means Glyn Marais Incorporated, registration number 1990/000849/21, duly registered and incorporated with limited liability under the laws of South Africa;
“Letters of Allocation”	means renounceable (nil paid) letters of allocation to be issued by the Company, in electronic form to each Qualifying Shareholder, conferring the right to subscribe for Rights Offer Shares in terms of the Rights Offer;
“Listings Requirements”	means the Listings Requirements of the JSE, as amended from time to time;
“Loan to Value”	means an assessment of Texton’s interest bearing borrowings to value of assets purchased, calculated by dividing the sum of Texton’s total interest bearing liabilities by the fair value of its total investment property portfolio;
“MOI”	means the Memorandum of Incorporation of the Company, adopted via a special resolution, which was registered in terms of the Companies Act on 16 January 2014;
“Pro Rata Rights Offer Shares”	means in relation to a Qualifying Shareholder, such number of Rights Offer Shares that such Qualifying Shareholder is entitled to subscribe for in terms of the Rights Offer, calculated by multiplying the Ratio of Entitlement by the Shares held by each Qualifying Shareholder on the Rights Offer Record Date;
“Qualifying Shareholder(s)”	means a registered holder of Texton Shares recorded in the register at 17h00 on the Rights Offer Record Date;
“Rand” or “R”	means South African Rand, the lawful currency of South Africa;
“Ratio of Entitlement”	means the number of Rights Offer Shares to which a Qualifying Shareholder is entitled in terms of the Rights Offer, details of which are set out in <b>Annexure 3</b> of this Circular;
“REIT”	means Real Estate Investment Trust, being an issuer which receives a REIT status in terms of the Listings Requirements;
“Renounee”	means a person in whose favour a Qualifying Shareholder has renounced all or a portion of its Rights;
“Right”	means the entitlement of a Qualifying Shareholder to subscribe for Rights Offer Shares in terms of the Rights Offer;



“Rights Offer”	means a partially underwritten renounceable rights offer by Texton to Qualifying Shareholders to subscribe for 36.22312 Rights Offer Shares for every 100 Texton Shares held by them on the Rights Offer Record Date at the Issue Price per Rights Offer Share;
“Rights Offer Record Date”	means the record date of the Rights Offer, being Friday, 18 September 2015;
“Rights Offer Shares”	means 100 000 000 new Shares which are to be offered to Qualifying Shareholders pursuant to the Rights Offer;
“Securities Register or Register”	means the securities register of Texton Shareholders maintained by Texton in terms of the Companies Act including the register of Certificated Texton Shareholders and the sub-registers of Dematerialised Texton Shareholders maintained by the relevant CSDPs in accordance with the Companies Act;
“SENS”	means the Stock Exchange News Service of the JSE;
“South Africa”	means the Republic of South Africa;
“Strate”	means the settlement and clearing system used by the JSE managed by Strate Proprietary Limited, registration number 1998/022242/07, a private company duly registered and incorporated with limited liability under the laws of South Africa and the CSDP registered in terms of the Financial Markets Act;
“Subscription Commitment Agreement”	means the agreements in terms of which the Committed Participants subscribe for their Committed Rights Offer Shares in the Company in consideration for which the Committed Participants are entitled to the Commitment Fee;
“Texton” or “the Company”	means Texton Property Fund Limited, registration number 2005/019302/06 a public company duly registered and incorporated with unlimited liability under the laws of South Africa, the Shares of which are listed on the JSE under the share code TEX;
“Texton Shareholders” or “Shareholders”	means collectively Dematerialised Shareholders and Certificated Shareholders;
“Texton Shares” or “Shares”	means ordinary shares having no par value in the issued stated capital of Texton, all of which shares are listed on the JSE, being 276 066 766 shares, at the Last Practicable Date;
“TPI”	means Texton Property Investments Proprietary Limited, registration number 2004/029298/07, a private company duly registered and incorporated with limited liability under the laws of South Africa and the asset manager of Texton;
“Transfer Secretary”	means Computershare Investor Services Proprietary Limited, registration number 2004/003647/07, a private company duly registered and incorporated with limited liability under the laws of South Africa, full details of which are set out in the “Corporate information and advisers” section of this Circular;
“UK”	means the United Kingdom;
“Underwriter”	means Luna Group Proprietary Limited, registration number 2001/007521/07, a private company duly registered and incorporated with limited liability under the laws of South Africa, who has entered into an Underwriting Agreement in terms of which they have irrevocably undertaken to subscribe for 41 940 878 of Excess Rights Offer Shares for the Underwriting Fee, details of which are contained in <b>Annexure 4</b> ;
“Underwriting Agreement”	means the agreement in terms of which the Underwriter has partially underwritten the Rights Offer by irrevocably subscribing for 41 940 878 of Excess Rights Offer Shares;
“Underwriting Fee”	means the amount payable by the Company to the Underwriter for providing the underwriting commitment, being 3% of the aggregate underwriting commitments of R414 million; and
“VWAP”	means volume weighted average price.



# TEXTON

PROPERTY FUND

## TEXTON PROPERTY FUND LIMITED

Incorporated in the Republic of South Africa  
(Registration number 2005/019302/06)

Share code: TEX  
ISIN: ZAE000190542  
("Texton" or "the Company")

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### DIRECTORS OF TEXTON

#### Executive

AN Du Hecquet de Rauville\* (Chief Executive Officer)

#### Non-executive

PD Naidoo# (Chairman)

JR Macey+

PM Tau-Sekati+ (Lead Independent Director)

KN Vundla+

NV Balfour+

TS Sishuba+

JA Legh#

MJ van Heerden#

R Makhubela#

\* Executive

# Non-executive

+ Independent non-executive

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### CIRCULAR TO TEXTON SHAREHOLDERS

#### 1. INTRODUCTION AND PURPOSE OF THE CIRCULAR

Texton will undertake the Rights Offer to raise up to R986 million through the issue of 100 000 000 new Texton Shares to Qualifying Shareholders in the ratio of 36.22312 new Shares for every 100 Shares held, at the Issue Price per Rights Offer Share.

As more fully described in paragraph 3.1 below, the Rights Offer will raise equity capital in order to:

- Reduce recent acquisition debt;
- Provide Texton with additional balance sheet flexibility to pursue further value enhancing pipeline acquisitions and other acquisitions as the opportunities arise; and
- Allow Texton to establish an optimal gearing and capital structure by repaying certain short-dated fixed profile debt, which based on current pricing will attract negligible breakage costs.

The purpose of this Circular is to inform Texton Shareholders of the terms and conditions of the Rights Offer and provide them with relevant information relating to the Rights Offer in order for Texton Shareholders to make an informed decision as to whether or not to participate in the Rights Offer.

Qualifying Shareholders are invited to apply for Excess Rights Offer Shares and should these be available, they will be allocated first to the Underwriter and thereafter to any other persons who have made an application for Excess Rights Offer Shares in an equitable manner as determined by the Directors in accordance with the provisions of paragraph 5.33 of the Listings Requirements.

## 2. NATURE OF THE BUSINESS AND PROSPECTS OF THE COMPANY

### 2.1 Nature of the business and prospects

Texton is a REIT committed to building a diversified quality portfolio of well-located properties in South Africa and the UK that offers:

- Long-term distribution and capital growth;
- Low vacancies;
- Strong underlying contractual cash flows;
- Strong tenant covenants;
- Attractive lease expiry profiles; and
- Potential for upward rental reversions, asset management potential and refurbishment opportunities.

Texton is managed by TPI in accordance with the terms of the Asset Management Agreement. The Asset Management Agreement is for an initial period of seven years following the listing of the Company on the JSE in August 2011, renewable for subsequent five-year periods in accordance with the provisions thereof.

In February 2014, the Asset Management Agreement was ceded to TPI and with this transaction TPI brought to Texton an experienced, dynamic and motivated team with years of experience, a network and deal making track record in the property sector within South Africa and the UK.

Texton is currently looking at industrial and retail properties in South Africa which are geared to provide more value than the office sector of the property market. In addition to its pursuit of retail opportunities in retail centres in the UK, Texton's prospects include looking at continental Europe as part of its growth strategy of increasing its overseas weighting to 50% of its property portfolio from 25% currently.

## 3. THE RIGHTS OFFER

### 3.1 Rationale

Texton has successfully completed over R2 billion of portfolio enhancing property acquisitions since January 2015. The acquisition of these properties is in line with Texton's growth and investment strategy of acquiring complementary and portfolio enhancing properties.

All of these acquisitions have been funded significantly by debt (including bridge funding) and the Company's Loan to Value is now approximately 39% which restricts Texton's ability to pursue investment opportunities in line with its growth strategy.

The Rights Offer will enable Texton to access the equity capital markets by issuing new Texton Shares in order to:

- improve Texton's overall gearing capacity through the reduction of Texton's debt facilities and bridge funding, which puts Texton in a position to utilise such undrawn facilities for future acquisition opportunities which meet the Company's stated investment criteria;
- establish an optimal gearing and capital structure by repaying certain short-dated fixed profile debt, which based on current pricing will attract negligible breakage costs; and
- bring Texton's Loan to Value in line with the Company's target range and acceptable market norm.

### 3.2 Terms of the Rights Offer

Texton hereby offers, by way of the Rights Offer to Qualifying Shareholders, a total of 100 000 000 new Texton Shares, at the Issue Price per Rights Offer Share, payable in full upon acceptance, in the currency of South Africa, in the ratio of 36.22312 Rights Offer Shares for every 100 Texton Shares held on the Rights Offer Record Date. The Rights Offer will raise up to R986 million, before the deduction of related expenses.

The Issue Price per Rights Offer Share represents a 5% discount to the 3 day VWAP of Texton Shares listed on the JSE as at the close of business on Tuesday, 1 September 2015, being the Last Practicable Date.

The Rights Offer Shares will rank *pari passu* in every respect with the presently issued ordinary Shares in Texton and therefore the Issue Price per Rights Offer Share includes entitlement to receive the dividend declared for the second six months ended 30 June 2015 of 50.09 cents per Share.

### 3.3 Opening and closing dates of the Rights Offer

The Rights Offer will open at 09:00 on Monday, 21 September 2015 and close at 12:00 on Friday, 2 October 2015.

### 3.4 Committed Participants

Prior to the commencement of the Rights Offer, Texton concluded Subscription Commitment Agreements with the Committed Participants in terms of which the Committed Participants have elected to irrevocably subscribe for the Committed Rights Offer Shares pursuant to the Rights Offer.

Pursuant to the above the Committed Participants have subscribed for 36 239 574 of Committed Rights Offer Shares at the Issue Price representing 36.2% of the total gross Rights Offer Shares available.

Under the terms of the Subscription Commitment Agreements the subscription proceeds for the Committed Rights Offer Shares are to be received by Texton by the closing date of the Rights Offer, being Friday, 2 October 2015.

The Committed Participants will be entitled to receive the Commitment Fee of 1.5% of the gross subscription amount in relation to the Committed Rights Offer Shares.

The Commitment Fee of 1.5% is, in the opinion of the Board, not greater than the current market rate. The Commitment Fee is only payable upon the Committed Participants fulfilling their commitments in terms of the Subscription Commitment Agreement.

The Board has made due and careful enquiry to confirm that the Committed Participants can meet their commitments in terms of the Subscription Commitment Agreement.

### 3.5 Underwriter

In addition to the commitments from Committed Participants for approximately 36.2% of the total gross Rights Offer Shares, the Company has also concluded an Underwriting Agreement with the Underwriter in terms of which the Underwriter has irrevocably undertaken to subscribe for 41 940 878 of Excess Rights Offer Shares for which the Underwriter is entitled to the Underwriting Fee.

In terms of the Underwriting Agreement, the Underwriting Fee of 3% of the aggregate underwriting commitments of R414 million, is payable by the Company to the Underwriter.

The Underwriting Fee of 3% is, in the opinion of the Board, not greater than the current market rate. The Underwriting Fee is only payable upon the Underwriter fulfilling their commitment in terms of the Underwriting Agreement.

The Board has made due and careful enquiry to confirm that the Underwriter can meet its underwriting commitment in terms of the Underwriting Agreement.

The details of the Underwriter required in terms of the Listings Requirements are set out in **Annexure 4**.

### 3.6 Application for Excess Rights Offer Shares

Qualifying Shareholders will have the right to apply for any Excess Rights Offer Shares not taken up by other Texton Shareholders in terms of their Rights in the Rights Offer. Excess Rights Offer Shares available for allocation will be allocated first to the Underwriter and thereafter to any other persons who have made an application for Excess Rights Offer Shares in an equitable manner as determined by the Directors in accordance with the provisions of paragraph 5.33 of the Listings Requirements.

The right to apply for Excess Rights Offer Shares is automatically transferred by, and to the extent of, any renunciation.

Certificated Shareholders who wish to apply for Excess Rights Offer Shares, may do so by indicating the number of Excess Rights Offer Shares that they wish to subscribe for in Blocks (7) and (8) on the Form of Instruction and by enclosing payment, in accordance with this paragraph 3.6 of this Circular, for such Excess Rights Offer Shares with their subscription.

Dematerialised Shareholders who wish to apply for Excess Rights Offer Shares, should advise their CSDP or Broker in terms of the agreement entered into between them and their CSDP or Broker, as to the number of Excess Rights Offer Shares for which they wish to apply and ensure that they have sufficient funds in their account.

Following the allocation of Excess Rights Offer Shares to the Underwriter, non-equitable allocations of Excess Rights Offer Shares will only be allowed in instances where they are used to round holdings up to the nearest multiple of 100 Rights Offer Shares.

An announcement will be published on SENS on Monday, 5 October 2015, stating the results of the Rights Offer and the basis of allocation of any Excess Rights Offer Shares.

Cheques refunding monies in respect of unsuccessful applications for Excess Rights Offer Shares by Certificated Shareholders will be posted to the relevant applicants, at their risk, on or about Wednesday, 7 October 2015. No interest will be paid on monies received in respect of unsuccessful applications for Excess Rights Offer Shares.

### 3.7 Minimum subscription

The Rights Offer is not conditional upon any minimum subscription.

## 4. USE OF RIGHTS OFFER PROCEEDS

- improve Texton's overall gearing capacity through the reduction of Texton's acquisition debt and other debt facilities, which puts Texton in a position to utilise such undrawn facilities for future acquisition opportunities that meet the Company's stated investment criteria;
- establish an optimal gearing and capital structure by repaying certain short-dated fixed profile debt, which based on current pricing will attract negligible breakage costs; and
- bring Texton's Loan to Value in line with the Company's target range and acceptable market norm.

## 5. ENTITLEMENT TO *PRO RATA* RIGHTS OFFER SHARES

- 5.1 Texton Shareholders will receive the Right to subscribe for 36.22312 Texton Shares for every 100 Shares held on the Rights Offer Record Date.
- 5.2 Texton Shareholders who hold less than 100 Shares or who do not hold a multiple of 100 Shares, will be entitled, in respect of such holdings, to participate in the Rights Offer in accordance with **Annexure 3**.
- 5.3 The allocation of the Rights Offer Shares will be such that Shareholders will not be allocated a fraction of a Rights Offer Share and as such any entitlement to receive a fraction of a Rights Offer Share which:
- 5.3.1 is less than one-half of a Rights Offer Share, will be rounded down to the nearest whole number; and
- 5.3.2 is equal to or greater than one-half of a Rights Offer Share but less than a whole Rights Offer Share, will be rounded up to the nearest whole number.
- 5.4 Certificated Shareholders will have their Rights credited to their accounts held with the Transfer Secretary on their behalf. The enclosed Form of Instruction reflects the number of Rights Offer Shares for which the Certificated Shareholder is entitled to subscribe. The procedure to be followed by Certificated Shareholders for the acceptance, sale or renunciation of their Rights is reflected on the Form of Instruction.
- 5.5 Dematerialised Shareholders will have their Rights to subscribe for Rights Offer Shares credited in electronic form to their account held by their appointed CSDP or Broker. The CSDP or Broker will advise Dematerialised Shareholders of the procedure to be followed and the timing for the acceptance, sale, renunciation or lapsing of such Right.
- 5.6 The Letters of Allocation to which the Form of Instruction relate are negotiable and can be traded on the JSE.
- 5.7 Application for Excess Rights Offer Shares will be allowed as detailed in paragraph 3.6 of this Circular.

## 6. STATEMENT AS TO LISTING ON THE JSE

The JSE has granted listings for the Letters of Allocations and the Rights Offer Shares as follows:

- 6.1 Letters of Allocation in respect of new Texton Shares will be listed from the commencement of business on Monday, 14 September 2015 to the close of business on Friday, 25 September 2015, both days inclusive, under the JSE code: TEXN and ISIN: ZAE000208302; and
- 6.2 100 000 000 new Texton Shares will be listed with effect from the commencement of business on Monday, 28 September 2015.

Listing fees of R257 082 (excluding VAT) are payable in respect of the new Texton Shares to be issued pursuant to the Rights Offer.

## 7. SOUTH AFRICAN LAW

All transactions arising from the provisions of this Circular and the Form of Instruction shall be governed by and be subject to the laws of South Africa.

## 8. PROCEDURE FOR ACCEPTANCE, RENUNCIATION AND SALE OF RIGHTS

### 8.1 Procedure for acceptance of *Pro Rata* Rights Offer Shares

#### ***Certificated Shareholders:***

If you are a Certificated Shareholder and/or have had Rights renounced in your favour, and wish to subscribe for all or part of your Rights Offer Shares in terms of the Form of Instruction, you must complete the Form of Instruction in accordance with the instructions contained therein and lodge it, together with the amount due in Rands, with the Transfer Secretary, so as to be received by the Transfer Secretary by no later than 12:00 on Friday, 2 October 2015.

Once received by the Transfer Secretary, the acceptance is irrevocable and may not be withdrawn. If payment of the Issue Price in full is not received on or before 12:00 on Friday, 2 October 2015, the Shareholder or Renouncee concerned will be deemed to have declined the offer to acquire Rights Offer Shares pursuant to the Rights Offer.

#### ***Dematerialised Shareholders:***

If you are a Dematerialised Shareholder, you will not receive a Form of Instruction. You should receive notification from your CSDP or Broker regarding your Rights in relation to the Rights Offer. If you wish to follow your Rights, you are required to notify your duly appointed CSDP or Broker of your acceptance of your Rights in the manner and time allotted in the custody agreement governing the relationship between yourself and your CSDP or Broker.

### 8.2 Procedure for sale or renunciation of *Pro Rata* Rights Offer Shares

#### ***Certificated Shareholders:***

If you are a Certificated Shareholder, and do not wish to subscribe for all of the Rights allocated to you as reflected in the Form of Instruction, you may either dispose of or renounce all or part of your Letters of Allocation.

If you wish to sell all or part of your Letters of Allocation, you must complete Form A in the Form of Instruction and return it to the Transfer Secretary to be received by no later than 12:00 on Friday, 25 September 2015. In this regard, none of the Transfer Secretary, any Broker appointed by them to effect the sale or Texton, its Directors or employees, will have any obligation or be responsible for any loss or damage whatsoever in relation to, or arising from, the timing of such sale, the price obtained, or the failure to dispose of such Letters of Allocation. **Please note that the last day to trade the Letters of Allocation is Friday, 25 September 2015.**

If you wish to renounce your Rights (or part thereof) in favour of any named Renouncee, you must complete Form B in the Form of Instruction, and the Renouncee must complete Form C in the Form of Instruction and return it to the Transfer Secretary, to be received by no later than 12:00 on Friday, 2 October 2015, together with a bank guaranteed cheque or banker's draft for the appropriate amount.

Renouncees must attach a certified true copy of their identity document to the Form of Instruction, where Forms B and C are completed.

**If the required documentation and payment have not been received in accordance with the instructions contained in the Form of Instruction, either from the Texton Shareholder or from any person in whose favour the Rights in terms of the Rights Offer have been renounced, by 12:00 on Friday, 2 October 2015, then such Rights will be deemed to have been declined and will lapse.**

#### ***Dematerialised Shareholders:***

If you are a Dematerialised Shareholder, you will not receive a Form of Instruction. Your CSDP or Broker will credit your account with the number of Letters of Allocation to which you are entitled and you should receive notification from your CSDP or Broker in this regard. If you are not contacted by your CSDP or Broker, you should contact your CSDP or Broker and provide them with your instructions.

If you do not wish to subscribe for all of the Rights Offer Shares allocated to you, you may either dispose of, or renounce, all or part of your Letters of Allocation.

If you wish to sell all or part of your Letters of Allocation, you are required to instruct your CSDP or Broker as to the number of Letters of Allocation you wish to sell. **Please note that the last day to trade the Letters of Allocation is Friday, 25 September 2015.**

If you wish to renounce your Rights (or part thereof) in favour of any named Renouncee, you are required to instruct your CSDP or Broker as to the number of Letters of Allocation you wish to renounce, and in favour of whom you wish to renounce those Letters of Allocation, by the cut off time required by the CSDP or Broker as per your agreement held with them.

If you wish to subscribe for all or part of your Rights Offer Shares, you are required to instruct your CSDP or Broker as to the number of Rights Offer Shares for which you wish to subscribe, by the cut off time required by the CSDP or Broker as per your agreement held with them.

CSDPs effect payment on a delivery-versus-payment basis and therefore you must ensure that the necessary funds are deposited with the relevant CSDP or Broker, as the case may be.

Instructions to your CSDP or Broker must be provided in the manner and time stipulated in the custody agreement governing the relationship between yourself and your CSDP or Broker. If your CSDP or Broker does not obtain instructions from you, they are obliged to act in terms of the mandate granted to them by you, or if the mandate is silent in this regard, not to subscribe for Rights Offer Shares in terms of the Rights Offer.

**Texton does not take responsibility, and will not be held liable, for any failure on the part of any CSDP or Broker to notify you of the Rights Offer and/or to obtain instructions from you to subscribe for the Rights Offer Shares and/or to sell the Letters of Allocation to which you are entitled.**

### 8.3 Payment by Rights Offer recipients and/or their Renounees

Payment for the Rights Offer Shares subscribed for must be made in full by way of an electronic funds transfers ("EFT"). The Computershare Call Centre – Corporate Actions should be contacted on 0861 100 634 during business hours from 08:00 to 16:30 in order to obtain banking details and reference number for the deposits. Electronic forms and proof of EFT payment may be faxed to +27 11 688 5210 or emailed to corporate.events@computershare.co.za. Kindly note that this is for subscription of Rights only and is not for selling of the Rights.

In the case of a foreign Shareholder, payment for the Rights Offer Shares subscribed for must be made in full by way of a banker's draft drawn on a registered commercial bank (each of which should be crossed and marked "not transferable" in favour of "Texton Property Fund Limited") for the amounts payable in Rand and lodged together with this duly completed Form of Instruction with the Transfer Secretary as follows:

**Hand delivered to:**

Corporate Actions division  
Computershare Investor Services Proprietary Limited  
Ground Floor  
70 Marshall Street  
Johannesburg  
2001

**Postal deliveries (at the risk of the Shareholder) to:**

Corporate Actions division  
Computershare Investor Services Proprietary Limited  
PO Box 61763  
Marshalltown  
2107

by no later than 12:00 on Friday, 2 October 2015.

All acceptances of all or part of the Rights Offer Shares sent by post by Certificated Shareholders will be accepted provided the envelope is received by no later than 12:00 on Friday, 2 October 2015.

The lodging or posting of the duly completed Form of Instruction and the proof of payment of the relevant EFT/banker's draft in compliance with the above will be an acceptance of the Rights Offer by the Shareholder concerned and an irrevocable authority to allot the Rights Offer Shares in question, subject to the MOI of Texton.

No receipt will be given for an EFT/banker's draft received in accordance with this Rights Offer.

All bankers' drafts received will be deposited immediately for payment. Should any payment be refused, Texton may in its sole discretion treat the relevant acceptance of Rights Offer Shares, if any, as void or may tender delivery of the appropriate Texton Share certificate to which this acceptance relates against payment in cash of the amount payable in terms thereof.

If the Form of Instruction is not lodged and completed fully and properly (the Transfer Secretary shall be entitled to determine in their sole and absolute discretion whether the Form of Instruction has been completed fully and properly), and payment of the required amount is not received by 12:00 on Friday, 2 October 2015, in terms of the provisions above, then the Texton Shareholder will be deemed to have declined the offer to subscribe for Rights Offer Shares in terms of the Rights Offer and the Right to subscribe for Rights Offer Shares offered in terms of the Form of Instruction will lapse irrespective of who holds it.

CSDPs will effect payment on a delivery-versus-payment basis in respect of a Dematerialised Shareholder. Dematerialised Shareholders must instruct their CSDP or Broker as to the action they must take to enable the CSDP or Broker to act timeously on their behalf in terms of the agreement entered into between the Dematerialised Shareholder and their CSDP or Broker.

## 9. EXCHANGE CONTROL REGULATIONS

The following summary is intended only as a guide and is therefore not a comprehensive statement of the Exchange Control Regulations. Texton Shareholders who are in any doubt as to the appropriate course of action to take should consult their professional advisers.

The Rights Offer Shares will not be freely transferable from South Africa and will have to be dealt with in terms of the South African Exchange Control Regulations.

## 9.1 Non-residents outside the Common Monetary Area

Texton Shareholders who are not resident in the Common Monetary Area should obtain advice as to whether any governmental and/or other legal consent is required and/or whether any other formality must be observed to follow their Rights in terms of the Rights Offer.

## 9.2 Non-residents of the Common Monetary Area

Pursuant to the Exchange Control Regulations and upon specific approval of the South African Reserve Bank, non-residents, excluding former residents of the Common Monetary Area, will be allowed to:

- take up Rights allocated to them in terms of the Rights Offer;
- purchase Letters of Allocation on the JSE;
- subscribe for the Rights Offer Shares arising in respect of the Letters of Allocation purchased on the JSE; and
- apply for Excess Rights Offer Shares

provided payment is received either through normal banking channels from abroad or from a non-resident account.

All applications by non-residents for the above purposes must be made through an authorised dealer in foreign exchange. Electronic statements issued in terms of Strate and any Texton Share certificates issued pursuant to such applications, will be endorsed “non-resident”.

## 9.3 Former residents of the Common Monetary Area (“emigrants”)

Where a Right in terms of the Rights Offer becomes due to a former resident of the Common Monetary Area, which Right is based on Texton Shares blocked in terms of the Exchange Control Regulations, then only emigrant blocked funds may be used to:

- take up Rights allocated to them in terms of the Rights Offer;
- purchase Letters of Allocation on the JSE;
- subscribe for the Rights Offer Shares arising in respect of the Letters of Allocation purchased on the JSE; and
- apply for Excess Rights Offer Shares.

All applications by emigrants using blocked funds for the above purposes must be made through the authorised dealer in South Africa controlling their blocked assets. Texton Share certificates issued to such emigrants will be endorsed “non-resident” and placed under the control of the authorised dealer in foreign exchange through whom the payment was made. The proceeds due to emigrants from the sale of the Letters of Allocation, if applicable, will be returned to the authorised dealer in foreign exchange for credit to such emigrants’ blocked accounts. Electronic statements issued in terms of Strate and any Rights Offer Share certificates issued pursuant to blocked Rand transactions will be endorsed “non-resident” and placed under the control of the authorised dealer through whom the payment was made. The proceeds arising from the sale of Letters of Allocation or arising from the sale of blocked Texton Shares will be credited to the blocked accounts of the emigrants concerned.

Any Texton Shareholder resident outside the Common Monetary Area who receives this Circular and Form of Instruction should obtain advice as to whether any governmental and/or other legal consent is required and/or any other formality must be observed to enable a subscription to be made in terms of such Form of Instruction.

New Texton Share certificates issued pursuant to the Rights Offer to an emigrant will be endorsed “non-resident” and forwarded to the address of the relevant authorised dealer controlling such emigrant’s blocked assets for control in terms of the Exchange Control Regulations. Where the emigrant’s Texton Shares are in Dematerialised form with a CSDP or Broker, the electronic statement issued in terms of Strate will be dispatched by the CSDP or Broker to the address of the emigrant in the records of the CSDP or Broker.

# 10. FOREIGN SHAREHOLDERS

## 10.1 Introduction

Foreign Shareholders may be affected by the Rights Offer, having regard to prevailing laws in their relevant jurisdictions. Such foreign Shareholders should inform themselves about and observe any applicable legal requirements of such jurisdiction in relation to all aspects of this Circular that may affect them, including the Rights Offer. It is the responsibility of each foreign Shareholder to satisfy himself as to the full observation of the laws and regulatory requirements of the relevant foreign jurisdiction in connection with the Rights Offer, including the obtaining of any governmental, exchange or other consents or the making of any filing which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes or other requisite payments due in such jurisdiction. The Rights Offer is governed by the laws of South Africa and is subject to applicable laws and regulations, including the Exchange Control Regulations.



## 10.2 Affected foreign Shareholders

Any Texton Shareholder who is in doubt as to his position with respect to the Rights Offer in any jurisdiction, including, without limitation, his tax status, should consult an appropriate independent professional adviser in the relevant jurisdiction without delay. Foreign Shareholders are reminded that they may dispose of their Texton Shares on or prior to the last day to trade, in which case they will not participate in the Rights Offer.

Foreign Shareholders accordingly must take their own advice on whether they are entitled, after the Rights Offer, to continue beneficially to hold any Texton Shares distributed to them and take the appropriate action in accordance with that advice.

## 10.3 Sale of Rights

It is the responsibility of any person outside the Common Monetary Area (including, without limitation, nominees, agents and trustees for such persons) receiving this Circular and wishing to take up Rights Offer Shares under the Rights Offer, to satisfy themselves as to full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

## 11. TAX CONSEQUENCES OF THE RIGHTS OFFER

The Directors of the Company are of the opinion that the purchase, holding and disposal of the Letters of Allocation or Rights Offer Shares should, for taxation purposes, be treated according to the usual rules relating to the categorisation of an asset and its return as capital or revenue, however, Texton Shareholders are advised to consult their professional advisers regarding the tax consequences of the Rights Offer.

## 12. JURISDICTION

The distribution of this Circular, the Rights Offer, the Form of Instruction, the transfer of the Rights Offer Shares, and/or the Rights to subscribe for the Rights Offer Shares in jurisdictions other than South Africa may be restricted by law, and failure to comply with any of those restrictions may constitute a violation of the laws of any such jurisdiction. Neither this Circular, nor any Form of Instruction, may be regarded as an offer in any jurisdiction in which it is illegal to make such an offer. In those circumstances, this Circular is sent for information purposes only. It is the responsibility of any person outside South Africa (including, without limitation, nominees, agents and trustees for such persons) receiving this Circular and wishing to take up Rights under the Rights Offer, to satisfy themselves as to full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

If a premium can be obtained over the expenses of the sale, the Rights of Texton Shareholders in jurisdictions in which it is illegal to make an offer will be sold by the Transfer Secretary on the JSE for the benefit of such Texton Shareholders, in accordance with this section. Any premium over the expenses of the sale of the Rights of Texton Shareholders in these jurisdictions (including applicable taxes, brokerage fees and commissions) shall be remitted to such Texton Shareholders.

None of Texton, its Directors or employees, the Transfer Secretary or any Broker appointed by them or by Texton, will have any obligation or be responsible for any loss or damage whatsoever in relation, to or arising out of, the timing of such sales or the remittance of the net proceeds of such sales or the failure to effect such sales.

## 13. INFORMATION RELATING TO DIRECTORS

**Annexure 2** of this Circular contains the following information relating to the Directors:

- 13.1** details of the Directors including their age, address and designation;
- 13.2** information relating to Directors' remuneration;
- 13.3** Directors' interest in Texton Shares; and
- 13.4** Directors' interest in transactions.

#### 14. STATED CAPITAL AND SHARE CAPITAL OF THE COMPANY

The tables below set out the authorised and issued share capital of Texton, as at the Last Practicable Date, before and after the Rights Offer.

Authorised and issued share capital of Texton before the Rights Offer:

<b>Before the Rights Offer</b>	<b>Rand '000s</b>
Share capital	
2 000 000 000 ordinary shares of no par value	–
Issued share capital	
276 066 766 ordinary shares of no par value	2 143 131
Treasury shares	
8 911 917 treasury shares of no par value	69 184
Issued share capital net of treasury shares	
267 154 849 ordinary shares of no par value	2 073 947

Authorised and issued share capital of Texton after the Rights Offer:

<b>After the Rights Offer</b>	<b>Rand '000s</b>
Authorised share capital	
2 000 000 000 ordinary shares of no par value	–
Issued share capital	
376 066 766 ordinary shares of no par value	3 129 131
Treasury shares	
8 911 917 treasury shares of no par value	69 184
Issued share capital net of treasury shares	
367 154 849 ordinary shares of no par value	3 059 947

#### 15. PRICE AND VOLUME HISTORY OF TEXTON SHARES ON THE JSE

The share price and volume history of Texton Shares:

**15.1** in the 12 months preceding the date of issue of this Circular; and

**15.2** in the 30 Business Days preceding the Last Practicable Date,

are set out in **Annexure 1**.

#### 16. LITIGATION STATEMENT

There are no legal or arbitration proceedings, including proceedings that are pending or threatened of which Texton is aware, that may have or have had in the recent past, being at least the 12 months prior to the date of this Circular, a material effect on Texton's financial position.

## 17. EXPENSES OF THE RIGHTS OFFER

The following expenses and provisions are expected or have been provided for by the Group in connection with the rights offer and will be settled out of the proceeds of the rights offer. All costs are stated exclusive of VAT:

<b>Description</b>	<b>Estimated amount (Rand)</b>
Investment bank and sponsor – Investment Bank and Sponsor	7 505 000
Legal advisory fees – Legal Advisor	50 000
Printing and related costs – Purple Frog Communications	29 235
Commitment fees	5 359 833
Underwriting fees	12 406 112
Transfer Secretary	30 000
JSE documentation fees	24 344
JSE listing fees	257 082
<b>Total</b>	<b>25 661 606</b>

## 18. CONSENTS

The Investment Bank and Sponsor, Legal Advisor, Company Secretary and Transfer Secretary have all consented, in writing, to act in the capacities stated and to their names being used in this Circular and have not withdrawn their consents prior to the publication of this Circular.

## 19. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names are set out on page 8 of this Circular, collectively and individually, accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no other facts the omission of which, would make any statement false or misleading and that they have made all reasonable enquiries to ascertain such facts have been made and that this Circular contains all the information required by law and the Listings Requirements.

## 20. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection by Texton Shareholders at the registered offices of Texton during business hours from Tuesday, 15 September 2015, until Friday, 2 October 2015, at the address set out in the "Corporate information and advisers" section of this Circular:

- the MOI of Texton and its subsidiaries;
- Texton's audited financial statements for the three financial periods ended 30 June 2013, 30 June 2014 and 30 June 2015;
- copies of service level agreements with the Directors;
- signed Underwriting Agreement;
- signed Subscription Commitment Agreements;
- the letters of consent referred to in paragraph 18 above; and
- a signed copy of this Circular.

By order of the Board

**Angelique de Rauville**  
*Chief Executive Officer*

15 September 2015  
Dunkeld West

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**PRICE AND VOLUME HISTORY OF TEXTON SHARES ON THE JSE**


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Period	High (cents)	Low (cents)	Close (cents)	Volume	Value Rand
<b>Monthly</b>					
<b>2015</b>					
August	1 085	1 030	1 073	3 197 848	3 409 663 000
July	1 140	980	1 080	1 945 838	2 089 797 000
June	1 130	955	980	4 288 600	4 242 885 000
May	1 160	1 080	1 080	3 020 114	3 417 154 000
April	1 195	1 110	1 160	2 004 633	2 317 704 000
March	1 340	1 030	1 138	5 027 786	5 901 841 000
February	1 250	1 100	1 148	3 784 310	4 282 186 000
January	1 120	941	1 099	2 610 239	2 563 853 000
<b>2014</b>					
December	965	940	963	1 150 120	1 103 902 000
November	985	925	965	6 014 128	5 658 571 000
October	1 000	955	965	2 021 919	1 982 145 000
September	1 050	1 000	1 000	2 476 270	2 530 162 000
<b>Daily</b>					
<b>2015</b>					
1 September	1 070	1 000	1 000	152 623	155 044 900
31 August	1 073	1 070	1 073	71 800	76 958 750
28 August	1 070	1 067	1 070	34 610	36 998 820
27 August	1 068	1 067	1 068	42 427	45 309 080
26 August	1 069	1 069	1 069	–	–
25 August	1 069	1 069	1 069	20	21 380
24 August	1 068	1 030	1 067	2 332	2 403 464
21 August	1 069	1 055	1 069	6 706	7 081 340
20 August	1 074	1 030	1 073	524 602	542 278 000
19 August	1 075	1 031	1 032	92 603	99 288 910
18 August	1 085	1 046	1 075	584 329	627 579 400
17 August	1 073	1 073	1 073	71 200	76 397 600
14 August	1 073	1 073	1 073	16	17 168
13 August	1 074	1 070	1 074	251 500	269 111 000
12 August	1 074	1 031	1 032	230 709	247 158 700
11 August	1 070	1 030	1 031	355 295	379 962 600
7 August	1 075	1 070	1 075	336 565	361 601 500
6 August	1 080	1 079	1 080	72 060	77 752 800
5 August	1 080	1 080	1 080	241	260 280
4 August	1 081	1 049	1 080	520 833	559 481 900
3 August	1 080	1 080	1 080	–	–
31 July	1 090	1 080	1 080	30 250	32 672 500
30 July	1 085	1 079	1 079	13 802	14 905 690
29 July	1 088	1 040	1 087	808	869 454
28 July	1 088	1 044	1 088	70 557	73 735 300
27 July	1 095	1 041	1 045	37 751	39 639 040
24 July	1 100	1 050	1 095	105 320	112 394 400
23 July	1 031	1 030	1 030	14 337	14 768 450
22 July	1 030	1 030	1 030	–	–
21 July	1 030	1 030	1 030	300	309 000

## DIRECTORS, OTHER OFFICE HOLDERS OR MATERIAL THIRD PARTIES

### 1. DIRECTORS

Director	Address	Designation
Angelique Norma du Hecquet de Rauville (40)	4 Lombardie Avenue, Constantia, 7806	Chief Executive Officer
Pragalathan Dhanapalan Naidoo (56)	25 Scott Street, Waverley, Johannesburg	Chairperson of the Board
John Russell Macey (52)	7 Visser Avenue, Trovato Estate, Wynberg, 7800	Chairperson of the audit and risk committee
Portia Morwesi Tau-Sekati (44)	16 1st Avenue, Morningside, 2196	Chairperson of the remuneration and nominations committee Lead Independent non-executive Director
Kyansambo Ntombi Vundla (36)	10 Friedman Drive, Northcliff Ext 12, 2195	Independent non-executive Director
Nosiphiwo Vuyolwethu Balfour (31)	Unit J16 The Adderley Terraces, 25 Adderley Street, Cape Town	Independent non-executive Director
Thanduxolo Selby Sishuba (43)	1 Montepulciano Estate, 33 Williw Avenue, Craigavon, Fourways	Independent non-executive Director
John Alastair Legh (63)	140 4th Road, Hyde Park, 2196	Non-executive Director
Mathys Johannes van Heerden (50)	41 Cambridge Avenue, Craighall Park, 2196	Non-executive Director
Romeo Makhubela (49)	1006 T Knightridge Century City, Cape Town, Western Cape, 0035	Non-executive Director

### 2. DIRECTORS' REMUNERATION

There will be no variation in the remuneration receivable by any of the Directors as a consequence of the Rights Offer.

### 3. DIRECTORS' INTEREST IN TEXTON SHARES

The Directors (and their associates), including previous directors of the Company who had resigned in the 18 months prior to the Last Practicable Date, direct and indirect beneficial interests in Texton Shares, as at the Last Practicable Date, were as follows.

Director	Direct Ordinary	Indirect Ordinary Shares	Total Texton Shares	Percentage of Texton Shares (%)
RF Kane <sup>1</sup>	–	1 037 702	1 037 702	0.38
AN du Hecquet de Rauville <sup>2</sup>	–	1 188 258	1 188 258	0.43
MJ van Heerden <sup>3</sup>	–	11 137 948	11 137 948	4.03
JA Legh <sup>4</sup>	7 359 213	25 000	7 384 213	2.67
PD Naidoo	–	11 039 439	11 039 439	4.00
R Makhubela	–	18 273 154	18 273 154	6.62
<b>Total</b>	<b>7 359 213</b>	<b>42 701 501</b>	<b>50 060 714</b>	<b>18.13</b>

- RF Kane has an indirect holding in Texton through the Ludlow Trust. RF Kane resigned as Chief Executive Officer of Texton on 5 June 2015.
- AN du Hecquet de Rauville has an indirect holding in Texton through Handful of Keys Proprietary Limited.
- MJ van Heerden has an indirect holding in Texton through the Nooitgedacht Trust.
- JA Legh has an indirect holding in Texton through the Merylle and John Legh Trust.

#### **4. DIRECTORS' INTEREST IN TRANSACTIONS**

Other than as disclosed below, the Directors had no interests in transactions entered into by Texton during the current or immediately preceding financial year or during an earlier financial year and remain in any respect outstanding or unperformed.

##### **Sale of Business Agreement**

As detailed in the circular to Shareholders, dated 9 December 2013, AN du Hecquet de Rauville, via Handful of Keys Proprietary Limited, RF Kane, via Ludlow Trust, JA Legh, MJ van Heerden, via the Nootgedacht Trust, and M de Lange are shareholders in TPI.

##### **Naidoo Acquisition Agreements**

As detailed in the circular to Shareholders, dated 2 June 2014, PD Naidoo is the majority shareholder of PDNA, being the vendor of the acquisition by Texton as set out in the relevant circular to Shareholders.

##### **C&T Acquisition Agreements**

As detailed in the circular to Shareholders, dated 26 November 2014, MJ van Heerden and JA Legh were, through various Trusts, one of the vendors of the acquisitions by Texton as set out in the relevant circular to Shareholders.

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**TABLE OF ENTITLEMENT TO *PRO RATA* RIGHTS OFFER SHARES**


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Number of existing shares	Number of Rights Offer Shares to which a Shareholder is entitled	Rounded number of Rights Offer Shares to which a Shareholder is entitled	Number of existing Shares	Number of Rights Offer Shares to which a Shareholder is entitled	Rounded number of Rights Offer Shares to which a Shareholder is entitled
1	0.362	–	53	19.198	19
2	0.724	1	54	19.560	20
3	1.087	1	55	19.923	20
4	1.449	1	56	20.285	20
5	1.811	2	57	20.647	21
6	2.173	2	58	21.009	21
7	2.536	3	59	21.372	21
8	2.898	3	60	21.734	22
9	3.260	3	61	22.096	22
10	3.622	4	62	22.458	22
11	3.985	4	63	22.821	23
12	4.347	4	64	23.183	23
13	4.709	5	65	23.545	24
14	5.071	5	66	23.907	24
15	5.433	5	67	24.269	24
16	5.796	6	68	24.632	25
17	6.158	6	69	24.994	25
18	6.520	7	70	25.356	25
19	6.882	7	71	25.718	26
20	7.245	7	72	26.081	26
21	7.607	8	73	26.443	26
22	7.969	8	74	26.805	27
23	8.331	8	75	27.167	27
24	8.694	9	76	27.530	28
25	9.056	9	77	27.892	28
26	9.418	9	78	28.254	28
27	9.780	10	79	28.616	29
28	10.142	10	80	28.978	29
29	10.505	11	81	29.341	29
30	10.867	11	82	29.703	30
31	11.229	11	83	30.065	30
32	11.591	12	84	30.427	30
33	11.954	12	85	30.790	31
34	12.316	12	86	31.152	31
35	12.678	13	87	31.514	32
36	13.040	13	88	31.876	32
37	13.403	13	89	32.239	32
38	13.765	14	90	32.601	33
39	14.127	14	91	32.963	33
40	14.489	14	92	33.325	33
41	14.851	15	93	33.688	34
42	15.214	15	94	34.050	34
43	15.576	16	95	34.412	34
44	15.938	16	96	34.774	35
45	16.300	16	97	35.136	35
46	16.663	17	98	35.499	35
47	17.025	17	99	35.861	36
48	17.387	17	100	36.223	36
49	17.749	18	1 000	362.231	362
50	18.112	18	10 000	3 622.312	3 622
51	18.474	18	100 000	36 223.120	36 223
52	18.836	19	1 000 000	362 231.200	362 231

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## DETAILS OF THE UNDERWRITER

Details pertaining to the Underwriter, as required by the Listings Requirements, who has irrevocably undertaken to subscribe for Excess Offer Shares, pursuant to the Rights Offer, and who is entitled to the Underwriting Fee in terms of the Underwriting Agreement, are set out below:

### Underwriter

Full legal entity name:	Luna Group Proprietary Limited
Directors:	JR du Toit JD Wiese IHJ Visagie
Company secretary:	IHJ Visagie
Date and place of incorporation:	03/04/2001, South Africa
Registration number:	2001/007521/07
Registered office:	36 Stellenberg Road, Parow Industria, 7493
Auditors:	Rademeyer Wesson
Bankers:	Nedbank
Authorised share capital:	400 000 000 ordinary shares of R0.001 each 250 000 000 000 "A" ordinary shares of R0.001 each 250 000 000 "I" redeemable preference shares of R0.001
Issued share capital:	316 666 666 ordinary shares

## DETAILS OF COMMITTED PARTICIPANTS

Details pertaining to the Committed Participants who have subscribed for Committed Rights Offer Shares are set out below:

Committed Participant	Current shareholding		Commitment
	Existing Texton Shares held	Interest (%)	Committed Rights Offer Shares Subscription Price (R)
Luna (Pty) Ltd	23 653 945	8.6	84 482 136
Titan (Pty) Ltd	356 600	0.1	1 273 626
Wikalox (Pty) Ltd	198 000	0.1	707 179
Coronation Fund Managers	39 236 407	14.2	140 000 000
Handful of Keys	2 148 706	0.8	7 674 294
PDNA	11 039 439	4.0	39 428 326
JA Legh	7 384 213	2.7	26 373 360
Nooitgedacht Trust	11 137 948	4.0	39 780 160
Texton Share Incentive Trust	8 643 042	3.1	17 603 117
<b>Total commitments received (excluding excess applications)</b>	<b>103 798 300</b>	<b>37.6</b>	<b>357 322 200</b>



For use by Certificated Shareholders only

**FORM OF INSTRUCTION FOR A CERTIFICATED TEXTON SHAREHOLDER IN RESPECT OF A LETTER OF ALLOCATION**

**EXCHANGE  
CONTROL  
REGULATIONS  
ENDORSEMENT  
(see page 4  
paragraph 5)**

**IMPORTANT:** If you are in doubt as to what action to take in relation to this Form of Instruction, please consult your CSDP, Broker, attorney, accountant, banker or other professional advisor immediately.

This Form of Instruction in respect of a Letter of Allocation should be read together with the Circular to Texton Shareholders dated Tuesday, 15 September 2015.

Words and expressions defined in the Circular shall have the same meanings in this Form of Instruction. The Rights to Rights Offer Shares have been issued in dematerialised form, are negotiable and can be sold on the JSE.

The electronic record for Certificated Shares is being maintained by the Transfer Secretary. This has made it possible for Certificated Shareholders, who are eligible to participate in the Rights Offer, to enjoy the same Rights and opportunities as those Shareholders who have already dematerialised their Texton Shares.

Should you wish to take up, sell or renounce all or part of the Rights to which you are entitled in terms of the Rights Offer, you must complete this Form of Instruction and return it to the Transfer Secretary at the address set out at the foot of page 12 of this Form of Instruction.

Each alteration must be signed in full and not merely initialled.



**TEXTON**  
PROPERTY FUND  
**TEXTON PROPERTY FUND LIMITED**

(Incorporated in the Republic of South Africa)

(Registration number 2005/019302/06)

Share code: TEX

ISIN: ZAE000190542

("Texton" or "the Company")

**A FORM OF INSTRUCTION IN RESPECT OF A LETTER OF ALLOCATION**

**An underwritten Rights Offer to raise up to R986 million through the issue of 100 000 000 new Texton Shares at the Issue Price per Rights Offer Share in the ratio of 36.22312 Rights Offer Shares for every 100 Texton Shares held on the Rights Offer Record Date**

**2015**

Declaration Date relating to the announcement of the Rights Offer	Wednesday, 2 September
Finalisation Date relating to the announcement of the Rights Offer	Tuesday, 8 September
Last day to trade in Texton Shares in order to participate in the Rights Offer	Friday, 11 September
Listing and trading of Letters of Allocation on the JSE under JSE code: "TEXN" and ISIN: ZAE000208302	Monday, 14 September
Texton Shares commence trading on the JSE ex-Rights Offer entitlement	Monday, 14 September
Rights Offer Circular and Form of Instruction posted to Certificated Shareholders	Tuesday, 15 September
Record date for determination of Shareholders entitled to participate in the Rights Offer	Friday, 18 September
Rights Offer opens at 09:00	Monday, 21 September
Dematerialised Shareholders will have their accounts at their CSDP or Broker automatically credited with their <i>Pro Rata</i> Rights Offer Shares	Monday, 21 September
Certificated Shareholders on the register will have their <i>Pro Rata</i> Rights Offer Shares credited to their accounts held with the Transfer Secretary	Monday, 21 September
Rights Offer Circular posted to Dematerialised Shareholders	Tuesday, 22 September
Last day to trade Letters of Allocation on the JSE	Friday, 25 September
Maximum number of Rights Offer Shares listed and trading therein commences on the JSE	Monday, 28 September
Rights Offer closes at 12:00	Friday, 2 October
Record date for Letters of Allocation	Friday, 2 October
New Texton Shares issued	Monday, 5 October
Dematerialised Shareholders' accounts updated and debited by CSDP or Broker (in respect of Rights Offer Shares taken up in the Rights Offer)	Monday, 5 October
Certificates posted to Certificated Shareholders (in respect of the Rights Offer Shares taken up in the Rights Offer)	Monday, 5 October
Results of Rights Offer announced on SENS	Monday, 5 October
Refunds (if any) to Certificated Shareholders in respect of unsuccessful applications for Excess Rights Offer Shares made	Wednesday, 7 October
Certificates posted to Certificated Shareholders (in respect of successful applications for Excess Rights Offer Shares)	Wednesday, 7 October
Dematerialised Shareholders' accounts updated and debited by their CSDP or Broker (in respect of successful applications for Excess Rights Offer Shares)	Wednesday, 7 October
Last day to trade in order to participate in the Texton cash dividend	Friday, 9 October
Texton Shares trade ex dividend	Monday, 12 October
Dividend record date	Friday, 16 October
Dividend payment date	Monday, 19 October

**Notes**

1. All times indicated in this Circular are South African times.
2. Dematerialised Shareholders are required to inform their CSDP or Broker of their instructions in respect of the Rights Offer in the manner and time stipulated in the agreement governing the relationship between the Texton Shareholder and its CSDP or Broker.
3. Texton Share certificates may not be Dematerialised or rematerialised between Monday, 14 September 2015 and Friday, 18 September 2015, both days inclusive and between Monday, 12 October and Friday, 16 October 2015, both days inclusive.
4. Dematerialised Shareholders will have their accounts at their CSDP or Broker automatically credited with their Rights and Certificated Shareholders will have their Rights credited to a nominee account at Computershare Investor Services Proprietary Limited.

Dear Sir/Madam

## 1. RIGHTS OFFER

Texton hereby offers, upon the terms and conditions stated in the Circular dated Tuesday, 15 September 2015 (which shall, if in conflict with the information set out below, take precedence) to the holder(s) of the number of Texton Shares in Block (2), recorded in the Register at the close of business on Friday, 18 September 2015, Rights to subscribe for the number of Rights Offer Shares set out in Block (3) on page 12 of this Form of Instruction.

## 2. ALLOCATION

The number of Rights Offer Shares stated in Block (3) has been allocated for subscription to the Texton Shareholder/s named in Block (1). The allocation of Rights Offer Shares will be such that Texton Shareholders will not be allocated a fraction of a Rights Offer Share.

## 3. ACCEPTANCE

Texton Shareholders who wish to accept the offer to subscribe for Rights Offer Shares must complete Blocks (5), (6) and (9) page 12 of this Form of Instruction.

**3.1** If the Texton Shareholder whose name appears in Block (1), wishes to subscribe for the Rights Offer Shares stated in Block (3) (or any lesser number), this Form of Instruction, duly completed together with payment in terms of 3.2 below, must be delivered or sent by registered post (in the latter case, at the sender's risk) to the Transfer Secretary, to be received by 12:00 on Friday, 2 October 2015. All acceptances of the Rights Offer sent by post by the beneficial holder will be accepted provided the envelope is received by no later than 12:00 on Friday, 2 October 2015.

**3.2** Payment for the Rights Offer Shares subscribed for must be made in full by way of an electronic funds transfers ("EFT"). The Computershare Call Centre – Corporate Actions should be contacted on 0861 100 634 during business hours from 08:00 to 16:30 in order to obtain banking details and reference number for the deposits. Electronic forms and proof of EFT payment may be faxed to +27 11 688 5210 or emailed to corporate.events@computershare.co.za. Kindly note that this is for subscription of Rights only and is not for selling of the Rights.

In the case of a foreign Shareholder, payment for the Rights Offer Shares subscribed for must be made in full by way of a banker's draft drawn on a registered commercial bank (each of which should be crossed and marked "not transferable" in favour of ("**Texton Property Fund Limited**") for the amounts payable in Rand and lodged together with this duly completed Form of Instruction with the Transfer Secretary as follows:

**Hand delivered to:**

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

**Postal deliveries (at the risk of the Shareholder) to:**

Computershare Investor Services Proprietary Limited  
PO Box 61753  
Marshalltown  
2107

**3.3** The lodging or posting of this duly completed Form of Instruction and the proof of payment of the relevant EFT/ banker's draft in compliance with 3.1 and 3.2 above will be an acceptance of the Rights Offer by the Shareholder concerned and an irrevocable authority to allot the Rights Offer Shares in question, subject to the MOI of Texton.

**3.4** No receipt will be given for an EFT/banker's draft received in accordance with this Rights Offer.

**3.5** All bankers' drafts received will be deposited immediately for payment. Should any payment be refused, Texton may in its sole discretion treat the relevant acceptance of Rights Offer Shares, if any, as void or may tender delivery of the appropriate Texton Share certificate to which this acceptance relates against payment in cash of the amount payable in terms thereof.

**3.6** If this Form of Instruction is not lodged and completed fully and properly (the Transfer Secretary shall be entitled to determine in their sole and absolute discretion whether such Form of Instruction has been completed fully and properly), and payment of the required amount is not received by 12:00 on Friday, 2 October 2015, in terms of the provisions of 3.1 and 3.2 above, then the Texton Shareholder will be deemed to have declined the offer to subscribe for Rights Offer Shares in terms of the Rights Offer and the Right to subscribe for Rights Offer Shares offered in terms of this Form of Instruction will lapse irrespective of who holds it.

#### 4. RENUNCIATION OR SALE

- 4.1 If the Texton Shareholder whose name appears in Block (1) wishes to sell or renounce part or all of his/her Rights, then:
- 4.1.1 such Shareholder must complete Form A or Form B (whichever is applicable) on pages 5 and 7 of this Form of Instruction. This must be sent to the Transfer Secretary in accordance with the instructions contained therein, to be received by no later than 12:00 on Friday, 25 September 2015 if you wish to sell your *Pro Rata* Rights Offer Shares and by no later than 12:00 on Friday, 2 October 2015 if you wish to renounce your *Pro Rata* Rights Offer Shares. The Transfer Secretary will endeavour to procure the sale of the Rights on the JSE on behalf of such Certificated Shareholders and will remit the proceeds in accordance with the payment instructions reflected in the Form of Instruction, net of brokerage charges and associated expenses. The Transfer Secretary will not have any obligation, or be responsible for any loss or damage whatsoever in relation to or arising out of the timing of such sales, the price obtained or any failure to sell such *Pro Rata* Rights Offer Shares; and
  - 4.1.2 the renounee who wishes to accept the Rights Offer must complete Form B on page 7 of this Form of Instruction. The renounee must also lodge this Form of Instruction and make payment, in terms of paragraph 3 of this Form of Instruction, for the Rights Offer Shares in respect of which the Rights Offer is accepted.
- 4.2 The lodging of this Form of Instruction, with Form B purporting to be signed by the Texton Shareholder/s whose name/s appears thereon, will be conclusive evidence of the Right of the renounee:
- 4.2.1 to deal with this Form of Instruction; or
  - 4.2.2 to have the Rights in question allotted and receive certificates in respect thereof. Texton will not be obliged to investigate whether Form B or Form C has been properly signed or investigate any fact surrounding the signing or lodging of such forms.

#### 5. APPLICATIONS FOR EXCESS RIGHTS OFFER SHARES

Qualifying Shareholders and their Renounees have the right to apply for Rights Offer Shares in excess of their *Pro Rata* Rights Offer Shares. The right to apply for Excess Rights Offer Shares is transferable upon renunciation. Applications for Excess Rights Offer Shares may be made by completing Blocks (7) and (8) on page 12 of this Form of Instruction. Such Excess Rights Offer Shares will be allocated first to the Underwriter and thereafter to any other persons who have made an application for Excess Rights Offer Shares in an equitable manner as determined by the Directors in accordance with the provisions of paragraph 5.33 of the Listings Requirements.

By order of the Board

**Texton Property Fund Limited**

**N Toerien**

*Company Secretary*

Dunkeld West

15 September 2015

## GENERAL INSTRUCTIONS AND NOTES

### 1. POWERS OF ATTORNEY

If this Form of Instruction is signed under a power of attorney then such power of attorney must be sent to the Transfer Secretary, for registration, unless it has already been registered by them.

### 2. DECEASED ESTATES AND TRUSTS

Rights Offer Shares will not be allocated in the name of a deceased estate, a trust or a person under contractual disability.

Therefore, when the Right to Rights Offer Shares has accrued to a deceased person, an estate or a trust, the executor or trustee, parent/guardian or curator (as the case may be) must complete Form B on page 7 of this Form of Instruction in his representative capacity (which authority must be lodged with the Transfer Secretary) and Form C on page 9 of this Form of Instruction must be completed by the person in whose name the Rights Offer Shares are to be allocated without any reference to the estate, the trust or the beneficial owner. Letters of Executorship (if not previously registered) should be submitted to the Transfer Secretary for record purposes.

### 3. JOINT HOLDERS

All joint holders of Texton Shares must sign where applicable.

### 4. SHARE CERTIFICATES

**4.1** If the Rights Offer is accepted, then the Texton Share certificate will be posted, on or about Monday, 5 October 2015, to the Certificated Shareholder's address as shown in the Register at such Certificated Shareholder's risk or, if an alternate address is given in the "Postal instructions" on page 12 of this Form of Instruction, to such address.

**4.2** As Texton uses the "certified transfer deeds and other temporary Documents of Title" procedure approved by the JSE, "block" certificates will be issued in respect of Rights Offer Shares.

### 5. EXCHANGE CONTROL REGULATIONS

**5.1** The following summary is intended only as a guide and is therefore not comprehensive. If you are in any doubt as to the appropriate course of action, please consult your professional advisor.

**5.2** In terms of the Exchange Control Regulations governing the Rights Offer, a "non- resident" endorsement has been applied to Letters of Allocation issued to Shareholders who are non-residents of the Common Monetary Area.

**5.3** In terms of the Exchange Control Regulations non-residents who are not former residents may:

**5.3.1** take up Rights allocated to them in terms of the Rights Offer;

**5.3.2** purchase Rights on the JSE; and/or

**5.3.3** subscribe for the Rights Offer Shares,

provided payment is received through normal banking channels or from a non-resident account. Share certificates issued pursuant to the application must be endorsed "non-resident".

**5.4** Where Rights are sold on the JSE on behalf of Texton Shareholders who are non- residents of the Common Monetary Area, the proceeds of such Shares are freely remittable through an authorised dealer in foreign exchange.

**5.5** Where a Right in terms of the Rights Offer falls due to an emigrant of the Common Monetary Area, which Right is based on an investment which is blocked in terms of the Exchange Control Regulations, then blocked funds may be used to:

**5.5.1** take up Rights allocated to such emigrant in terms of the Rights Offer;

**5.5.2** purchase Rights on the JSE; and/or

**5.5.3** subscribe for Rights Offer Shares in terms of the Rights Offer.

**5.6** All applications by emigrants using blocked Rands for the above purposes must be made through the South African authorised dealer controlling their blocked assets. Texton Share certificates issued pursuant to blocked Rand transactions must be endorsed "non-resident" and placed under the control of the authorised dealer through whom the payment was made.

**5.7** Where Rights are sold on the JSE on behalf of Texton Shareholders or renounees who are emigrants, which Rights are based on an investment which is blocked in terms of the Exchange Control Regulations, the proceeds of such sales will be credited to their respective blocked Rand accounts.

### 6. NON-RESIDENT SHAREHOLDERS

The attention of Shareholders resident outside the Common Monetary Area is drawn to paragraphs 9 and 10 of the Circular. It is the responsibility of all such persons (including without limitation, nominees and trustees) wishing to accept the Rights Offer to satisfy themselves of the full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes in connection therewith due in such territory.

### 7. JSE LISTINGS

The JSE has granted a listing of the Rights (in terms of the Letters of Allocation) to be issued in respect of a total of 100 000 000 Rights Offer Shares with effect from Monday, 14 September 2015 to Friday, 25 September 2015, both days inclusive and for the total number of 100 000 000 new Texton Shares from Monday, 28 September 2015.



# TEXTON

PROPERTY FUND

Stamp and  
endorsement of  
selling Broker  
(if any)

## TEXTON PROPERTY FUND LIMITED

(Incorporated in the Republic of South Africa)  
(Registration number 2005/019302/06)  
Share code: TEX  
ISIN: ZAE000190542  
("Texton" or "the Company")

### FORM A: INSTRUCTION TO ENDEAVOUR TO PROCURE THE SALE OF THE RIGHTS ON THE JSE

**PLEASE USE BLOCK LETTERS**

(To be signed by Texton Shareholders named in Block (1) if the Right to the Rights Offer Shares is to be sold on the JSE)

To the Directors,

**Texton Property Fund Limited**

I/We hereby instruct Computershare Investor Services Proprietary Limited to pay the proceeds, if any, of the sale of the rights allocated to me/us in terms of this Form of Instruction (less \_\_\_\_\_ (all inclusive) for trades of less than \_\_\_\_\_ and \_\_\_\_\_ (all inclusive) plus \_\_\_\_\_ of the value of trades for amounts equal to or greater than \_\_\_\_\_).

If all of the Shareholder's Rights to Rights Offer Shares are not being sold, please specify in the block how many of the Rights are being sold.

Signed \_\_\_\_\_

Date \_\_\_\_\_

2015

Payment Instructions:

**Tick appropriate box**

- 1. By cheque, which should be posted at my/our own risk to the following address:  
\_\_\_\_\_
- 2. By electronic funds transfer to the following bank account:  
Name of bank \_\_\_\_\_  
Account number \_\_\_\_\_  
Branch Code \_\_\_\_\_
- 3. To a charitable organisation to be selected by Texton

PLEASE NOTE THAT IF THE ABOVE INFORMATION IS NOT COMPLETED OR IF CONFLICTING INSTRUCTIONS ARE GIVEN, A CHEQUE IN PAYMENT OF THE AMOUNT DUE WILL BE SENT TO THE ADDRESS RECORDED IN THE REGISTER.

In terms of the Financial Services Centre Act ("FICA") regulations, the Transfer Secretary will not be able to record your banking details for EFT payment, unless the following documents are submitted:

- (a) certified true copy of your identification document ("ID"); and
- (b) certified true copy of your original bank statement





# TEXTON

PROPERTY FUND

Stamp and  
endorsement of  
selling Broker  
(if any)

## TEXTON PROPERTY FUND LIMITED

(Incorporated in the Republic of South Africa)  
(Registration number 2005/019302/06)  
Share code: TEX  
ISIN: ZAE000190542  
("Texton" or "the Company")

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### FORM B: FORM OF RENUNCIATION

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(To be signed by Texton Shareholders named in Block (1) if the Right to the Rights Offer Shares is renounced.)

If all of the Shareholder's Rights to Rights Offer Shares are not being renounced, please specify in the block how many of the Rights are being renounced.

To Directors,

**Texton Property Fund Limited**

I/We hereby renounce the number of Rights Offer Shares specified in the above block and if no number is specified, all my/our Rights allocated to me/us in terms of this form as stipulated in Block (3) on page 12, in favour of the person completing Form C.

Signed \_\_\_\_\_

Date \_\_\_\_\_

2015

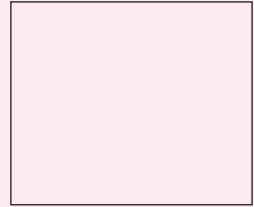






# TEXTON

PROPERTY FUND



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---

### FORM C: REGISTRATION APPLICATION FORM

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(To be completed by the renounee to whom the Rights Offer Shares are to be allotted.) This form will not be negotiable once this form is completed.

To the Directors,

**Texton Property Fund Limited**

I/We

- (a) authorise you to procure the allotment and issue of the number of Rights Offer Shares specified in Form B above or, if no number is specified the number of Rights Offer Shares stipulated in Block (3) on page 12 of this Form of Instruction in my/our own name(s) upon the conditions set out in the Circular issued on Tuesday, 15 September 2015 as read with this Form of Instruction; and
- (b) authorise Texton to place my/our names on the Register of Shareholders.

#### USE BLOCK LETTERS

Mr/Mrs/Miss/Ms/Dr/Prof \_\_\_\_\_

Name and surname in full \_\_\_\_\_

Postal address (preferably PO Box) \_\_\_\_\_

Telephone number (office hours) \_\_\_\_\_

Cell phone number \_\_\_\_\_

Email address \_\_\_\_\_

Signed \_\_\_\_\_

Date \_\_\_\_\_

2015

#### PLEASE NOTE

Renounees must attach a certified true copy of your identification document to the Form of Instruction, when Form B (Form of Renunciation) has been completed.





# TEXTON

PROPERTY FUND

## TEXTON PROPERTY FUND LIMITED

(Incorporated in the Republic of South Africa)  
(Registration number 2005/019302/06)

Share code: TEX  
ISIN: ZAE000190542

("Texton" or "the Company")

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### FORM D: POSTAL INSTRUCTIONS

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Texton Share Certificates should be forwarded at my/our risk, to the following address:

**(BLOCK LETTERS)**

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Postal code

*(If no specific instructions are given here, the Share Certificate will be forwarded to the address shown on page 5).*

Signed

Date

2015

A Texton Shareholder wishing to collect their Rights Offer Share Certificate from the Transfer Secretary must tick this block:

In order to comply with the requirements of the Financial Intelligence Act, 2001 (Act 38 of 2001), the Transfer Secretary will be unable to record any change of address mandated unless the following documentation is received from the relevant Shareholder:

- An original certified copy of your identity document,
- An original certified copy of a document issued by the South African Revenue Services to verify your tax number. If you do not have one please submit this in writing and have the letter signed by a Commissioner of Oaths; and
- An original or an original certified copy of a service bill to verify your residential address.

**THIS FORM OF INSTRUCTION MUST BE COMPLETED IN ITS ENTIRETY AND RETURNED TO THE TRANSFER SECRETARY.**

**Hand deliveries to:**

Computershare Investor Services (Proprietary) Limited  
 Ground floor  
 70 Marshall Street  
 Johannesburg  
 2001

**Postal deliveries to:**

Computershare Investor Services (Proprietary) Limited  
 PO Box 61051  
 Marshalltown, 2107  
 Contact telephone number: +2711 370 5000

Name and address of Texton Shareholder	Serial number
(1)	Enquiries in connection with this form of instruction should be made to Texton's Transfer Secretary quoting the account number below:

Number of Texton Shares deemed to be registered in your name at the close of business on Friday, 18 September 2015	Number of Rights Offer Shares to which you are entitled, based on your deemed holding as at the Rights Offer Record Date	Amount payable for maximum number of Rights Offer Shares at the cost of R9.86 per Rights Offer Share
(2)	(3)	R (4)

Acceptance of rights in terms of paragraph 3 of this Form of Instruction (to be completed by the applicant)	Number of Rights Offer Shares subscribed for	Amount of EFT/banker's draft
	(5)	R (6)

Application for Excess Rights Offer Shares	Number of Excess Rights Offer Shares for which application is made	Amount due at R9.86 per Excess Rights Offer Share
<i>Please note the same or lesser number of Rights Offer Shares as the number mentioned in block (3) may be accepted. Applications for Excess Rights Offer Shares will be allowed Shareholders are therefore entitled to subscribe for Rights Offer Shares in excess of the number of Rights Offer Shares mentioned in block (3)</i>	(7)	R (8)

Amount of EFT/banker's draft
R (9)

Applicant's telephone number (office hours) \_\_\_\_\_ Applicant's telephone number (home) \_\_\_\_\_

Applicant's mobile number \_\_\_\_\_

Email address \_\_\_\_\_ Signature \_\_\_\_\_

**This Form of Instruction must be completed in its entirety and returned to the Transfer Secretary:**

Computershare Investor Services (Proprietary) Limited, Ground floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) (Telephone number +27 (11) 370 5000)