MEMORANDUM OF AGREEMENT

between

PEG HR SOLUTIONS PROPRIETARY LIMITED

Registration No. 2003/025572/07

("the Seller")

and

J T ROSS PROPERTIES PROPRIETARY LIMITED

Registration Number 2000/005528/07

Vat Registration Number 4890188909

('the Purchaser")

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1.

Definitions

1.1 Reference to the plural includes the singular and vice versa, unless inconsistent with the context.

1.2 The clause headings in this agreement have been inserted for convenience only and shall not be taken into account in its interpretation.

1.3 If any provision in a definition is a substantive provision conferring rights or imposing obligations on any party, effect shall be given to it as if it were a substantive clause in the body of the agreement, notwithstanding that it is only contained in the interpretation clause.

1.4 If any period is referred to in this agreement by way of reference to a number of days, the days shall be reckoned exclusively of the first and inclusively of the last day unless the last day falls on a Saturday, Sunday or public holiday, in which case the last day shall be the next succeeding day which is not a Saturday, Sunday or public holiday.

1.5 In this agreement, unless inconsistent with the context, the following expressions shall have the meanings set forth against them:

(a) "Association" means Umhlanga Ridge Town Centre Management Association No. 2001/000648/08.

(b) "Bondholder" means the holder of the mortgage bonds registered over the Property by the Seller and which bonds are to be cancelled on the Date of Transfer.

(c) "Business Day" means a day other than a Saturday, Sunday or public holiday.

(d) "CPA" means the Consumer Protection Act No. 68 of 2008.

(e) "Companies Act" means the Companies Act No. 71 of 2008 as amended.

(f) "Conveyancers" means the conveyancers nominated by the Seller.

(g) "Date of Lodgement" means the date upon which the Conveyancers lodge the transfer documents of the Property in the Deeds Office.

(h) "Date of Signature" means the last date of signing hereof by either the Seller or the Purchaser.

(i) "Date of Transfer" means the date on which the transfer of the Property is registered into the name of the Purchaser.

(j) "Day" means a calendar day.

(k) Erf 2579 means: Erf 2579 Umhlanga Rocks, Registration Division FU, Province of Kwazulu-Natal, in extent 4,076m² and 6,308m² of bulk.

(l) Erf 2580 means: Erf 2580 Umhlanga Rocks, Registration Division FU, Province of Kwazulu-Natal, in extent 4,175m² and 6,471m² of bulk.

(m) Erf 2582 means: Erf 2582 Umhlanga Rocks, Registration Division FU, Province of Kwazulu-Natal, in extent 4,831m² and 8,213m² of bulk.

(n) Erf 2583 means: Erf 2583 Umhlanga Rocks, Registration Division FU, Province of Kwazulu-Natal, in extent 4,971m² and 8,150m² of bulk.

(o) "FICA" means the Financial Intelligence Centre Act No. 38 of 2001.

(p) "Municipality" means the local municipality in which the Property is situate.

(q) "Parties" means the Parties to this agreement and "Party" means one of the Parties.

(r) "Property" means

Erf 2579 Umhlanga Rocks, Registration Division FU, Province of Kwazulu-Natal, in extent 4,078m²; and
Erf 2580 Umhlanga Rocks, Registration Division FU, Province of Kwazulu-Natal, in extent 4,175m²; and
Erf 2582 Umhlanga Rocks, Registration Division FU, Province of Kwazulu-Natal, in extent 4,831m².

(s) "SARS" means the South African Revenue Service.

(t) "VAT" means value added tax as provided for in the VAT Act.

(u) "VAT Act" means Value Added Tax Act No. 89 of 1991, as amended.

2.

Sale

The Seller hereby sells to the Purchaser, which hereby purchases the Property upon the terms and conditions set out herein.

3.

Purchase Price

The purchase price of the Property is the sum of R70,323,200.00, excluding VAT, made up as follows:

Erf 2579:	R21,131,800.00
Erf 2580:	R21,677,850.00
Erf 2582:	R27,513,550.00
Total Excl. VAT:	R70,323,200.00
Vat:	R 9,845,248.00
Total Inc. VAT:	**R80,168,448.00**

and which sum shall be payable in cash against registration of transfer of the Property and which sum shall be secured pending transfer by the issue of bank guarantees drawn in a manner acceptable to the Conveyancers and expressed to be payable on the Date of Transfer, such guarantees to be lodged with the Conveyancers within Thirty (30) days of the fulfilment of the suspensive conditions.

4.

Suspensive Conditions

4.1 This agreement is conditional upon and subject to the fulfilment of the suspensive conditions that:

(a) The Parties procuring the consent of the Association to the sale of the Property by the 15 December 2016.

(b) If applicable, the advertisement of the sale in terms of clause 16 hereof.

(c) The Seller procuring the Consent of Tongaat-Hulett Developments (Pty) Ltd to the sale of the Property by the 15 December 2016.

(d) By close of business on the 25 November 2016 the Purchaser will confirm in writing to the Seller that it is satisfied that the property is adequately serviced with electricity, water and sewer connections in compliance with all requirements of the Municipality.

(e) As soon as possible after the Date of Signature, the shareholders of the Seller pass a special resolution in compliance with the provisions of section 112 read with section 115 of the Companies Act to authorise the sale of the Property.

(f) Within twelve (12) Business Days of the date of adoption of the special resolution, the Seller delivers to the Purchaser a copy of the signed special resolution and if applicable, the Seller gives written confirmation to the Purchaser that any person who voted against the special resolution has not :

(i) required the Seller to seek court approval of the special resolution; or

(ii) applied for the leave of the court to review the special resolution and the transaction.

4.2 Should the above conditions not be fulfilled within the stipulated time periods or within such time periods as may mutually be agreed upon, this agreement shall lapse and be of no further force or effect, unless the parties have agreed in writing to an extension or variation thereto.

5.

CPA

Pursuant to the provisions of Section 5(2)(b) of the CPA, the Purchaser warrants that its asset value or annual turnover exceeds the threshold value determined by the Minister in terms of Section 6 of the CPA and that accordingly the CPA does not apply to this transaction.

6.

Withholding Tax

6.1 The Seller warrants that the Seller is a resident of the Republic of South Africa as defined in Section 1 of the Income Tax Act, 1962, and the Seller hereby indemnifies and holds the Conveyancers harmless against any claim for payment of withholding tax which may be made by SARS.

6.2 Notwithstanding the Seller's warranty, should the Conveyancers believe that the Seller is a non-resident, the parties hereby irrevocably authorise and instruct the Conveyancers upon registration of transfer to withhold the prescribed percentage of the purchase price and, within 14 (fourteen) days of Date of Transfer, to pay this sum to SARS on behalf of the Seller.

7.

Vacant Occupation and Possession

7.1 Vacant occupation and possession of the Property shall be given to the Purchaser on the Date of Transfer from which date the risk in and to the Property shall pass to the Purchaser and from which date the Purchaser shall become entitled to all of the income of the Property and shall be liable for payment of all expenses such as rates, levies, insurance premiums and other outgoings in respect of the Property.

7.2 Prepaid expenses and accrued income of the Seller at the Date of Transfer shall be adjusted between the Purchaser and the Seller as at the Date of Transfer.

8.

Voetstoots

Save for the undermentioned warranties, the Property is sold voetstoots and subject to the servitudes and conditions contained in the title deeds.

9.

Beacons

The Purchaser undertakes, at the Purchaser's cost, to flag and locate the survey beacons marking the boundaries of the Property.

10.

Submission of Town Planning Applications

The Seller hereby consents to the Purchaser submitting any applicable Town Planning, development, design review and/or Local Authority application necessary for any proposed development by the Purchaser on the Property prior to Date of Transfer.

The Seller warrants that they will not object to any such application by the Purchaser and shall sign all necessary documents on request by the Purchaser to enable the Purchaser to make such application(s).

11.

Notarial Tie

The Seller shall procure that Erf 2579 and Erf 2580 are notarially tied simultaneously with transfer of the Property.

12.

Notarial Deed of Amendment to Title Deeds

The Seller shall procure that the amendment to the Title Deed of Erf 2582 is simultaneously registered with the transfer of the Property to reflect the additional bulk (233m²) purchased.

13.

Arrear Levies and Rates

The Seller shall ensure that any arrear levies and rates due to the Association and the Municipality are agreed with the Association and Municipality respectively and paid prior to the Date of Transfer.

14.

Warranties

14.1 The Seller hereby gives to the Purchaser the undermentioned warranties each of which constitutes a material representation inducing the Purchaser to enter into this agreement:

(a) It is not aware of any encroachments nor of any pending expropriation of the Property or of any portion thereof nor is it aware of any proposed rezoning of the Property.

(b) To the best of the Seller's knowledge and belief no person and no representative of any community has, in terms of the Restitution of Land Rights Act No. 22 of 1994, lodged a claim for the restitution of the Property or any right in the Property. The Seller is not aware of any pending claim for restitution.

(c) There are no occupants of the Property nor are there any persons who have rights of occupation of any portion of the Property.

(d) No one other than the Purchaser has an option, a right of first refusal or a pre-emptive right to purchase the Property or any portion thereof.

(e) The Seller is not aware of any other agreement or option which could prevent the Seller from giving effect to the terms of this agreement on the Date of Transfer.

(f) The Property is not subject to any interdict, lien, attachment or other encumbrance which could delay or prevent the transfer of the Property to the Purchaser.

(g) The Property is not subject to any unregistered servitudes or other unregistered real rights.

(h) The Seller will not make any material alterations to any of the buildings on the Property nor will it effect any material improvements to the Property without the prior written consent of the Purchaser.

(i) The Seller will maintain the Property in a good condition and in the same condition as that in which the Property is in at the Date of Signature.

(j) Existing leases of any portions of the Property will have terminated by not later than the Date of Transfer.

(k) The Purchaser may rely upon all environmental law licences, consents, permits, approvals, exemptions and other authorities that it has obtained and has made available to the Purchaser. The Seller does not have any outstanding obligations under any environmental law.

(l) The Property has been fully assessed for municipal rates and the Seller is not aware of any possible revaluation of the Property.

(m) All betterment fees, bulk service contributions and any other charges due and payable to the Municipality or to provincial authorities will have been paid;

(n) The Seller is not a regulated company as defined in section 118 of the Companies Act and accordingly this transaction is not an affected transaction as defined in section 117 which would require compliance with section 121 of the Companies Act.

(o) The Seller is not a trader as defined in the Insolvency Act of 1936, as amended.

(p) The Seller has, to the best of its knowledge and belief, made a full and complete disclosure to the Purchaser of all information relating to the Property which would be material in relation to a

decision to buy the Property and in relation to the price to be paid for the Property.

(q) The Seller warrants that the Property is valued at less than R80,000,000.00 (eighty million rand) in its latest auditored financial statements and that accordingly the transaction will not require approval of the Competition Authorities in terms of the Competition Act, No. 89 of 1998, as amended.

14.2 Save where the context clearly indicates the contrary:

(a) Each warranty is given as at the Date of Signature of this agreement and at the Date of Transfer and will remain in force notwithstanding the fulfilment of any of the terms and conditions of this agreement for a period of 12 (twelve) months from the Date of Transfer.

(b) Each warranty is given and shall be enforceable separately.

15.

Indemnity

The Seller hereby indemnifies the Purchaser against any material loss, liability, damage or expense which the Purchaser may incur as a result of a breach by the Seller of any of the warranties set out in the aforegoing clause. The Seller reserves the right to defend any actions brought by any third party as a consequence of such breach.

16.

Insolvency

As soon as possible after fulfilment of the other Suspensive Conditions, the Purchaser shall, at its discretion and at its cost be entitled to advertise this sale

in the Government Gazette and in two issues of an Afrikaans and two issues of an English newspaper circulating in the district in which the Property is located as provided for in Section 34 of the Insolvency Act No. 24 of 1936 as amended. In such an event and notwithstanding anything to the contrary herein contained, the date upon which the Property will be transferred to the Purchaser shall be a date which is not earlier than thirty one days and not more than sixty days after the last date of publication of the said advertisement.

17.

Dispute Resolution

17.1 If any dispute arises between the parties to this agreement at any time in regard to:

(a) any matter arising out of or relating to this agreement including its validity;

(b) the interpretation of this agreement;

(c) the termination of this agreement or any matter arising out of the termination of this agreement;

(d) a claim for rectification of this agreement;

the dispute shall be submitted to and decided upon by arbitration.

17.2 The arbitration shall be held in Durban.

17.3 The arbitrator shall be such person as may be mutually agreed upon between the parties. If the parties fail to reach agreement regarding the appointment of an arbitrator, either of the parties may request the Chairman of the Society of Advocates of KwaZulu-Natal to appoint an arbitrator who shall either be an attorney or advocate of not less than 10

years' experience or a retired judge, and the Rules of the Association of Arbitrators (Southern Africa) shall apply.

17.4 The language to be used in the arbitration proceedings shall be English.

17.5 The arbitrator may:

(a) rely upon his own expert knowledge and experience;

(b) receive and take into account such written and oral evidence as he shall determine to be relevant, whether or not admissible in law, and attribute such weight to it as he shall deem appropriate;

(c) make one or more interim awards;

(d) appoint an assessor, valuer or other expert to assist him.

17.6 This clause will remain in force notwithstanding the termination of the agreement of which it forms a part.

18.

Transfer

18.1 Transfer of the Property shall be attended to by the Conveyancers and the costs of transfer shall be paid by the Purchaser. The parties undertake to sign the transfer documents when called upon to do so and the Purchaser undertakes to pay the pro forma conveyancing account of the Conveyancers upon rendition thereof. The Parties shall procure that the conveyancing fees are 50% of the fee scale recommended by the Law Society of South Africa.

18.2 Based on an estimate by the Conveyancers of the likely Date of Transfer, the Conveyancers shall determine what portion of the rates and utility charges owing on the Property will be payable by the Seller and what portion will be payable by the Purchaser. Upon receipt of a request for payment from the Conveyancers each party will pay the amount so determined to enable the Conveyancers to apply for and obtain a rates clearance certificate from the municipality.

18.3 The Seller shall be liable for all costs incurred in the cancellation of any mortgage bonds and expired Leases registered against the title deeds of the Property, costs incurred in amending or rectifying the title deeds of the Property and any costs incurred in freeing the Property from any interdicts, attachments or other encumbrances.

18.4 To facilitate compliance with FICA, the parties are required to supply the Conveyancers with copies of the documents reflected on the Document Schedule annexed hereto.

18.5 To ensure there will be no delay in the issue of a transfer duty exemption receipt, the parties warrant that all VAT and income tax returns they are obliged to submit to SARS have been duly submitted and all VAT and income tax due by the respective parties to SARS has been paid.

18.6 The Seller agrees to and consents to the Purchaser registering a mortgage bond or mortgage bonds over the Property in favour of a bank, registration to be effected simultaneously with the transfer of the Property.

18.7 The parties shall use their best endeavours to procure that the transfer of the Property is registered as soon as possible after fulfilment of the suspensive conditions.

19.

Destruction

Should there be partial or total destruction of the Property prior to the Date of Transfer, either party may within thirty (30) days of the occurrence of the damage or destruction, as the case may be, cancel this purchase and sale by written notice given to the other party, whereafter neither party shall have any further claim against the other arising from the terms of this agreement. Should the sale not be cancelled, then the Seller shall be obliged to reinstate the Property at the Seller's cost notwithstanding that the cost of reinstatement may exceed the proceeds of the insurance policy.

20.

Breach

20.1 Should either party breach any of the terms and conditions of this agreement and remain in breach after having received seven (7) Days written notice to remedy such breach, the aggrieved party shall be entitled either to sue for specific performance in terms of this agreement or to cancel this sale and claim damages.

20.2 Should either party instruct an attorney to take action against the other party arising from any breach of the obligations in terms of this agreement, the party in breach shall be liable for and shall pay all such attorneys fees, including collection charges, as between attorney and own client.

20.3 Any latitude or extension of time, which may be allowed by either party to the other, shall not in any circumstances be deemed to be a waiver of such party's rights hereunder.

21.

***Domicilia* and Notices**

21.1 Each of the parties chooses as its domicilium citandi et executandi for all purposes arising from or in connection with this agreement, including the service of notices, as follows:

(a) Seller:

Address: 2nd Floor, West Tower, Nelson Mandela Square, Sandton, 2196

Postal Address: P.O. Box 785553, Sandton, 2146

Telephone: 011 881 5416 or 082 606 0492

Fax: 086 671 0109

E-mail: mbuso@icon.co.za

Purchaser :

Old Lion Match Office Park,
892 Umgeni Road, Durban, 4001
Telephone No.: 031 372 9700
E-mail: MelanieG@jtross.co.za
E-mail : DougR@jtross.co.za

21.2 Either party will be entitled, from time to time, by written notice to the other party, to change its domicilium address to any other address within the Republic of South Africa, provided that the address shall always be a street address at which the service of legal processes can be effected.

21.3 Any notice which:

(a) is delivered by hand at the addressee's street address domicilium shall be deemed to have been received by the addressee at the time of delivery; or

(b) is posted by prepaid registered post from an address within the Republic of South Africa to the addressee at its domicilium, shall be presumed, until the contrary is proved by the addressee, to have been received by the addressee on the seventh day after the date of posting; or

(c) If sent by e-mail to the addressee at its above e-mail address, shall be deemed to have been received on the Business Day on which a "read" receipt is received from the e-mail address of the addressee.

22.

Jurisdiction

The parties consent in terms of Section 45 of the Magistrates' Court Act of 1944 to any legal proceedings being instituted in the Magistrates' Court of any district having jurisdiction in respect of the Purchaser by virtue of the provisions of Section 28(1) of the said Act. Notwithstanding such consent, either Party shall have the option of instituting proceedings in a division of the High Court of South Africa.

23.

Legal Costs

Each Party shall pay their own costs for the negotiation and preparation of this Agreement.

24.

Resolutions

24.1 The persons signing this agreement on behalf of the parties hereto warrant that they are authorised to sign on behalf of their principals.

Copies of the resolutions of the directors of the Seller and the Purchaser are annexed marked "A" and "B".

25.

Broker

This agreement was not concluded with the assistance of a Broker.

26.

General

26.1 This agreement contains the entire understanding of the parties as to its subject matter. Neither party shall be bound by any condition, warranty, representation or undertaking of any kind, whether express or implied, except as set forth in this agreement.

26.2 No purported amendment or modification of this agreement shall be valid unless in writing and signed by both parties.

26.3 The failure of either party at any time to require performance of any provision of this agreement shall not affect the right of such party to require performance of that provision or of any other provision in the future. No waiver by either party with respect to a breach of any provision of this agreement shall be construed as a waiver with respect to any continuing or subsequent breach of that provision, or as a waiver of any other right under this agreement.

26.4 This agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same agreement concluded at the Date of Signature.

27.

Special Conditions

27.1 The Purchaser shall have a right of first refusal to purchase Erf 2583 on the following terms and conditions:

Should the Seller receive an offer to purchase Erf 2583 on terms acceptable to the Seller, then the Seller shall forthwith forward a copy of such offer to purchase to the Purchaser. The Purchaser may thereafter, within a period of ten (10) days of having received a copy of the aforesaid offer, match the aforesaid offer by giving the Seller written notice of its intention to purchase Erf 2583 on the same terms and conditions set out in the aforesaid offer to purchase. Should the Seller not receive the aforsaid notice from the Purchaser timeously or should the Purchaser inform the Seller in writing prior to the expiry of the aforesaid ten (10) day period that it does not intend exercising its right of first refusal as set out herein, then the Seller shall be entitled to accept the offer to purchase. If the Seller accepts the offer to purchase as aforesaid, the Purchaser's right of first refusal as set out herein shall be deemed to have lapsed, However, if the offer to purchase, as aforesaid, is not accepted by the Seller, the Purchaser's right of first refusal as set out herein, shall continue to operate in respect of such future offers to purchase on the same basis, mutatis mutandis, as set out above.

28.

Period for acceptance

This agreement is subject to, and conditional upon, the Seller signing and returning this agreement to the Purchaser by 12h00 hours on 25 November 2016.

SIGNED at SANDTON on the 24 day of NOVEMBER 2016.

AS WITNESSES

1. _____

2. _____

_____

Seller

SIGNED at DURBAN on the 22 day of November 2016.

AS WITNESSES

1. _____

2. _____

_____

Purchaser

DOCUMENTS SCHEDULE - THE FINANCIAL INTELLIGENCE CENTRE ACT

1. NATURAL PERSON
   - (a) Copy of identity document.
   - (b) Copy of marriage certificate and Ante-Nuptial contract, if applicable.
   - (c) Copy of document reflecting residential address, such as electricity or water account or any other account addressed to residential address.
   - (d) Copy of a document issued by the South African Revenue Service on which income tax number is recorded.
   - (e) Details of nationality if not a South African citizen.
2. COMPANY
   - (a) Copy of Certificate of Incorporation (CM1).
   - (b) Copy of Notice of Registered Office and Postal Address (CM22).
   - (c) Copy of Form CM29 (Register of Directors).
   - (d) Full names of the Directors of company.
   - (e) Full names of the Shareholders of company.
   - (f) Document depicting trade name and operating address of the company, such as a utility bill, Telkom account or bank statement.
   - (g) Copy of identity document of the manager and all authorised representatives of the company (the directors) and all individuals who hold 25% or more of the voting rights in the company (the shareholders) and advice as to the nationality of each.
   - (h) Copy of VAT Registration Certificate.
   - (i) Copy of document issued by the South African Revenue Service on which the company income tax number is recorded.
   - (j) Residential addresses of the manager and of the individuals who hold more than 25% of the voting rights i.e. the Directors and Shareholders.
   - (k) If a company or close corporation holds 25% or more of the voting rights, then similar information concerning the company as set out above including information on shareholders and directors or a copy of the Founding Statement if it is a close corporation and addresses of the local office and head office of the company or close corporation.
3. CLOSE CORPORATION
   - (a) Copy of Founding Statement (CK1) and any Amended Founding Statement (CK2).
   - (b) Document containing trade name and operating address of the close corporation, such as a utility bill, Telkom account or bank statement;
   - (c) Copy of identity document for each member of the close corporation and all authorised representatives and advice as to the nationality of each.
   - (d) Copy of VAT Registration Certificate.
   - (e) Copy of document issued by the South African Revenue Service on which the close corporation income tax number is recorded.
4. TRUST
   - (a) Copy of Deed of Trust.
   - (b) Copy of Letters of Authority issued by the Master of the High Court.
   - (c) Copies of identity documents in respect of founder of the trust, each trustee and each beneficiary who can be determined.
   - (d) Nationality and residential addresses of the aforegoing persons.
   - (e) Copy of document issued by the South African Revenue Service on which the income tax number of the trust is recorded.
   - (f) Copy of the VAT Registration Certificate (if any).
   - (g) Copy of the death certificate if the founder of the trust has died.
   - (h) If a trustee or beneficiary is a legal person, copy of the founding document and the addresses of the registered office and local office of the legal person.

