

TOWER PROPERTY FUND LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2012/066457/06)
JSE share code: TWR ISIN: ZAE000179040
(Approved as a REIT by the JSE)
("Tower" or "the company" or "the group")



WITHDRAWAL OF RESOLUTIONS AND PROPOSED MODIFICATION OF CERTAIN RESOLUTIONS PROPOSED FOR ADOPTION AT THE ANNUAL GENERAL MEETING OF THE COMPANY

Shareholders are referred to the notice of annual general meeting ("AGM") sent to shareholders on 15 September 2017 and in particular to ordinary resolutions 7, 8, 9, 10 and 11 relating to the control over unissued shares, the general authority to issue shares for cash, the adoption of the Tower Property Fund Incentive Scheme, the specific authority to issue shares pursuant to a reinvestment option and the non-binding advisory vote in respect of the company's remuneration policy.

Following feedback from institutional shareholders and in order to further enhance good corporate governance, Tower is proposing to:

- withdraw ordinary resolution 10 relating to the specific authority to issue shares pursuant to a reinvestment option;
- withdraw ordinary resolution 9 relating to the adoption of the Tower Property Fund Incentive Scheme;
- publish a detailed remuneration policy providing shareholders with additional information relating to ordinary resolution 11; and
- limit the scope of the authority to be granted in terms of ordinary resolution 7 and ordinary resolution 8 as further detailed below:

1. Proposed ordinary resolution 7 - Control over unissued shares

Tower has decided to reduce the number of shares placed under the control of the directors in terms of this resolution from 33 954 964 shares, being 10% of Towers issued share capital at the date of the notice of annual general meeting, to 16 977 482 shares, being 5% of Towers issued shares capital at the date of the notice of annual general meeting. In addition, the price at which the shares may be issued may not be less than the net asset value per Tower share at the date the price of the issue is agreed.

As a result of the proposed changes, the amended ordinary resolution 7 will read as follows:

"Resolved that, subject to the provisions of the group's Memorandum of Incorporation, the authorised but unissued ordinary shares of the group be and are hereby placed under the control of the directors of the group until the next AGM, with the authority to allot and issue and otherwise dispose of a maximum of 16 977 482 shares, being 5% of the shares in issue at the date of this resolution, at their discretion, provided that the price at which such allotment, issue or disposal is effected is not less than the net asset value per share at the date the price of the issue is agreed between the group and the party subscribing for the shares, and provided that where the allotment or issue is undertaken in terms of a vendor

consideration placing pursuant to the JSE Listings Requirements, the minimum placing price is subject to the pricing limitations set out in the JSE Listings Requirements”.

2. Proposed ordinary resolution 8 – General authority to issue shares for cash

Tower has decided to limit the price at which shares may be issued for cash under this authority to the net asset value per Tower share at the date the price of this issue is agreed.

As a result of the proposed change, the amended ordinary resolution 8 will read as follows:

“Resolved that, subject to the restrictions set out below, the directors be and they are hereby authorised to allot and issue ordinary shares for cash, subject at all times to the provisions of the Companies Act, the group’s Memorandum of Incorporation and the JSE Listings Requirements. This authority shall lapse at the next AGM or 15 months from the date of passing this special resolution, whichever occurs first:

- the allotment and issue of shares for cash must be made to persons qualifying as public shareholders and not to related parties, as defined in the JSE Listings Requirements;
- the shares issued for cash must be of a class of shares already in issue or, where this is not the case, must be limited to such shares or rights that are convertible into a class already in issue;
- the total aggregate number of shares which may be issued for cash in terms of this authority may not exceed 16 977 482 shares, being 5% of the group’s ordinary issued shares at the date of this notice. Accordingly any shares issued under this authority prior to this authority lapsing shall be deducted from the 16 977 482 shares the group is authorised to issue in terms of this authority for the purpose of determining the remaining number of shares that may be issued in terms of this authority;
- in the event of a sub-division or consolidation of shares prior to this authority lapsing, the existing authority will be adjusted accordingly to represent the same allocation ratio;
- the minimum price at which such shares may be issued in terms of this authority shall be a maximum discount of 5% of the weighted average traded price of such shares measured over the 30 business days prior to the date that the price of the issue is agreed between the group and the party subscribing for the shares; provided that such minimum price shall be not less than the net asset value per Tower share at the date that the price of the issue is agreed between the group and the party subscribing for the shares;
- an announcement giving full details, including the number of shares issued, the average discount to the weighted average traded price of the shares over the 30 business days prior to the date that the price of the issue was determined or agreed to by the directors and an explanation, including supporting documentation (if any) of the intended use of the funds, will be published after any issue representing, on a cumulative basis within any one financial year, 5% or more of the number of shares in issue prior to such issue”.

3. Proposed ordinary resolution 11 - Non-binding advisory vote in respect of the group's remuneration policy

Shareholders are further advised that following feedback from institutional investors on the group’s remuneration policy, a detailed remuneration policy has been approved by the company’s Nomination and Remuneration Committee and by the board of directors of Tower and a copy of the detailed remuneration policy is available on the company’s website, [www. www.towerpropertyfund.co.za](http://www.towerpropertyfund.co.za).

Tower shareholders are hereby requested to vote in respect of proposed ordinary resolution 11 based on the detailed remuneration policy.

Tower is in the process of engaging with shareholders on the proposed Tower Property Fund Incentive Scheme and shareholders will be advised of the outcome of this engagement and amendments to the Tower Property Fund Incentive Scheme once finalised.

The Tower annual general meeting will be held at 10h00 on Tuesday, 17 October 2017 at the Belmont Conference Centre, Belmont Road, Rondebosch, Cape Town.

11 October 2017

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