

CALL FOR PROPOSALS

DUBE TRADEZONE

OVERVIEW

A unique opportunity exists for the development of light industrial sites within the 77-hectare Dube TradeZone, a designated Industrial Development Zone adjacent to Dube Cargo Terminal and King Shaka International Airport, Durban.



Table of Contents

Dube TradePort Corporation Profile	1
Dube TradeZone – The Opportunity	3
Summary of the Proposal Call Process	4
Plan of the Dube TradePort Precinct	5
Location of Dube TradeZone	6
Dube TradeHouse	7
Dube TradePort Industrial Development Zone	8
Intended Tenant Profile for Dube TradeZone	9
Dube TradeZone Planning Framework	10
The Development Process	11
Dube TradeZone Layout	12
Master Developer’s Development Objectives	13
IT Facilities and Features: Dube iConnect	14
Dube AiRoad	15
Full Land Transaction Process	16
General Terms	19

Dube TradePort Corporation Profile

Dube TradePort Corporation, operator of Dube TradePort Industrial Development Zone

Dube TradePort Corporation, a business entity of the KwaZulu-Natal Provincial Government, is charged with the responsibility to develop the province's biggest infrastructural project. Considered one of South Africa's top 10 investment opportunities, this recently named Industrial Development Zone (IDZ) is geared to promote foreign and local investment.

Strategically located 30km north of the important coastal city of Durban, in KwaZulu-Natal, on South Africa's eastern seaboard. This 2 840 hectare development is home to the state-of-the-art King Shaka International Airport and is ideally positioned 30 minutes from Durban, Africa's busiest general cargo port and home to one of the largest and busiest container terminals in the Southern Hemisphere, and 90 minutes from Richards Bay Harbour, which on average has a throughput of over 80 million tonnes annually, representing an impressive 60% of South Africa's total seaborne cargo.

Dube TradePort takes advantage of its prime location as the only facility in Africa combining an international airport, dedicated cargo terminal, warehousing, offices, retail, hotels and agriculture.

Dube TradePort, a highly competitive business-operating environment, forms the heart of an emerging aerotropolis. The first purpose-built aerotropolis in Africa and destined to become a premier business and trade hub, its coastal location makes logistics a cost-effective proposition.

Dube TradePort's air logistics platform together with burgeoning seaport infrastructure, access to numerous global destinations and linkages to SADC countries, combine to position KwaZulu-Natal as a key business point in South and Southern Africa.

Dube TradePort Corporation Profile - continued



Dube TradePort comprises a world-class passenger and airfreight hub and is surrounded by development zones, namely:

- **Dube Cargo Terminal:** A state-of-the-art cargo facility, purpose-built to be the most secure in Africa. With digital tracking and secure cargo flow through on-site statutory bodies, Dube Cargo Terminal prides itself on 0% cargo loss since inception in 2010.
- **Dube TradeZone:** A 77 hectares growing to 300 hectares of specialised, prime and fully-services industrial estate within Dube TradePort IDZ. In close proximity to Dube Cargo Terminal, this zone is ideally positioned for new-generation warehousing, manufacturing, assembling, air-related cargo distribution and more.
- **Dube City:** 12 hectares of premium office, retail and hospitality space - all located in an ultra-modern urban 'green' hub just 3 minutes from the passenger terminal.
- **Dube AgriZone:** Part of Dube TradePort IDZ, this zone provides world-class facilities and technical support for propagating, growing, packing and distributing high-value perishables and horticultural products through an efficient supply chain.
- **Dube iConnect:** All these zones are supported by Dube iConnect, the precinct's dedicated IT and telecommunications provider and KZN's only locally-hosted cloud service, making it the premier offering for regional data recovery.

Dube TradeZone - The Opportunity



A unique opportunity exists for property developers and tenants through the launch of sites at the 77-hectare industrial property development at TradeZone next to King Shaka International Airport near Durban.

Dube TradePort Corporation (DTPC), as Master Developer of the TradeZone, has released sites for the first and a portion of the second phase of the TradeZone for air freight light industry, manufacturing, assembly, logistics, warehousing and distribution opportunities.

Dube TradeZone offers premium air-related real estate. It provides manufacturers, assemblers, warehouse users and distributors a distinct competitive advantage by significantly reducing transit time, goods handling and potential stock losses. Central to the TradeZone is Dube TradeHouse, where, in a world first, all freight forwarders and shippers are located together in a single facility. The TradeHouse offers integrated warehousing and office space, with fully reticulated fibre-optic cabling to deliver unparalleled voice and data connectivity.

Investment and Development Opportunities:

TradeZone 1 consists of 45 stands of varying sizes. Stands may be consolidated, where deemed appropriate. All are levelled and fully-serviced, with developers needing only to connect to infrastructure, such as water, electricity and storm water drainage. TradeZone stands are especially appropriate for air cargo-dependent industries, such as:

- Freight forwarders and aviation services;
- Warehousing and storage;
- Logistics;
- Distribution;
- Light manufacturing;
- Assemblers;
- High-tech industries;
- Automotive industries;
- Clothing and textiles;
- Cold storage;
- Pharmaceuticals; and
- Electronic manufacturing.

The TradeZone is ideal for businesses whose supply chains depend on air cargo connectivity.

Summary of the Proposal Call Process

DTPC invites interested parties to submit proposals for the long-term lease and development of sites for air freight dependant light industry, manufacturing, assembly, logistics, distribution facilities and warehousing opportunities.

The process seeks to elicit innovative proposals from property developers which provide competitive financial offers, and meet DTPC's clearly defined objectives.

Developers will conclude development agreements and lease sites from DTPC through long-term notarial leases. They will be required to develop the sites allocated to them at their cost, in line with their development proposal or as otherwise agreed, and must do so within specified time frames.

Developers will be required to comply with **DTPC's Commercial Policy** and the **Design and Control Documents** [Development Framework Plan for the Dube TradePort site; Precinct Plan; Precinct Development Manual; Finishes and Colour Palette for the TradeZone and the permitted usages and controls for Special Zone 10 (airport)].

The proposal call process will involve 6 stages:

- In **stage 1** the proposal call is issued.
- In **stage 2** the developer will submit a preliminary proposal.
- In **stage 3** DTPC and the developer conclude a Memorandum of Agreement to take the process forward.
- In **stage 4** the developer submits its final detailed development proposal. Proposals will be evaluated on a commercial basis, with an emphasis on market-related value for money. Proposals are also assessed against the Development Framework and Criteria. There is no closing date for the submission of proposals; however, as a general rule proposals will be assessed on a "first come – first served" basis.

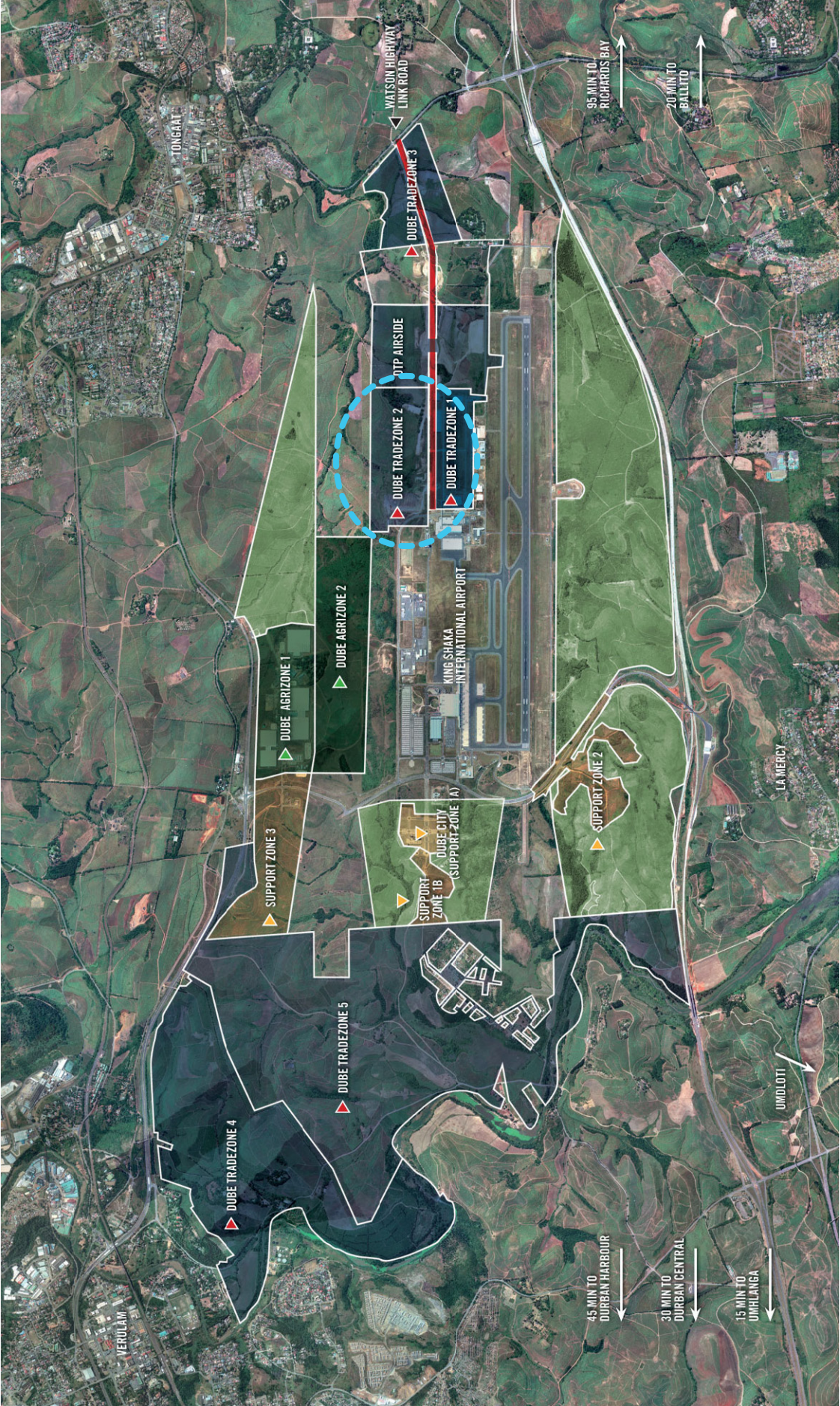
- Proposals will be assessed by DTPC and in **stage 5** DTPC commences negotiations with developers who have submitted suitable proposals. DTPC, however, reserves the right to enter into negotiations with, and to accept any proposal from any developer that offers the best commercial terms, and best achieves DTPC's development framework and vision for the TradeZone. During stage 5 the development agreements and notarial leases are finalised. Then the business concept and site plans are reviewed and approved by the Dube TradePort Design and Review Panel. The developer then submits the plan to the municipality for approval.

- In **stage 6**, once the above is complete, the developer may commence with the construction phase, which must be commenced and completed within the agreed upon period.

The Master Developer reserves the right to:

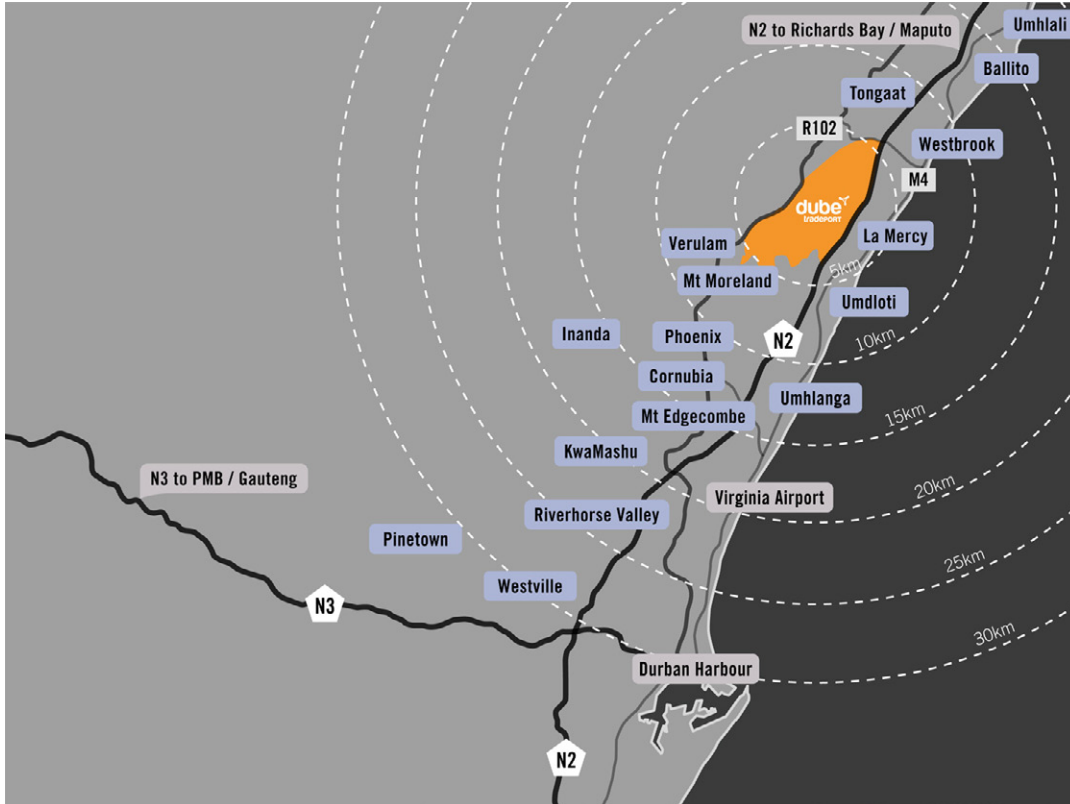
- Accept or reject any proposal;
- Cancel this process;
- Reject all proposals at any time prior to the conclusion of any binding property transaction without incurring any liability to any party;
- Shorten the process where it deems appropriate.

Dube TradePort Master Plan

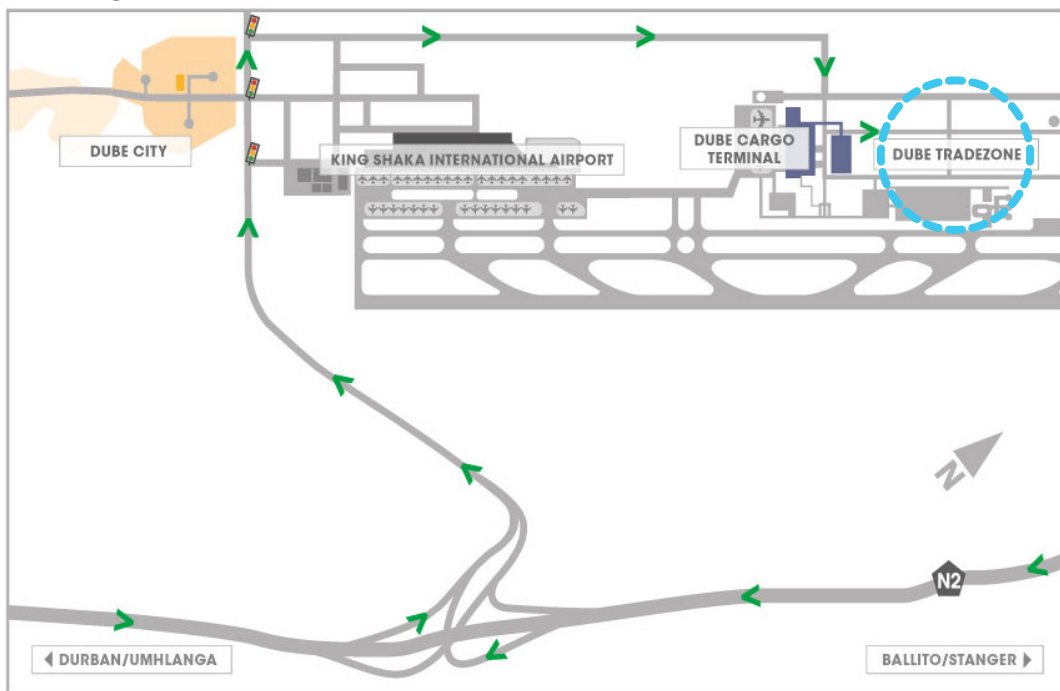


Location of Dube TradeZone

Dube TradeZone is part of the Dube TradePort precinct, located approximately 30 kilometres north of Durban in La Mercy.



Dube TradeZone is situated adjacent to King Shaka International Airport and directly opposite Dube Cargo Terminal.



Directions

- From Umhlanga: Head North on the N2 towards Stanger/Ballito
- Or From Ballito: Head South on the N2 towards Umhlanga
 - Take exit 195 towards M65/Dube TradePort/King Shaka International Airport
 - Turn right at the third traffic lights to Dube TradeZone
 - Take the first left to Dube TradeZone

Dube TradeHouse

DTPC's own building, Dube TradeHouse, was the first development in the TradeZone. It offers rentable warehouse and office space to freight forwarders, clearing agents, consolidators, express parcel and other air freight logistics services.

It is located on a site of approximately 2.3-hectares and consists of 24 standard modular units. Units in the TradeHouse comprise of a 250m² warehouse with 125m² mezzanine office space. The units have been designed to cater for different tenant requirements and to enable the building to be as flexible as possible. Access is through secure entrances with external CCTV monitoring.

In order to reduce vehicle transport and handling effort DTPC has constructed an elevated conveyor system, with a Material Handling System (MHS), creating a direct link between the TradeHouse and the Cargo Terminal building. This allows for cost effective and fast transportation of goods between the buildings. The conveyor system and the distribution and collection of cargo is operated and controlled by Dube Cargo Terminal, effectively extending the service provided by the Cargo Terminal into the Air Freight Logistics Facility.

The TradeHouse also incorporates an IT platform integrated with the Cargo Terminal Management System.



Dube TradeHouse is central to the TradeZone freight operations and offers integrated warehousing and office space.

Dube TradePort Industrial Development Zone

South Africa's National Minister of the Department of Trade and Industry designated Dube TradePort an IDZ on 1 July 2014.

IDZ status is considered prestigious, as it carries with it a range of benefits for enterprises located within such a zone. Importantly, it is also linked to one of the South African Government's key priorities, being the promotion of foreign and local direct investment into South Africa.

A range of benefits are offered to business enterprises operating within an IDZ, such as the Dube TradePort IDZ. These benefits include both fiscal and customs incentives and are designed to promote business growth, revenue generation, employment creation and the attraction of both foreign and local investment.

In practice, IDZ benefits – which include both fiscal and customs incentives – are specifically geared, at this stage, for agricultural and manufacturing enterprises located within both Dube AgriZone and Dube TradeZone. This represents the first phase of Dube TradePort Corporation's roll-out and will cover some 300 hectares of agricultural and industrial activities, growing to more than 700 hectares into the future.

Key Objectives of the Dube TradePort IDZ

The intention behind the Dube TradePort IDZ is to promote and enhance the competitiveness of the Province's manufacturing sector and to encourage the beneficiation of available resources. The underlying purpose of the IDZ is to stimulate economic development, grow exports and improve the global competitiveness of South African-produced products.

In line with this, its key objectives include attracting increased levels of both foreign direct and local investment, the active promotion of integration with existing local industry and the considerable increase in value-added production. In effect, Dube TradePort IDZ sets itself apart by offering continuous support through research and development, training and regulatory support, thus offering added value and greatly enhanced efficiencies for operators within targeted sectors.

Critically, the Dube TradePort IDZ aims to promote regional development, stimulate the creation of new employment opportunities and enhance current skills and technology transfer levels.

Target Sectors

Targeted priority Dube TradePort IDZ industry sectors include:

- Aerospace and aviation-linked manufacturing and related services;
- Agriculture and agro-processing, inclusive of horticulture, aquaculture and floriculture;
- Electronics manufacturing and assembly;
- Medical and pharmaceutical production and distribution; and
- Clothing and textiles.

Additional Sectors

Such targeting is not limited exclusively to the identified priority sectors and supplementary sectors include:

- Freight-forwarding and aviation services;
- Warehousing and storage;
- Logistics and distribution;
- Light manufacturing and assembling;
- High-tech and automotive industries;
- General manufacturing;
- Renewable energy;
- Aquaculture; and
- Cold storage.

Dube TradePort IDZ: A Prime Investment Location

Dube TradePort IDZ is a key and strategically important business location in South Africa generally and KwaZulu-Natal specifically. Its strength as a leading South African investment destination is based on four founding pillars, namely its key location, infrastructure, service offering and Government backing.

Intended Tenant Profile for Dube TradeZone

In keeping with DTPC's principles and objectives, proposed tenants of the TradeZone should ideally enhance the development and growth of the air cargo industry, and as such each tenant should ideally fall within the tenant profile.

It is recommended that each business wishing to take up space in the Dube TradeZone development should be assessed against the proposed tenant's company profile, i.e. a company must demonstrate a direct dependence on air transportation or must be able to prove the strategic advantage the company would have from being located at the TradeZone. Four main groups, of such complementary industries and companies, have been identified and are as follows:

Air Cargo Services Providers

Based on the objective of Dube TradeZone and its function in supporting the airport, it is anticipated that the following types of businesses should be located at Dube TradeZone:

- Freight Forwarders and Clearing Agents – such as Bidvest Panalpina, Rohlig Grindrod and DB Schenker;
- Consolidators – such as Hellmann and Transit Group;
- Integrators – such as DHL and FedEx;
- Express Parcel – such as SA Courier Systems and United Express;
- Logistic Services – such as TNT and Imperial Logistics; and
- Air Freight Road Haulers – such as Swissport and Menzies.

Air Cargo Industry Support

It is very beneficial for businesses that directly service the Air Cargo industry to be located in Dube TradeZone, as this would add to the overall operational efficiencies of business – such as those mentioned above. Such air cargo support businesses would include:

- Manufacturers and suppliers of ULD's, Freight pallets, etc;
- Suppliers of air cargo handling equipment; and
- Inflight catering companies.

Air Side Related Industries

There is a need for air side and air transportation (not specifically / exclusively cargo intensive) related businesses to be located very close to an airport, making Dube TradeZone the most practical location for their operations. Such businesses would include:

- Airlines;
- Aircraft Maintenance and Repair Operators; and
- Logistics Companies and Distributors.

Manufacturers, Exporters and Other Air Transport Dependant Industries

The increase in air cargo volumes can be attained by accommodating companies that are either manufacturers or distributors of high value goods, which would generally be distributed via air transportation. These companies could have a regional manufacturing or storage / distribution facility located at the airport. Companies that could satisfy this requirement are:

- Electronic goods manufacturing or assembly;
- Electronic goods distribution and warehousing e.g. NOKIA, Siemens, Samsung, etc;
- Manufacturers of automotive spare parts;
- Perishable export companies;
- Pharmaceuticals; and
- Chemicals.

Dube TradeZone Planning Framework

The entire Phase 1 and a portion of Phase 2 of Dube TradeZone has been afforded development rights. The site is currently zoned "special zone 10 (Airport)", which allows for a wide variety of land uses and a greater degree of flexibility regarding the way in which rights are drawn down over the entire site. In accordance with the zoning, a development framework plan was developed for the entire Dube TradePort site. Following this, more detailed precinct plans and development manuals were developed for specific areas within the site. These plans were formally adopted by the eThekweni Municipality, and all development must be in accordance with these documents.

The specific precinct plan relating to the TradeZone gives detailed development guidance in order to ensure optimum efficiency in the operation of the precinct while also controlling the aesthetic quality of the urban environment. Land uses include, but are not necessarily limited to the following:

- Logistics
- Assembly
- Warehousing
- Manufacturing
- Storage and processing

The FAR of all new developments may not exceed a maximum of 0.75, and all roofs must conform to aviation operational requirements.

Developers are to identify their own markets for their proposed developments. However, Phase 1 of the TradeZone offers a unique opportunity for developers to target industries or land uses which service activities traditionally linked to airports, such as aviation related industries and services; auto components and accessories; cargo services; chemical/pharmaceuticals (manufacture and distribution); computer services; transportation services; travel goods/services; specialised high value - low bulk agri/horticulture (e.g. flowers, organic vegetables and certain fruits); and warehousing.



The Dube TradeZone Phase 1 precinct.

The Development Process

Development must occur in accordance with the Design and Control Documents, and will include the Development Framework Plan as well as the Dube TradeZone 1 Precinct Plan. Prior to the submission of building plans to eThekweni Municipality, the developer will be required to submit

plans to DTPC's Design and Review Panel. The function of the panel is to ensure that all new development proposals conform with the Development Framework and the Precinct Plan. The panel also ensures that rights are administered over the entire special zone 10 (Airport) area.

Summary of the key areas

FEATURES

- World Class Cargo Terminal
- Master developer driven
- Zoning: Special Zone 10 (Airport) Umhlanga Town Planning Scheme No. 1 in course of preparation
- DTP Design and Review Panel ensuring consistency and quality
- Mechanical airbridge linking Dube TradeHouse to the Cargo Terminal

LAND USES

- Logistics
- Assembly
- Warehousing
- Manufacturing
- Storage and processing

FIRST PHASE DEVELOPMENT

- 25,3Ha or 45 serviced stands
- Accommodating over 200 000 m² of bulk

ULTIMATE DEVELOPMENT

- 180Ha
- Accommodating over 600 000 m² of bulk

TOWN PLANNING CONTROLS

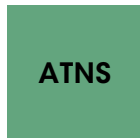
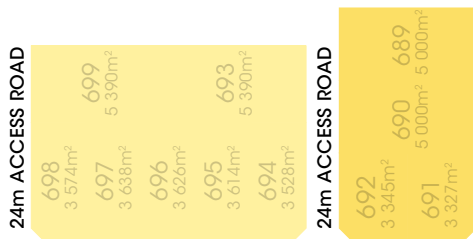
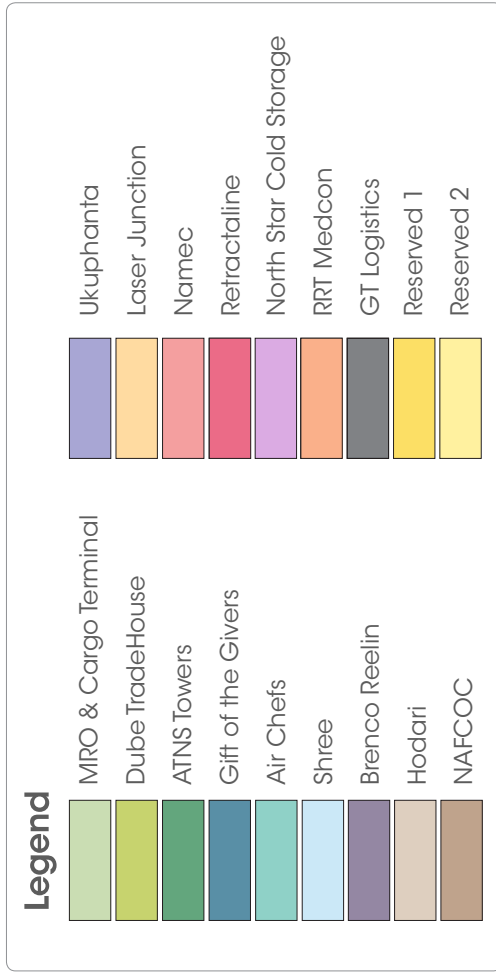
- Basket of rights – allows for flexibility regarding the draw-down of right over the entire site.
- FAR for Sites: 0.75
- Parking – as per municipal requirements
- Loading – to satisfaction of Council
- Indigenous endemic landscaping

DEVELOPMENT MUST OCCUR IN TERMS OF THE DESIGN AND CONTROL DOCUMENTS:

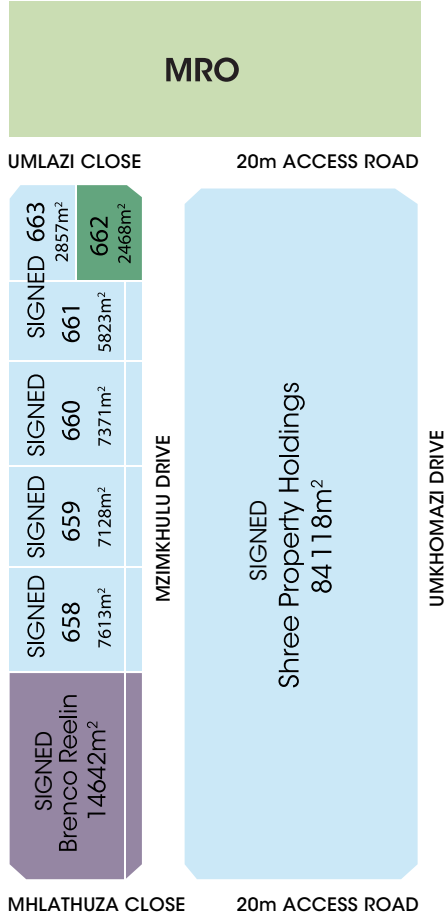
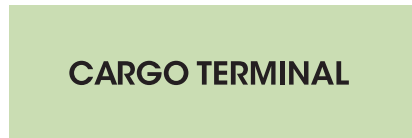
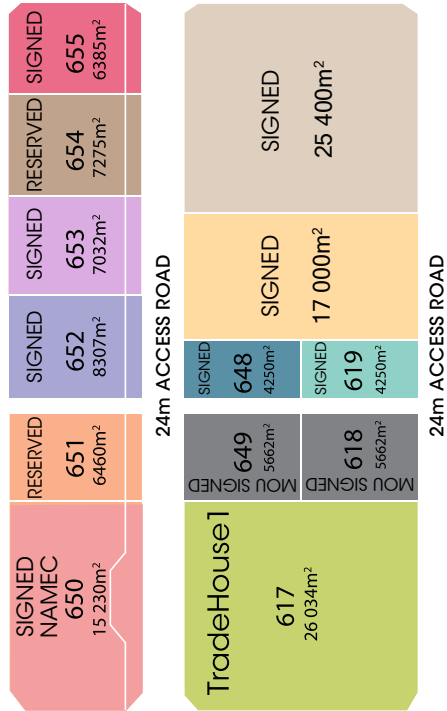
- Special Zone 10 (airport) Controls
- Development Framework Plan
- Precinct Plan
- Precinct Development Manual
- Finishes and Colour Palette
- Environmental Impact Assessment Record of Decision



Dube TradeZone Layout



WATSON HIGHWAY LINK ROAD / INTERNATIONAL TRADE AVENUE



Master Developer's Development Objectives

DTPC's broader objectives are:

- To facilitate property and economic development in the Dube TradePort region;
- To facilitate economic growth in the region and in aviation linked sectors;
- To stimulate private sector investment.

The development is intended to act as a catalyst for development of the Dube TradePort region in a manner consistent with the intended uses, activities, Design and Control documents, and DTPC's vision of the precinct.

The Commercial nature of proposed transactions

Proposals will be evaluated on a commercial basis and with an emphasis on market-related value for money.

As a general rule proposals will be assessed on a "first come – first served" basis. These will however only act as DTPC's initial point of reference and proposals will be specifically assessed against DTPC's development framework and criteria, with reference to, inter alia, the following factors:-

- **Financial Component**
 - Financial strength of the proposal and the financial standing and track record of the developer;
 - The economic viability of the project;
- **Commercial Component**
 - Commercial terms;
 - The timing of the proposed development;
 - The extent to which developers are able to construct their proposed development within an agreed upon and reasonable time table and maintain and enhance their sites;
 - The "value add" of the proposal (e.g. ability to secure prestigious anchor tenant, commercial terms, job creation, economic benefit, symbiosis with air and freight platforms etc);
 - The ability of the proposal to enhance and contribute to DTPC's stated objectives, and the extent to which the proposal contributes to DTPC's vision for the precinct;

• Design and Planning Component

- Design;
- Compliance with zoning and planning parameters;
- The impact of the proposed development on environmental factors and the impact on bulk services; and
- any other criteria developed by DTPC from time to time.

Developers are invited to address the specific criteria and others deemed relevant by them in their proposals.

• Black Economic Empowerment

Developers will be encouraged to address Black Economic Empowerment in their proposals and shareholding structure.

Property Management

The ownership of Dube TradeZone resides with DTPC.

After a specified percentage of the TradeZone has been concluded and developed DTPC will form a Management Association to represent the interests of owners and tenants within the TradeZone. Developers will be required to become members, remain members and abide by the rules and objects of the Association. The Management Association will coordinate and control development in Dube TradeZone, advance the interests of the members, provide, promote and maintain essential services, activities and amenities in Dube TradeZone. The Management Association will address and facilitate maintenance, operational and development related issues across the Precinct.

It will strive to provide a secure world class business and trade environment through a well-maintained precinct focusing of security, aesthetics and maintenance.

The Association will levy its members and employ and manage service providers for the provision of landscaping, security, maintenance, design and review and administration.

IT Facilities and Features: Dube iConnect

The Master Developer has developed a world-class IT infrastructure to be used by developers and tenants to support them in the running of their businesses. The infrastructure provides high speed networks (Internet) within and outside Dube TradePort, IP telephony, access control systems, business applications, and IT peripheral devices. It will be a condition of tenancy that tenants may not use electronic communications services and electronic communications networks provided by third-party service providers within Dube TradeZone.

The services are divided into two categories: The first category contains IT services that are optional to developers and tenants. The second category contains services that developers and tenants must use and subscribe for.

Category 1 - Optional Services

In this category developers and tenants can rent the IT services from DTPC or provide their own equivalent capability. This category includes the following:

- **Back-end computing platforms** – These are servers that run back-office and terminal emulators. The Master Developer or its appointee will keep track of server utilization and bill developers and tenants according to the amount of usage.
- **Storage Services** - this service allows developers and tenants to store data in a secure environment, which is regularly backed up. The service fee is proportional to the amount of data stored.

- **Applications** – The Master Developer or its appointee will offer a number of business applications which include the Microsoft Suite and Server Operating systems, Enterprise Resource Planning suite, and communication applications. These can be rented at a monthly rate.

- **Peripheral devices** – The Master Developer or its appointee offers devices such as user terminals, fax machines, printers, and wireless access points. These can be rented at a monthly rate per device.

Category 2 - Mandatory Services

This category includes IT services which will be provided by DTPC or its appointee. These include:

All computing platforms (DTPC, developers and /or their tenants) will connect into the physical networks provided by DTPC. Through our leading edge technology the virtual networks provided will meet the highest level of security and performance as defined by best practise. The Master Developer has negotiated with leading Telco providers to provide cost effective data and voice rates.

Dube iConnect will be contracted directly by developers and tenants to provide telephone and data services, such services will be managed by DTPC.



Dube AiRoad

Dube AiRoad provides seamless air-to-road and road-to-air logistics for the making of time-critical deliveries.

Dube AiRoad is a dedicated, time-sensitive logistics fleet that will collect cargo and deliver it straight to the Cargo Terminal, connecting it to major cities and airports in South Africa.

With a refrigerated trailer option, cold chain integrity of sensitive cargo such as flowers, perishables and frozen goods is also secured. This unit has the added advantage

of being able to cater for the simultaneous transport of perishables requiring two different temperature settings, saving customers valuable time and money.

All the heavy duty Taut-Liner Trailers are equipped to carry Airfreight ULD Containers; and are equipped with the Hydra-Roll system.

Dube TradePort's Euro 5 emission-compliant trucks offer customers the opportunity to 'green' their supply chain.



The dedicated Dube Airoad time-sensitive logistics fleet

Full Land Transaction Process

Sites are made available to developers through long-term notarial leases. It is intended that leases will be for a period of 40 to 49 years. Depending on the nature of the developer's proposal, the Master Developer may consider an option to include a renewal clause.

Developers will be required to sign a Development Agreement and a Notarial Lease.

The process seeks to elicit innovative proposals from property developers which provide the best financial offers and meet DTPC's clearly defined objectives.

It is intended that the process will involve 6 stages:

Stage 1 • The Master Developer issues the Proposal Call

Stage 2 • Developer submits Preliminary Proposal

Stage 3 • Conclusion of Memorandum of Understanding

Stage 4 • Developer's Final Proposal Submitted

Stage 5 • Agreements finalised

Stage 6 • Constructon

In **Stage 1** DTPC will issue the **Proposal Call**. Developers may obtain information packs comprising of the background to the project and the Design and Control Documents against payment of a specified fee.

Developers may request a meeting with DTPC to obtain details of the proposed Dube TradeZone development.

In **Stage 2** the developer must submit its Preliminary Proposal. The **Developer's Preliminary Proposal** comprises of documents, sketches and the like which the developer best believes will show case its proposal. A Developer's Preliminary Proposal should be the developer's concept proposal (a broad concept proposal for sites in written and sketch plan form), and ideally should comprise of:

- a sketch plan of what the developer proposes for the site;
- the development's commercial proposal;
- building design, design concept, aesthetic and height draft proposal;
- proposed site/s;
- proposed uses, height, building lines and land use mix;
- proposed tenant mix;
- construction commencement date and period;
- details of the legal entity to enter into the lease and development agreements and undertake the development, and details of that entity's membership/shareholding;
- information concerning the developer's standing and credentials to enable DTPC to determine the developer's track-record, including information concerning the developer's skills and experience with reference to developments completed, projects, current projects and the like;
- experience of the developer's professional team;
- the developer's financial capability, standing and "bankability";
- the developer's funding / ability to raise funding for the deposit, balance of purchase price and estimated development costs.

The Preliminary Proposal as a whole must provide DTPC with a high-level 'look and feel' of the project and the developer to enable DTPC to determine if the preliminary proposal is acceptable to it.

In essence this stage will involve an assessment of the developer's financial standing and resources, and a determination of the applicant/developer's ability to implement its proposal based on an assessment of the applicant/developer's skill and experience.

Full Land Transaction Process - continued

The Master Developer's Evaluation Committee meet to consider proposals monthly, or more often if required.

The Master Developer's main objectives are to secure the best commercial offer which best meets its development criteria and vision for the precinct. Proposals should clearly state intended tenant mix, how these would be secured, the intended construction process, and funding should ideally be a mix of developer's equity and funding.

Proposals will be evaluated on a commercial basis, with an emphasis on market-related value for money. These will however form DTPC's initial point of reference and proposals will be specifically assessed against the Development Framework and Criteria.

The purpose of the assessment will be to determine if DTPC wishes to conclude a transaction with the developer. Proposals will only be assessed in relation to competing proposals in the event of competition for specific sites or that sites are oversubscribed.

The Master Developer may give differing weightings to differing criteria when assessing development proposals to ensure that its over-all development objectives for the precinct are met. Although the criteria will be assessed as a whole, DTPC intends to adopt a flexible approach, and an outstanding proposal in any one area may result in the proposal being accepted. (For example a proposal with exceptional design merit may be sufficient for the proposal to be accepted.)

Developers may indicate their preference for specific sites, but DTPC reserves the right to suggest alternate sites it sees as most suitable for its development objectives, or if it believes that this is in the interest of the development concept for the precinct as a whole.

This framework will act as a guideline to DTPC when assessing proposals from developers.

There is no closing date for the submission of proposals. As a general rule proposals will be assessed on a "first come - first served" basis. The Master Developer however reserves the right to enter into negotiations with, and to accept any proposal from any developer that offers the best commercial terms and best achieves DTPC's development framework and vision for the TradeZone, even if the proposal deemed to be better by DTPC was received after proposal received earlier.

Proposal will be assessed by DTPC, who will commence negotiations with those developers who have submitted suitable proposals.

The Master Developer reserves the right to accept or reject any proposal it believes is not consistent with or which does not enhance its development objectives, and to cancel this process and to reject all proposals at any time (either in this stage or in the entire process) prior to the conclusion of any binding property transaction without incurring any liability to any developer or any obligation to inform the developers of the grounds of DTPC's actions.

In **Stage 3** the developer and Master Developer will conclude a **Memorandum of Understanding** detailing their agreement on the process going forward which will include a statement of intent between the parties, their understanding of the proposed development and the way forward, the time periods within which the developer's final proposal is to be accepted and proposed construction time lines.

The Memorandum of Understanding will signal the parties' respective commitment to the proposed transaction, and may provide for payment of a **refundable deposit** by the developer to be paid to DTPC's attorneys as a sign of good faith and intent by the developer. This provides for a site to be reserved for them for a finite period to enable the developer to develop a detailed proposal and design that meets DTPC's stated criteria, the Design and Control Documents and Zoning parameters. It is recorded that no binding agreement is concluded between the parties until the conclusion of the Development Agreement and Notarial Lease contemplated in Stage 5.

Full Land Transaction Process - continued

In **Stage 4** the developer must prepare and submit its **final proposal**, which will include:

- The Developer's Proposed Legal Structure
- The Proposal, Planning and Design
 - Design concept;
 - Compliance with Master Developer's vision, objectives and development framework;
 - Compliance with architectural guidelines and vision;
 - Compliance with the ROD;
 - Physical layout;
 - Land use and density;
 - Bulk and form;
 - Landscaping proposal;
 - Streetscape and form.
 - Market feasibility;
 - Proposed tenant mix;
 - Rental structure;
 - Tenants secured;
 - Estimated cost;
 - Investment yield;
 - Likelihood of proceeding;
 - Phasing (if any);
 - Development programme;
- Financial Proposal
 - Financial offer;
 - Commercial terms/proposal;
 - Method of financing;
 - Indication of financial capacity (bankers reports);
 - Infrastructure cost provision;
 - Guarantees.
 - (This will involve a determination of the extent and comprehensiveness of the developer's commercial terms and financial offer, and an assessment of the developer's capacity to raise project financing.)
- Empowerment
 - Preference in allocation of sites is given to developers who meet DTPC's empowerment objectives. This will essentially be an assessment to determine whether the developer has complied with the Property Charter, and the extent of empowerment in the development process, ownership and the spread of empowerment in equity distribution. The following issues will feature in the assessment:-
 - Equity share;
 - Responsibilities of empowerment component;
 - Distribution of equity;
 - Participation in professional/technical team;
 - Empowerment policy;
 - Contracting and subcontracting;
 - Marketing;
 - Post construction employment;
 - Job training;
 - Social development proposals;
 - SMME opportunities;
 - Empowerment performance.

In **Stage 5** DTPC accepts a developer's proposal and thereafter negotiates with the developer to conclude the **Development Agreement and notarial lease**. The negotiations are non-binding, and any agreements are only valid and enforceable if reduced to writing and signed by all parties.

The developer is required to provide a 3-month land rental deposit for its final obligation under the agreements. Failure to do so will render the agreement null and void. The original deposit in stage 3 may be put up towards the final deposit.

In **Stage 6** the developer is required to finalise any outstanding design issues required by the Panel and to obtain local authority approval for its building and development plans. After all the conditions precedent have been met, the developer must commence and conclude **construction works** by the agreed upon dates. Developers who do not comply with deadlines will be subject to penalties or may risk cancellation of agreements.

General Terms

This document constitutes a guide to the proposal call process, and developers must familiarise themselves with the specific provisions of any document governing the design, legal or commercial aspects of this process.

Developers submitting proposals undertake to do so in accordance with the terms of this document, and acknowledge that they agree to be bound by the terms of this document and will strictly adhere to its requirements.

This process is undertaken by DTPC. It may however appoint a separate legal entity to undertake its rights, duties and obligations under this document, and may appoint another entity to conclude the necessary relevant agreements on its behalf.

This document sets out the rules and guidelines for participation in this proposal call process, and guides developers on the preparation of proposals to enable DTPC to select developers that:-

- offer the best design solutions;
- offer the best commercial, financial and legal terms;
- are most able to construct their proposed development within an agreed upon and reasonable time table and to maintain and enhance their sites; and
- comply with DTPC's development framework and criteria.

Disclaimer

While all reasonable care has been taken in preparing all documents comprising the Proposal Call, neither DTPC nor its shareholders, nor any of their officers, employees, agents or advisors accept any liability or responsibility for the adequacy, accuracy or completeness of any of the information or opinions set out in the document.

Developers are required to independently verify all information distributed by DTPC in the course of this process, and must inspect the sites and ensure that they have independently verified all property related information.

DTPC reserves the right to amend, modify or withdraw the document, or terminate any of the procedures or requirements in the process for which this document has been issued, at time, and without prior notice.

DTPC reserves the right to reject any proposal or submission made during the course of this process.

No developer/proposer shall have any claim against DTPC, its officers, employees, servants, agents or advisors arising out of any matter relating to the proposal call process and proposed development of any nature whatsoever, where such claim is based on any act or omission by DTPC of any nature whatsoever, under any circumstances whatsoever, or if such claim is based on the content of, or any omission of this document.

Except where expressly stipulated, no representation or warranty is or will be given by DTPC or any of its officers, employees, servants, agents or advisors in respect of the information or opinions contained herein, or in relation to any briefing not issued in relation to the proposal call process.

General Terms - continued

Confidential Information

During the course of this proposal call process developers will receive confidential information. By participating in this proposal call process developers and their advisors undertake to treat such information as confidential and not to disclose such information to third parties.

It is recognized that developers are required to set out information which is confidential as to their operations, undertakings, commercial activities or financial strength. In order to permit parties to make a full disclosure to DTPC, it is a specific term of this document that no developer may have access to or sight of the contents of any competing developer's proposal. In this regard all developers, by participating in this process, undertake not to launch any applications or require or request (through any means) sight of any competing developer's proposal.

Improper Lobbying / Interference

Any developer who is found to have lobbied an official, employee, agent or representative of DTPC or in respect of a proposal submission will face immediate disqualification and/or black listing in respect of any future development.

No Damages

Developers take part in this process on the express term that they may not seek process, or institute any action against DTPC, its advisors, agents or employees for any reason what so ever arising from this process.

Competition

Developers and their respective advisors, officers, employees and agents are prohibited from engaging in any collusive action or action which contravenes the provisions of the Competition Act, 1998.

The Master Developer's Rights

Without limitation of any of its rights DTPC expressly reserves the right to:-

- request clarification on any aspect of an offer or proposal received from a developer, which requests and responses will be in writing;
- enter into non-binding negotiations with any developer after the evaluation of the proposals, without prior notice to any other developer or any other party;
- exercise in its discretion all rights of ownership of Dube TradeZone, including the rights to redesign or restructure the Precinct in any manner it chooses prior to concluding binding agreements; and,
- accept or reject any proposal and to annul this process and to reject all proposals at any time prior to the conclusion of any binding property transaction without incurring any liability to any developer or any obligation to inform the developers of the grounds of DTPC's actions.

Grounds for Disqualification

The following events constitute, (without being an exhaustive list) the grounds upon which a developer may be disqualified at any stage of the proposal call process:-

- participation by the developer in any activity which may constitute serious corruption, bribery or impropriety, or lead to the commission of any serious offence during the proposal call process, or in any other national or provincial government proposal call process;
- any serious infringement by a developer of any of the provisions of the document; and,
- by the furnishing of misleading or incorrect information relied upon by DTPC.

General Terms - continued

Contact Details

Any queries relating to this document should be addressed in writing to:

- Hamish Erskine, ITC and Property Sales Executive: Hamish.Erskine@dubetradeport.co.za,
- or Tim Hudson, Sales and Product Development Manager: Tim.Hudson@dubetradeport.co.za,
- or call 032 814 0000.
- or email : Property@dubetradeport.co.za

Submission of Proposals

- Proposals under sealed cover must be delivered to DTPC at 29° South, 7 Umsinsi Junction, La Mercy, Kwa-Zulu Natal,4399
- or email: Property@dubetradeport.co.za

Proposals must be marked **"PROPOSAL CALL SUBMISSION – TRADEZONE"**.

The Master Developer reserves the right to request that developers make presentations on the key elements of their proposals.

The Contract Process

The Master Developer or an entity nominated by it at its sole discretion may enter into negotiations with developers to conclude binding notarial leases and associated agreements. Only upon signature of these agreements by the Master Developer will there be a binding agreement between the parties.

Developers Legal Personality

Developers may constitute a consortium or joint venture, or create a special purpose vehicle for the submission of proposals. However, any entity which is used to submit proposals will need to be "bankable" in terms of it being able to fulfil its contractual obligations, and acknowledges that its financial standing will be a specific term of the evaluation process.

Costs of Submitting Proposals

Developers are responsible for all costs associated with the costs of submitting the development submissions.

Statutory Approvals

The design review process put in place by the Master Developer is an internal process, and does not discharge or release the developer from complying with all legislative or local authority requirements and obtaining all relevant approvals, including, but not limited to the obligations to provide and have approved building plans, environmental authorisations and the like.

No Contract

This document does not constitute an offer to enter into a contractual relationship with any developer, but is merely a solicitation of proposals.