

**FAIRVEST**

PROPERTY HOLDINGS

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NOTICE OF ANNUAL GENERAL MEETING

# Contents

|   |    |
|---|----|
| Notice of AGM                                       | 1  |
| ANNEXURE A – Audited condensed consolidated results | 7  |
| Form of proxy                                       | 17 |

# Notice of Annual General Meeting

## FAIRVEST PROPERTY HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)  
(Registration number 1998/005011/06)  
Linked unit code: FVT ISIN: ZAE 000034658  
("Fairvest" or "the Company")

Notice is hereby given that the annual general meeting of linked unitholders of Fairvest Property Holdings Limited ("Fairvest" or "the Company") in respect of the year ended 30 June 2014 will be held in the boardroom, Office 18003, 18th Floor, Triangle House, 22 Riebeeck Street, Cape Town on Wednesday, 19 November 2014, at 10:30 ("Annual General Meeting").

### Purpose

The purpose of the Annual General Meeting is to transact the business set out in the agenda below.

**This document is important and requires your immediate attention.**

**If you are in any doubt as to what action you should take, please consult your broker, Central Securities Depository Participant ("CSDP"), legal adviser, banker, financial adviser, accountant or other professional adviser immediately. If you have disposed of all your linked units in the Company, please forward this document, together with the enclosed form of proxy and all annexures hereto, to the purchaser of such linked units or the broker, banker or other agent through whom you disposed of such linked units.**

### Agenda

(i) Presentation of the audited annual financial statements of the Company, including the reports of the directors and the audit and risk committee for the year ended 30 June 2014. The annual report containing the complete audited annual financial statements will be available on the Company's website at [www.fairvest.co.za](http://www.fairvest.co.za) or can be obtained from the Company's registered office from the date of this notice until, and at, the Annual General Meeting on Wednesday, 19 November 2014. **A condensed version of the audited annual financial statements is included in Annexure A of this notice of Annual General Meeting ("Notice").**

(ii) To consider and, if deemed fit, to pass, with or without modification, the following ordinary and special resolutions:

*For any of the Ordinary Resolutions Numbers 1 to 8 (inclusive) and 11 to be adopted, more than 50% (fifty per cent) of the voting rights exercised on each such ordinary resolution must be exercised in favour thereof. For Ordinary Resolutions Numbers 9 and 10 to be adopted, at least 75% (seventy-five per cent) of the voting rights exercised on such ordinary resolution must be exercised in favour thereof.*

#### 1. Ordinary Resolution Number 1 – Re-appointment of auditors

**"RESOLVED AS AN ORDINARY RESOLUTION** that BDO South Africa Inc. be and are hereby re-appointed as the auditors of the Company for the ensuing financial year. The audit and risk committee has recommended the re-appointment of BDO South Africa Inc. as auditors of the Company."

*The reason for Ordinary Resolution Number 1 is that the Company, being a public listed company, must have its financial results audited and such auditor must be appointed or re-appointed at the Annual General Meeting of the Company as required by the Companies Act, No. 71 of 2008, as amended ("Companies Act").*

#### 2. Ordinary Resolution Number 2 – Appointment of director (Ms KR Moloko)

**"RESOLVED AS AN ORDINARY RESOLUTION** that Ms KR Moloko, who retires by rotation in terms of the Company's memorandum of incorporation ("MOI") and, being eligible and offering herself for re-election, be and is hereby re-elected as a non-executive director of the Company."

##### Summarised curriculum vitae of Ms KR (Keneilwe) Moloko

Keneilwe is a chartered accountant and quantity surveyor and holds the qualifications CA(SA), BCom (UCT), BSc.QS (UCT) and Certificate in Financial Markets. Her experience includes serving as development executive at Spearhead Properties and as fixed interest analyst and member of the credit committee of Coronation Fund Managers. She serves as an independent non-executive director of KWV Holdings and Prescient Holdings. She also serves on the audit committee of City of Cape Town, Cape Retirement Fund, Department of Rural Development and Department of Justice and Constitutional Development.

# Notice of Annual General Meeting

(Continued)

## 3. Ordinary Resolution Number 3 – Appointment of director (Mr JF du Toit)

**“RESOLVED AS AN ORDINARY RESOLUTION** that Mr JF du Toit, who retires by rotation in terms of the Company’s MOI and, being eligible and offering himself for re-election, be and is hereby re-elected as a non-executive director of the Company.”

### **Summarised curriculum vitae of Mr JF (Jacques) du Toit**

Jacques is a Chartered Financial Analyst and has been involved in the financial services industry since joining HSBC Simpson McKie as a stockbroker in 1998. He is joined the portfolio management side at HSBC in 2003 and headed up the investment process until 2005 when he joined Investec Securities Limited as senior portfolio manager. In August 2008 he jointly set up a financial services company, Cohesive Capital. He serves as a director on the boards of a number of private companies.

## 4. Ordinary Resolution Number 4 – Appointment of director (Mr N Mkhize)

**“RESOLVED AS AN ORDINARY RESOLUTION** that the appointment by the Company’s board of Mr N Mkhize as a director of the Company, be and is hereby confirmed.”

### **Summarised curriculum vitae of Mr N (Ndabe) Mkhize**

Ndabe holds a BSc (Actuarial Science) degree from the University of Cape Town and the designations of Chartered Financial Analyst and Chartered Alternative Investment Analyst. His experience includes positions at Old Mutual, Prudential Portfolio Managers, Coronation Fund Managers and STANLIB Asset Management. Recently, Ndabe accepted a broader investment role as Deputy Chief Investment Officer of the Eskom Pension & Provident Fund.

## 5. Ordinary Resolution Number 5 – Appointment of director (Adv JD Wiese)

**“RESOLVED AS AN ORDINARY RESOLUTION** that the appointment by the Company’s board of Adv JD Wiese as a director of the Company, be and is hereby confirmed.”

### **Summarised curriculum vitae of Advocate JD (Jacob) Wiese**

Jacob holds a BA (Value & Policy studies) degree from the University of Stellenbosch, a Master’s degree in International Economics and Management from Universita Commerciale Luigi Bocconi in Italy and an LLB degree from the University of Cape Town. In 2009 Jacob completed his pupillage at the Cape Bar and was admitted as an Advocate of the High Court. Jacob serves as a non-executive director of Pepkor Holdings, Invicta Holdings, Digicore Holdings and Premier Foods and an alternate director of Shoprite Holdings and Tradehold and is involved with the management of Lourensford Wine Estate, one of South Africa’s largest and most prestigious wine farms.

*The reason for Ordinary Resolution Numbers 2 and 3 is that the MOI of the Company and, to the extent applicable, the Companies Act, require that a component of the directors rotate at the Annual General Meeting and, being eligible, may offer themselves for re-election as directors. The reason for Ordinary Resolution Numbers 4 and 5 is that the MOI of the Company requires that any appointments made by the board as additional appointments or to fill a vacancy, must be confirmed at the next annual general meeting of the Company.*

## 6. Ordinary Resolution Number 6 – Appointment of member of the audit and risk committee (Ms KR Moloko)

**“RESOLVED AS AN ORDINARY RESOLUTION** that Ms KR Moloko, being eligible, subject to her re-election as a director in terms of Ordinary Resolution Number 2 above, be and is hereby appointed or re-appointed, as the case may be, as a member of the audit and risk committee of the Company, as recommended by the board of directors of the Company, until the next annual general meeting of the Company.”

A summarised curriculum vitae of Ms KR Moloko appears at Ordinary Resolution Number 2 above.

**7. Ordinary Resolution Number 7 – Appointment of member of the audit and risk committee (Mr LW Andrag)**

**“RESOLVED AS AN ORDINARY RESOLUTION** that Mr LW Andrag, being eligible, be and is hereby appointed or re-appointed as the case may be, as a member of the audit and risk committee of the Company, as recommended by the board of directors of the Company, until the next annual general meeting of the Company.”

**Summarised curriculum vitae of Mr LW (Louis) Andrag**

Louis obtained his B.Eng and MBA degrees from the University of Stellenbosch. He joined a private company in the agricultural industry in 1999 as Divisional Manager. He started his own property development and investment company in 2009. He serves as chairman and director on the boards of a number of private companies.

**8. Ordinary Resolution Number 8 – Appointment of member of the audit and risk committee (Adv JD Wiese)**

**“RESOLVED AS AN ORDINARY RESOLUTION** that Adv JD Wiese, being eligible, subject to the adoption of Ordinary Resolution Number 5 above, be and is hereby appointed or re-appointed, as the case may be, as a member of the audit and risk committee of the Company, as recommended by the board of directors of the Company, until the next annual general meeting of the Company.”

A summarised curriculum vitae of Adv JD Wiese appears at Ordinary Resolution Number 5 above.

*The reason for Ordinary Resolutions Numbers 6, 7 and 8 is that the Company, being a public listed company, must appoint an audit committee and the Companies Act requires that the members of such audit committee be appointed, or re-appointed, as the case may be, at each annual general meeting of the Company.*

**9. Ordinary Resolution Number 9 – General authority to issue linked units for cash**

**“RESOLVED AS AN ORDINARY RESOLUTION** that the directors of the Company be and are hereby authorised, by way of a general authority, to allot and issue linked units for cash, to such person/s on such terms and conditions and at such times as the directors may, from time to time, in their discretion deem fit, subject to the Companies Act, the MOI of the Company and the JSE Listings Requirements from time to time, which currently provide, *inter alia*, the following limitations:

- the linked units which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such linked units or rights that are convertible into a class already in issue;
- any such issue may only be made to public linked unitholders as defined by the JSE Listings Requirements and not to related parties;
- the number of linked units issued for cash hereunder shall not, in the aggregate, exceed 5% (five percent) of the number of the Company's issued linked units of that class (excluding linked units). The number of linked units which may be issued shall be based on the number of linked units in issue as at the date of this Notice. As at the date of this Notice, 5% (five percent) of the number of issued linked units amounts to 26,381,813 ordinary linked units;
- this general authority will be valid until the earlier of the Company's next annual general meeting or the expiry of a period of 15 (fifteen) months from the date that this authority is given;
- after the Company has issued linked units under this general authority representing, on a cumulative basis within the period of this approval, 5% (five per cent) or more of the number of linked units in issue prior to the issue, the Company shall publish an announcement containing full details of the issue, including:
  - the number of linked units issued;
  - the average discount to the weighted average traded price of the linked units over the 30 (thirty) business days prior to the date that the issue is agreed in writing between the Company and the party/ies subscribing for the linked units; and
  - in respect of the issue of options and convertible securities pursuant to paragraph 5.53 of the JSE Listings Requirements, the effects of the issue on the statement of financial position, net asset value per linked unit, net tangible asset value per linked unit, the statement of comprehensive income, earnings per linked unit, headline earnings per linked unit and, if applicable, diluted earnings and headline earnings per linked unit; or
  - in respect of an issue of linked units pursuant to paragraph 5.52 of the JSE Listings Requirements, an explanation, including supporting information (if any), of the intended use of the funds;

# Notice of Annual General Meeting

(Continued)

## 9. Ordinary Resolution Number 9 – General authority to issue linked units for cash (continued)

- in determining the price at which an issue of linked units may be made in terms of this authority, the maximum discount permitted will be 5% (five percent) of the weighted average traded price on the JSE of the linked units over the 30 (thirty) business days prior to the date that the price of the issue is agreed between the Company and the party subscribing for the linked units;
- the approval of this general authority to issue for cash resolution by achieving a 75% (seventy-five per cent) majority of the votes cast in favour of this resolution at the Annual General Meeting; and
- this authority includes the authority to issue any options/convertible linked units that are convertible into an existing class of linked units, where applicable."

*The reason for Ordinary Resolution Number 9 is that, for the Company to issue linked units for cash, it must obtain the prior authority of linked unitholders to the extent required under the JSE Listings Requirements. The effect of Ordinary Resolution Number 9 is to obtain such general authority from linked unitholders to issue linked units for cash in compliance with the JSE Listings Requirements.*

## 10. Ordinary Resolution Number 10 – Authority to sell Treasury Linked Units

**"RESOLVED AS AN ORDINARY RESOLUTION** that, whereas a subsidiary of the Company currently holds 2,211,860 Fairvest ordinary linked units in treasury ("**Treasury Linked Units**"), and whereas paragraph 5.75 of the JSE Listings Requirements states that whenever a listed company wishes to use such treasury linked units, such use must comply with the JSE Listings Requirements as if such use was a fresh issue of securities, the directors of the Company be and are hereby authorised, by way of a general authority, to sell any or all such Treasury Linked Units for cash, to such person/s on such terms and conditions and at such times as the directors may, from time to time, in their discretion deem fit, subject to the Companies Act, the MOI of the Company and the JSE Listings Requirements from time to time, including the limitations listed in Ordinary Resolution Number 9 above, and which are hereby incorporated, *mutatis mutandis*, in this Ordinary Resolution Number 10, and which include, *inter alia*, the following:

- any such sale of Treasury Linked Units may only be made to public linked unitholders as defined by the JSE Listings Requirements and not to related parties;
- this general authority will be valid until the earlier of the Company's next annual general meeting or the expiry of a period of 15 (fifteen) months from the date that this authority is given;
- in determining the price at which any Treasury Linked Units may be sold in terms of this authority, the maximum discount permitted will be 5% (five percent) of the weighted average traded price on the JSE of the linked units over the 30 (thirty) business days prior to the sale of such Treasury Linked Units; and
- the approval of this general authority to sell Treasury Linked Units for cash by achieving a 75% (seventy-five per cent) majority of the votes cast in favour of this resolution at the Annual General Meeting."

*The reason for Ordinary Resolution Number 10 is that, for the Company to sell any Treasury Linked Units for cash, it must obtain the prior authority of linked unitholders to the extent required under the JSE Listings Requirements. The effect of Ordinary Resolution Number 10 is to obtain such general authority from linked unitholders to sell Treasury Linked Units for cash in compliance with the JSE Listings Requirements.*

## 11. Ordinary Resolution Number 11 – Authority to execute requisite documentation

**"RESOLVED AS AN ORDINARY RESOLUTION** that any director of the Company or, where appropriate, the company secretary, be and are hereby authorised to do all such things and to sign all such documents issued by the Company as are required to give effect to the special and ordinary resolutions passed at this Annual General Meeting."

*The reason for Ordinary Resolution Number 11 is to provide the necessary authority to any director of the Company or the company secretary to implement the special and ordinary resolutions which are to be tabled at the Annual General Meeting.*

*For any special resolution to be adopted, at least 75% (seventy-five per cent) of the voting rights exercised on such special resolution must be exercised in favour thereof.*

#### **12. Special Resolution Number 1 – Remuneration of non-executive directors**

**“RESOLVED AS A SPECIAL RESOLUTION** in terms of section 66(9) of the Companies Act, that the remuneration payable to non-executive directors to remunerate them for their services as directors, payable for the year ended 30 June 2015, will remain unchanged at R120,000 per year for each non-executive director.”

##### **Reason for and effect of the special resolution**

*The reason for Special Resolution Number 1 is for the Company to obtain the approval of linked unitholders by way of a special resolution for the payment of remuneration to its non-executive directors in accordance with the requirements of the Companies Act. The passing of this special resolution will have the effect of approving the remuneration of each of the non-executive directors of the Company for the year ending 30 June 2015 in accordance with section 66(9) of the Companies Act.*

#### **13. Special Resolution Number 2 – Inter-company loans**

**“RESOLVED AS A SPECIAL RESOLUTION** in terms of section 45(3)(a)(ii) of the Companies Act, as a general approval, that the board of the Company be and is hereby authorised to approve that the Company provides any direct or indirect financial assistance (“**financial assistance**” will herein have the meaning attributed to it in section 45(1) of the Companies Act) that the board of the Company may deem fit to any company or corporation that is related or inter-related to the Company (“**related**” and “**inter-related**” will herein have the meanings attributed to them in section 2 of the Companies Act), on the terms and conditions and for amounts that the board of the Company may determine, provided that the aforementioned approval shall be valid until the date of the next annual general meeting of the Company.”

##### **Reason for and effect of the special resolution**

*The reason for and effect of Special Resolution Number 2 is to grant the directors of the Company the authority until the next annual general meeting to provide financial assistance to any company or corporation which is related or inter-related to the Company. This means that the Company is, inter alia, authorised to grant loans to its subsidiaries and to guarantee the debt of its subsidiaries.*

#### **14. Special Resolution Number 3 – Financial assistance for acquisition of securities in the Company or in a related or inter-related company**

**“RESOLVED AS A SPECIAL RESOLUTION** in terms of section 44(3)(a)(ii) of the Companies Act, as a general approval, that the board of directors of the Company be and is hereby authorised to approve that the Company provides any direct or indirect financial assistance (“**financial assistance**” will herein have the meaning attributed to it in sections 44(1) and 44(2) of the Companies Act) that the board of the Company may deem fit to any person for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the Company or a related or inter-related company or corporation (“**related**” and “**inter-related**” will herein have the meanings attributed to them in section 2 of the Companies Act), or for the purchase of any securities of the Company or a related or inter-related company or corporation, on the terms and conditions and for amounts that the board of the Company may determine, provided that the aforementioned approval shall be valid until the date of the next annual general meeting.”

##### **Reason for and effect of the special resolution**

*The reason for and effect of Special Resolution Number 3 is to grant the directors of the Company the authority until the next annual general meeting to provide financial assistance for the purpose of, or in connection with, the subscription or purchase of options, shares or other securities in the Company or any related or inter-related company or corporation. A typical example of where the Company may rely on this authority, is where a subsidiary raised funds by way of issuing preference shares and the third-party funder requires the Company to furnish security, by way of a guarantee or otherwise, for the obligations of its subsidiary to the third-party funder arising from the issue of the preference shares. The Company has no immediate plans to use this authority and is simply obtaining same in the interests of prudence and good corporate governance should the unforeseen need arise to use the authority.*

# Notice of Annual General Meeting

(Continued)

## 15. Other business

To transact such other business as may be transacted at an annual general meeting or raised by linked unitholders with or without advance notice to the Company.

### Voting and proxies

A linked unitholder entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend and vote in his/her stead, subject to the general instructions attached to this Notice. Any proxy so appointed need not be a linked unitholder of the Company.

The date on which linked unitholders must have been recorded as such in the linked unit register maintained by the transfer secretaries of the Company for purposes of being entitled to receive this Notice is Friday, 26 September 2014.

The date on which linked unitholders must be recorded in the linked unit register maintained by the transfer secretaries of the Company for purposes of being entitled to attend and vote at the Annual General Meeting is Friday, 14 November 2014, with the last day to trade being Friday, 7 November 2014.

For the convenience of linked unitholders, a form of proxy is enclosed herewith. The attached form of proxy is only to be completed by those linked unitholders who:

- hold linked units in certificated form; or
- are recorded on the sub-register in "own name" dematerialised form.

Linked unitholders who have dematerialised their linked units through a CSDP or broker without "own name" registration and who wish to attend the Annual General Meeting, must instruct their CSDP or broker to provide them with the relevant letter of representation to attend the meeting in person or by proxy and vote. If they do not wish to attend in person or by proxy, they must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker.

Proxy forms must be received at the registered office of the Company, or at the office of the transfer secretaries, Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) at least 48 hours, excluding Saturdays, Sundays and public holidays, before the time of the Annual General Meeting.

Meeting participants will be required to provide proof of identification to the reasonable satisfaction of the chairman of the Annual General Meeting and must accordingly bring a copy of their identity document, passport or drivers' license to the Annual General Meeting. If in doubt as to whether any document will be regarded as satisfactory proof of identification, meeting participants should contact the transfer secretaries for guidance.

### By order of the Board

J van der Merwe (on behalf of SecCorp Secretarial Services Proprietary Limited)  
Company secretary  
30 September 2014

### Registered office address

Office 18003, 18th Floor  
Triangle House  
22 Riebeek Street  
Cape Town  
8001

### Postal address

Postnet Suite 30  
Private Bag X3  
Roggebaai  
8012

# ANNEXURE A – AUDITED CONDENSED CONSOLIDATED RESULTS

FOR THE YEAR ENDED 30 JUNE 2014

The preparation of these condensed consolidated financial statements was supervised by the Chief Financial Officer, BJ Kriel CA (SA).

The annual report containing the complete audited annual financial statements will be available on the company's website at [www.fairvest.co.za](http://www.fairvest.co.za) or can be obtained from the company's registered office.

|  | Audited<br>2014<br>R '000 | Audited<br>2013<br>R '000 |
|--|---------------------------|---------------------------|
| <b>CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION</b> |                           |                           |
| <b>Assets</b>  |                           |                           |
| <b>Non-current assets</b>                                      | 1 103 918                 | 774 810                   |
| Investment property  | 1 089 481                 | 770 307                   |
| Office equipment   | 342                       | 354                       |
| Operating lease asset  | 14 095                    | 4 149                     |
| <b>Current assets</b>  | 19 013                    | 10 269                    |
| Trade and other receivables                                    | 15 347                    | 7 506                     |
| Taxation   | –                         | 59                        |
| Cash and cash equivalents                                      | 3 666                     | 2 704                     |
| Non-current assets held for sale                               | 4 500                     | –                         |
| <b>Total assets</b>  | 1 127 431                 | 785 079                   |
| <b>Equity and liabilities</b>                                  |                           |                           |
| <b>Equity and reserves</b>                                     |                           |                           |
| Ordinary share capital   | 5 254                     | 3 598                     |
| <b>Non-current liabilities</b>                                 | 1 055 647                 | 743 363                   |
| Linked unit debentures   | 830 024                   | 543 309                   |
| Interest bearing borrowings                                    | 222 000                   | 200 047                   |
| Deferred taxation  | 3 623                     | 7                         |
| <b>Current liabilities</b>                                     | 66 530                    | 38 118                    |
| Trade and other payables                                       | 66 530                    | 38 118                    |
| <b>Total equity and liabilities</b>                            | 1 127 431                 | 785 079                   |

# ANNEXURE A – AUDITED CONDENSED CONSOLIDATED RESULTS

FOR THE YEAR ENDED 30 JUNE 2014 continued

| <b>CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY</b> | Share capital<br>R'000 | Retained income<br>R'000 | Total<br>R'000 |
|---|------------------------|--------------------------|----------------|
| Balance at 1 July 2012  | 857                    | –                        | 857            |
| Linked units issued   | 2 740                  | –                        | 2 740          |
| Disposal of treasury units                                    | 1                      | –                        | 1              |
| Total comprehensive income for the year                       | –                      | –                        | –              |
| Balance at 30 June 2013                                       | 3 598                  | –                        | 3 598          |
| Linked units issued   | 1 678                  | –                        | 1 678          |
| Acquisition of treasury linked units                          | (22)                   | –                        | (22)           |
| Total comprehensive income for the year                       | –                      | –                        | –              |
| <b>Balance at 30 June 2014</b>                                | <b>5 254</b>           | <b>–</b>                 | <b>5 254</b>   |

| <b>STATEMENTS OF CHANGES IN LINKED UNIT DEBENTURES</b> | Linked unit debenture capital<br>R'000 | Linked unit debenture fair value adjustment<br>R'000 | Total<br>R'000 |
|--|--|--|----------------|
| Balance at 1 July 2012                                 | 857                                    | 142 474  | 143 331        |
| Linked units issued                                    | 2 740                                  | 339 830  | 342 570        |
| Disposal of treasury units                             | 1                                      | –  | 1              |
| Net fair value adjustment                              | –                                      | 57 407   | 57 407         |
| Balance at 30 June 2013                                | 3 598                                  | 539 711  | 543 309        |
| Linked units issued                                    | 1 678                                  | 231 666  | 233 344        |
| Acquisition of treasury linked units                   | (22)                                   | (2 760)  | (2 782)        |
| Net fair value adjustment                              | –                                      | 56 153   | 56 153         |
| <b>Balance at 30 June 2014</b>                         | <b>5 254</b>                           | <b>824 770</b>                                       | <b>830 024</b> |

|  | Audited<br>2014<br>R'000 | Audited<br>2013<br>R'000 |
|--|--------------------------|--------------------------|
| <b>CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS</b> |                          |                          |
| Cash inflow/(outflow) from operating activities        | 15 055                   | (1 859)                  |
| Cash outflow to investing activities                   | (32 298)                 | (567 995)                |
| Cash inflow from financing activities                  | 18 205                   | 547 823                  |
| Net increase/(decrease) in cash and cash equivalents   | 962                      | (22 031)                 |
| Cash and cash equivalents at beginning of period       | 2 704                    | 24 735                   |
| Cash and cash equivalents at end of period             | 3 666                    | 2 704                    |

#### CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

|   |          |          |
|---|----------|----------|
| <b>Gross revenue</b>  | 148 961  | 54 184   |
| Rental income – contractual                                   | 138 371  | 50 376   |
| – straight-line accrual                                       | 10 590   | 3 808    |
| Property expenses   | (49 158) | (16 447) |
| Net profit from property operations                           | 99 803   | 37 737   |
| Corporate administrative expenses                             | (10 099) | (6 217)  |
| <b>Operating profit</b>                                       | 89 704   | 31 520   |
| Foreign exchange gains  | –        | 42       |
| Fair value adjustment to listed investments                   | –        | 284      |
| Fair value adjustment to investment properties                | 56 423   | 67 745   |
| Fair value adjustment to debentures                           | (56 153) | (57 407) |
| Finance cost  | (21 015) | (7 048)  |
| Investment revenue  | 629      | 4 998    |
| <b>Profit before debenture interest</b>                       | 69 588   | 40 134   |
| Debenture interest  | (59 600) | (27 255) |
| <b>Profit after debenture interest</b>                        | 9 988    | 12 879   |
| Capital raising expenses                                      | (6 372)  | (16 126) |
| <b>Profit/(loss) before taxation</b>                          | 3 616    | (3 247)  |
| Taxation  | (3 616)  | 3 247    |
| <b>Comprehensive income attributable to shareholders</b>      | –        | –        |
| <b>Profit and total comprehensive income attributable to:</b> |          |          |
| – Owners of the parent  | –        | –        |
| – Non controlling interest                                    | –        | –        |

# ANNEXURE A – AUDITED CONDENSED CONSOLIDATED RESULTS

FOR THE YEAR ENDED 30 JUNE 2014 (continued)

| <b>Reconciliation between profit attributable to shareholders and headline earnings per linked unit</b> | Audited<br>2014<br>R'000 | Audited<br>2013<br>R'000 |
|---|--------------------------|--------------------------|
| <i>Shares are traded as part of linked units</i>  |                          |                          |
| Profit attributable to linked shareholders*   | –                        | –                        |
| Fair value adjustment to investment properties  | (56 423)                 | (67 745)                 |
| Headline and diluted headline loss attributable to shareholders   | (56 423)                 | (67 745)                 |
| Fair value adjustment to debentures   | 56 153                   | 57 407                   |
| Debenture interest  | 59 600                   | 27 255                   |
| Headline and diluted headline profit attributable to linked unitholders                                 | 59 330                   | 16 917                   |
| <b>Distribution (debenture interest)*</b>   |                          |                          |
| Special distribution per linked unit (cents)  | –                        | 3.71                     |
| Interim interest distribution per linked unit (cents)   | 6.75                     | 0.86                     |
| Final interest distribution per linked unit (cents)   | 6.97                     | 6.00                     |
| Total interest distribution per linked unit (cents)   | 13.72                    | 10.57                    |
| <b>Earnings per share</b>   |                          |                          |
| Basic and diluted earnings per share (cents) **   | –                        | –                        |
| Headline and diluted headline loss per share (cents) **   | (13.1)                   | (32.2)                   |
| Headline and diluted headline earnings per linked unit (cents) **                                       | 13.7                     | 8.0                      |
| Net asset value per linked unit and net tangible asset value per linked unit (cents)***                 | 159.0                    | 151.9                    |
| <b>Linked unit statistics (excluding treasury shares)</b>   |                          |                          |
| Linked units in issue   | 527 636 276              | 359 762 307              |
| Less: Treasury linked units   | (2 211 860)              | –                        |
| Effective linked units in issue   | 525 424 416              | 359 762 307              |
| Weighted average number of linked units   | 432 337 771              | 210 840 698              |

\* Debenture interest is calculated on the capital at a variable rate equal to 99.9% of the net profit of the company before taxation, but after adjusting for extraordinary income and expenditure, capital gains and losses, and capital expenditure.

\*\* Headline earnings have been presented in accordance with IAS 33. The linked unit structure of the group whereby every shareholder is a debenture holder, coupled with the terms of the Debenture Trust Deed which states that 99.9% of profits are attributable to debenture holders, results in the benefits of improved trading which would be ordinarily attributable to shareholders being expensed in the income statement as a fair value adjustment to debentures and debenture interest. This results in no profit being attributable to ordinary shareholders.

\*\*\* Linked unit debentures are included in the net asset value and net tangible asset value calculation.

## CONDENSED CONSOLIDATED SEGMENT REPORT

|  | Eastern<br>Cape<br>R'000 | Western<br>Cape<br>R'000 | Free<br>State<br>R'000 | Gauteng<br>R'000 | KwaZulu<br>Natal<br>R'000 | Northern<br>Cape<br>R'000 | Limpopo<br>R'000 | Reconciling<br>items/<br>(Eliminations)<br>R'000 | Total<br>R'000 |
|--|--------------------------|--------------------------|------------------------|------------------|---------------------------|---------------------------|------------------|--|----------------|
| <b>FOR THE YEAR ENDED 30 JUNE 2014</b> |                          |                          |                        |                  |                           |                           |                  |  |                |
| Revenue - external customers           | 8 789                    | 41 533                   | 1 398                  | 34 406           | 39 531                    | 5 578                     | 7 136            | –  | 138 371        |
| Operating profit                       | 7 158                    | 29 371                   | 993                    | 20 870           | 33 220                    | 2 809                     | 5 382            | (10 099)   | 89 704         |
| Total assets                           | 43 919                   | 276 171                  | 6 970                  | 215 674          | 406 960                   | 53 140                    | 111 113          | 13 484   | 1 127 431      |

### FOR THE YEAR ENDED 30 JUNE 2013

|                              |        |         |       |         |         |   |   |         |         |
|------------------------------|--------|---------|-------|---------|---------|---|---|---------|---------|
| Revenue - external customers | 8 345  | 14 024  | 1 283 | 9 228   | 17 496  | – | – | –       | 50 376  |
| Intersegmental revenue       | –      | 191     | –     | –       | –       | – | – | (191)   | –       |
| Operating profit             | 6 334  | 10 324  | 815   | 5 946   | 14 262  | – | – | (6 161) | 31 520  |
| Total assets                 | 38 872 | 243 820 | 8 452 | 195 849 | 290 114 | – | – | 7 972   | 785 079 |

### Other segmental information

|  | 2014    | 2013    |
|--|---------|---------|
| <b>Regional profile based on leasable area</b>                           |         |         |
| KwaZulu-Natal  | 29.5%   | 32.0%   |
| Western Cape   | 24.2%   | 30.9%   |
| Gauteng  | 23.3%   | 28.8%   |
| Limpopo  | 9.3%    | –       |
| Northern Cape  | 7.2%    | –       |
| Eastern Cape   | 5.0%    | 6.4%    |
| Free State   | 1.5%    | 1.9%    |
| <b>Sector profile based on leasable area</b>                             |         |         |
| Retail   | 88.0%   | 85.1%   |
| Office   | 12.0%   | 14.9%   |
| <b>Vacancy profile based on gross lease area</b>                         |         |         |
| Gross lease area in metres squared as at end of period *                 | 125,520 | 100,578 |
| Properties held  | 32      | 28      |
| Vacancy area in metres squared *   | 8,772   | 9,023   |
| Vacancy area as % of gross lease area                                    | 7.0%    | 9.0%    |
| <b>Regional vacancy profile</b><br>(regions where vacancies are located) |         |         |
| KwaZulu-Natal  | 42.4%   | 46.4%   |
| Gauteng  | 36.2%   | 37.2%   |
| Western Cape   | 9.7%    | 16.4%   |
| Northern Cape  | 7.7%    | –       |
| Limpopo  | 4.0%    | –       |

# ANNEXURE A – AUDITED CONDENSED CONSOLIDATED RESULTS

FOR THE YEAR ENDED 30 JUNE 2014 (continued)

## **Basis of preparation and accounting policies**

The preparation of these condensed consolidated financial statements was supervised by the Chief Financial Officer, BJ Kriel CA (SA).

The accounting policies applied in the preparation of these audited condensed consolidated results for the year ended 30 June 2014, which are based on reasonable judgements and estimates, are in accordance with International Financial Reporting Standards ("IFRS") and are consistent with those applied in the annual financial statements for the year ended 30 June 2013. Any other new and amendments to IFRS and IFRIC interpretations did not impact on the financial position or performance of the company but has resulted in additional disclosures. These audited condensed consolidated results as set out in this report have been prepared in accordance and containing the information required by IAS 34 – Interim Financial Reporting, the SAICA Financial Reporting Guidelines as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Council, the Companies Act of South Africa 71 of 2008, and the Listings Requirements of JSE Limited.

These audited condensed consolidated results for the year ended 30 June 2014 have been prepared in accordance with the historic cost basis, except for the measurement of investment properties, debentures and certain financial assets and financial liabilities which are stated at fair value.

The financial results are presented in Rands, which is Fairvest's functional and presentation currency and have been prepared on a going concern basis.

## **Audit report**

The audited condensed consolidated results for the year ended 30 June 2014, have been extracted from the group's annual financial statements which have been audited by BDO South Africa Inc. A copy of their unmodified audit opinion is available for inspection at the company's registered office. Any reference to future financial performance included in this announcement has not been reviewed or reported on by the company's auditors.

The directors take full responsibility for the preparation of the condensed consolidated audited results presented and that the financial information has been correctly extracted from the underlying financial statements.

## **Estimates and critical judgements**

Except for the measurement of investment properties, debentures and certain financial assets and financial liabilities the financial statements do not include any material estimates.

## COMMENTARY

### Introduction

Fairvest is a property investment holding company and Real Estate Investment Trust (REIT), with a unique focus on retail assets weighted toward non-metropolitan and rural shopping centres, as well as convenience and community shopping centres servicing the lower LSM market, in high-growth nodes, close to commuter networks. The Fairvest property portfolio consists of 32 properties, with 125 520m<sup>2</sup> of lettable area and valued at R1 109.1 million.

Fairvest's application to the JSE Limited for Real Estate Investment Trust ("**REIT**") status was approved on 3 July 2013. The conversion to a REIT is effective from 1 July 2013.

### Acquisitions and associated capital raising activities

Linked unitholders are referred to the company's SENS announcement dated 31 January 2014, regarding the acquisition by the company from Vukile Property Fund Limited of a portfolio of 4 retail properties. This transaction was implemented in January 2014 and all properties transferred to the company. 167 873 969 ordinary linked units were issued to Vukile in terms of an acquisition issue at an issue price of R1.40 per linked unit, raising R235.0 million of new equity.

This transaction created a strategic relationship between Fairvest and Vukile and after some further share purchases in the open market Vukile now holds 32.2% of the issued linked units in Fairvest.

### Review of results

The Fairvest board of directors is pleased to announce a distribution of 6.97 cents per linked unit for the 6 months ended 30 June 2014, bringing the total distribution for the year to 13.72 cents per linked unit, exceeding the guidance issued to the market of 13.70 cents per linked unit.

Distribution history

|        | Interim<br>cents per linked unit | Final<br>cents per linked unit | Total<br>cents per linked unit |
|--------|----------------------------------|--------------------------------|--------------------------------|
| Jun-11 | 5.00                             | 5.90                           | 10.90                          |
| Jun-12 | 5.20                             | 6.30                           | 11.50                          |
| Jun-13 | 4.57                             | 6.00                           | 10.57                          |
| Jun-14 | 6.75                             | 6.97                           | 13.72                          |

Revenue for the year ended 30 June 2014 increased by 175% to R149.0 million as a result of income growth in the historic portfolio and the acquisitions. Net profit from property operations increased by 164% to R99.8 million, while administration expenses were contained to a growth of 62% to R10.1 million, resulting in debenture interest increasing by 119% to R59.6 million. Recurring expenses as a ratio of revenue has continued to increase year-on-year from 32.6% in the prior year to 35.5%, with rates and taxes and other government services representing the largest contributor to expense escalations.

Gross rentals across the portfolio trended upwards during the year, with a 6.2% increase in the weighted average rental of R86.4/m<sup>2</sup> at 30 June 2014 compared to the previous year. At 30 June 2014 the weighted average contractual escalation for the portfolio was 7.2%. This is mainly as a result of the high national tenant percentage component of 78.6% of the portfolio, which provides unit holders with a relatively low risk investment profile.

### Tenant grade as a percentage of GLA

|                 |       |
|-----------------|-------|
| A-grade tenants | 78.6% |
| B-grade tenants | 9.2%  |
| C-grade tenants | 12.2% |

A – Anchor and national tenants

B – Franchise, professional and large tenants

C – other

# ANNEXURE A – AUDITED CONDENSED CONSOLIDATED RESULTS

## FOR THE YEAR ENDED 30 JUNE 2014 (continued)

Vacancies reduced from 9.0% to 7.0% during the period under review. Despite a 24.8% increase in the GLA of the portfolio actual vacant space decreased from 9 023m<sup>2</sup> at the end of 2013 to 8 772m<sup>2</sup> at 30 June 2014. The improvement is as a result of various leasing initiatives that were implemented during the year. An agreement of sale is being negotiated on the vacant Gingindlovu property and should it be concluded, the vacancy percentage will reduce further to 4.6% which is in line with industry norms. As at 30 June 2014 the weighted average lease length in fund was 41 months.

### Lease expiry profile

|                    | Based on rentable area | Based on gross rental |
|--------------------|------------------------|-----------------------|
| Vacant             | 7.0%                   | 0.0%                  |
| Expired/monthly    | 14.4%                  | 15.7%                 |
| 30 June 2015       | 10.8%                  | 13.5%                 |
| 30 June 2016       | 14.9%                  | 16.1%                 |
| 30 June 2017       | 9.2%                   | 10.1%                 |
| 30 June 2018       | 13.9%                  | 11.8%                 |
| After 30 June 2019 | 29.8%                  | 32.8%                 |

During the period under review 59 new leases were concluded which equated to a GLA of 13 626m<sup>2</sup>. Renewal activity was also positive with a 7.8% escalation achieved on the 14 313m<sup>2</sup> of leases that were renewed during the year. Tenant retention for the year was 81.7%.

### Redevelopments and upgrades

#### Clubview Corner

The upgrade to Clubview Corner was completed in January 2014. The letting of the centre is currently underway with new leases concluded with Spar and Simply Asia. Fairvest also successfully negotiated the sale of the independent liquor store at the centre to the Spar Franchisee as a rebranded Tops Liquor store. Interest is ongoing on the remaining vacancy with the objective being to fill the vacancy by the end of the next financial year.

#### SASSA House (previously Deals House)

The Deals House property was rebranded during the year as SASSA House. The upgrade of the external façade was completed which involved the replacement of existing windows, new air-conditioning units and repainting of the building, including signage and new architectural elements. Phase 2 of the upgrade involved the creation of a new foyer area and the installation of two new lifts to better serve the office tenant SASSA.

The first lift was completed and operational in April 2014 with the second lift due to be commissioned by August 2014. Phase 3, being the upgrade and re-tenanting of the ground floor retail, is scheduled to be completed by 30 June 2015.

As a result of the upgrades undertaken, SASSA have renewed their lease agreement for a further two years. Discussions are underway with SASSA in terms of a further renewal for five years, the renewal of which will be accompanied by an obligation to provide a tenant installation for the office space being occupied.

#### Nyanga Junction

A significant upgrade of Nyanga Junction was undertaken during the current financial year. A new 10-year lease was concluded with Shoprite during the year, which allowed us to attend to a number of upgrade items during the period. By the end of the financial year we have repainted a significant portion of the building, upgraded the lighting, improved the signage and installed a new security camera system, all of which has significantly improved the overall aesthetics at the centre.

As a consequence of the upgrade, existing tenants have renewed their lease agreements and there is renewed interest in the centre from national tenants. The additional upgrades to be completed during the 2015 financial year should further contribute to the shopping experience by way of an improvement in the safety and security, as well the creation of a new food court.

## Property portfolio

The total property portfolio increased from R774.8 million in June 2013 to R1 109.1 million. The increase is mainly as a result of the acquisition of the Vukile properties, with the historic portfolio increasing by 13.3% relative to the previous year.

### Portfolio valuation history

|        | R'million |
|--------|-----------|
| Jun-10 | 88.8      |
| Jun-11 | 99.5      |
| Jun-12 | 103.5     |
| Jun-13 | 774.8     |
| Jun-14 | 1 109.1   |

In line with the accounting policy of the group, a third of the portfolio was valued by independent external valuers. Of the 32 properties, 11 were valued by DDP Valuers and the remainder by management. All properties need to be valued by external valuers at least every 3 years. The properties are valued using a 5 year discounted cashflows. Assumptions are made on the discount rates used to determine the present value of the cashflows. Assumptions are also made on the capitalisation rate on an assumed sale after 5 years. The weighted average discount rate used was 15.0% and weighted average capitalisation rate used was 10.4%.

### Borrowings

The interest bearing debt to asset ratio remains low at 20.1%. The targeted gearing levels are between 35% and 40%. As at 30 June 2014, 46.2% of the debt was fixed, with the intention of increasing this percentage to 70%. Future acquisitions will be utilised to increase the fixed component of our debt and de-risk the portfolio further by minimising the impact of interest rates movements on our performance.

The weighted average all-in cost of funding is 8.66% with a weighted average maturity of 34 months.

### Prospects

The economic environment remains challenging with slower economic growth and rising interest rates. Despite the economic outlook, Fairvest is in a strong and healthy position for delivery of future prospects, further strengthened by the improvement in the portfolio and tenant mix, and the acquisition of quality assets during the year. The distribution growth for the listed property sector is forecast at between 7% and 8%. Management is cognisant of Fairvest's need to outperform the sector given its size, and is confident that distribution growth of between 9% and 10% will be achievable for the 2015 financial year.

This view assumes that interest rates will rise by no more than 100 basis points over the course of our financial year and there being no material deterioration in the macro-economic environment relative to current levels, no major corporate failures will occur and tenants will be able to absorb increases in municipal and utility costs. Forecast rental income is based on contractual lease terms and anticipated market related renewals. This forecast is the responsibility of the board of Fairvest and has not been reviewed or reported on by the auditors.



# FORM OF PROXY

## FAIRVEST PROPERTY HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)  
 (Registration number 1998/005011/06)  
 Linked unit code: FVT ISIN: ZAE 000034658  
 ("Fairvest" or "the Company")

For the sole use by the following holders of linked units in the Company at the Annual General Meeting of the Company to be held in the boardroom, Office 18003, 18th floor, Triangle House, 22 Riebeeck Street, Cape Town on Wednesday, 19 November 2014 at 10:30 and at any adjournment thereof ("**Annual General Meeting**"):

- Certificated linked unitholders; and
- dematerialised linked unitholders with "own name" registration.

Forms of proxy must be completed and delivered to the Company's registered office, Office 18003, 18th floor, Triangle House, 22 Riebeeck Street, Cape Town, 8001 (Postnet Suite 30, Private Bag X3, Roggebaai, 8012) or to the Transfer Secretaries, Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) to be received by no later than 10:30 on Monday, 17 November 2014.

I/We (BLOCK letters please)

of (address)

Telephone work

Telephone home

being the holder/custodian of

linked units in the Company, hereby appoint

1. or, failing him/her

2. or, failing him/her

3. the chairman of the Annual General Meeting

as my/our proxy to attend, speak and vote for me/us on my/our behalf at the Annual General Meeting of the Company for purposes of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at each adjournment or postponement thereof, and to vote for and/or against and/or abstain from voting in respect of the linked units in the issued capital of the Company registered in my/our name in accordance with the following instructions:

| Resolution   | In favour of | Against | Abstain |
|--|--------------|---------|---------|
| To accept the presentation of the annual financial statements  |              |         |         |
| Ordinary Resolution Number 1 – Re-appointment of auditors  |              |         |         |
| Ordinary Resolution Number 2 – Appointment KR Moloko as a director   |              |         |         |
| Ordinary Resolution Number 3 – Appointment of JF Du Toit as a director   |              |         |         |
| Ordinary Resolution Number 4 – Appointment of N Mkhize as a director   |              |         |         |
| Ordinary Resolution Number 5 – Appointment of JD Wiese as a director   |              |         |         |
| Ordinary Resolution Number 6 – Appointment of KR Moloko as member of the audit and risk committee  |              |         |         |
| Ordinary Resolution Number 7 – Appointment of LW Andrag as member of the audit and risk committee  |              |         |         |
| Ordinary Resolution Number 8 – Appointment of JD Wiese as member of the audit and risk committee   |              |         |         |
| Ordinary Resolution Number 9 – General authority to issue linked units for cash  |              |         |         |
| Ordinary Resolution Number 10 – Authority to sell treasury linked units  |              |         |         |
| Ordinary Resolution Number 11 – Authority to execute requisite documentation   |              |         |         |
| Special Resolution Number 1 – Remuneration of non-executive directors  |              |         |         |
| Special Resolution Number 2 – Inter-company loans  |              |         |         |
| Special Resolution Number 3 – Financial assistance for acquisition of securities in the Company or in a related or inter-related company |              |         |         |

(One vote per Fairvest linked unit held by linked unitholders. Linked unitholders must insert the relevant number of votes that they wish to vote in the appropriate box provided or "X" should they wish to vote all Fairvest linked units held by them)

Unless otherwise instructed, my/our proxy may vote as he/she thinks fit.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014

Signature

Capacity of signatory (where applicable)

Note: Authority of signatory to be attached – see note 6

Assisted by me (where applicable)

Full name

Capacity

Signature

Please read the notes on the reverse side hereof.

## NOTES TO THE FORM OF PROXY

1. A linked unitholder may insert the name of a proxy or the names of two alternative proxies of the linked unitholder's choice in the spaces provided, with or without deleting "the chairman of the Annual General Meeting" but, any such deletion must be initialled by the linked unitholder. The person whose name stands first on the form of proxy and who is present at the Annual General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. Please insert an "X" in the relevant spaces according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of linked units than the total number of linked units that you own in the Company, insert the number of linked units held in respect of which you desire to vote. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the Annual General Meeting as he/she deems fit in respect of all the linked unitholder's votes exercisable thereat. A linked unitholder or his/her proxy is not obliged to use all the votes exercisable by the linked unitholder or by his/her proxy, but the total of the votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the linked unitholder or by his/her proxy.
3. Holders of dematerialised linked units must inform their CSDP or broker of whether or not they intend to attend the Annual General Meeting and obtain the necessary authorisation from their CSDP or broker to attend the Annual General Meeting or provide their CSDP or broker with their voting instructions should they not be able to attend the Annual General Meeting in person.
4. Forms of proxy must be received at the registered office of the Company, Office 18003, 18th floor, Triangle House, 22 Riebeek Street, Cape Town, 8001 (Postnet Suite 30, Private Bag X3, Roggebaai, 8012) or to the Transfer Secretaries, Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) by no later than 10:30 on Monday, 17 November 2014.
5. The completion and lodging of this form of proxy will not preclude the relevant linked unitholder from attending the Annual General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.
6. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Company's transfer secretaries or waived by the chairman of the Annual General Meeting.
7. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
8. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries of the Company.
9. The chairman of the Annual General Meeting may reject or accept a form of proxy which is completed and/or received, other than in accordance with these notes, if the chairman is satisfied as to the manner in which the linked unitholder wishes to vote.

## SUMMARY OF RIGHTS CONTAINED IN SECTION 58 OF THE COMPANIES ACT

### In terms of section 58 of the Companies Act:

- *A shareholder of a company may, at any time and in accordance with the provisions of section 58 of the Companies Act, appoint any individual (including an individual who is not a Fairvest shareholder) as a proxy to participate in, and speak and vote at, a shareholders' meeting on behalf of such shareholder.*
- *A shareholder may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder.*
- *A proxy may delegate his authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing such proxy.*
- *Irrespective of the form of instrument used to appoint a proxy, the appointment of a proxy is suspended at any time and to the extent that the relevant shareholder chooses to act directly and in person in the exercise of any of such shareholder's rights as a shareholder.*
- *Any appointment by a shareholder of a proxy is revocable, unless the form of instrument used to appoint such proxy states otherwise.*
- *If an appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy and to the relevant company.*
- *A proxy appointed by a shareholder is entitled to exercise, or abstain from exercising, any voting right of such shareholder without direction, except to the extent that the relevant company's memorandum of incorporation, or the instrument appointing the proxy, provides otherwise.*
- *If the instrument appointing a proxy or proxies has been delivered by a shareholder to a company, then, for so long as that appointment remains in effect, any notice that is required in terms of the Companies Act or such company's memorandum of incorporation to be delivered to a shareholder must be delivered by such company to:*
  - *the relevant shareholder; or*
  - *the proxy or proxies, if the relevant shareholder has: (i) directed such company to do so, in writing and (ii) paid any reasonable fee charged by such company for doing so.*

