

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to what action to take, please consult your broker, banker, accountant, attorney or other professional advisor immediately.

FAIRVEST

PROPERTY HOLDINGS

FAIRVEST PROPERTY HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1998/005011/06)
Share code: FVT ISIN: ZAE000203808
(Approved as a REIT by the JSE)
("Fairvest" or "the Company")

Board of directors: JF du Toit* (*Chairman*), DM Wilder (*Chief executive officer*), BJ Kriel (*Chief financial officer*), AJ Marcus** (*Chief operating officer*), LW Andrag** (*Lead independent director*), JD Wiese**, N Mkhize**, TJ Cohen**

* Non-executive * Independent ** Alternate director to DM Wilder

CIRCULAR TO FAIRVEST SHAREHOLDERS

Regarding: the dividend declared for the six-month period ended 30 June 2018 of 10.344 cents per Fairvest no par value ordinary share ("Share") to Fairvest shareholders ("Shareholders") reflected in the Company's share register at close of business on Friday, 5 October 2018 ("Record Date"), with the option to reinvest such dividend.

Action required by Shareholders:

- SHOULD YOU WISH TO REINVEST THE ABOVE DIVIDEND IN NEW SHARES ("Reinvestment Alternative") and:**
 - should you be a certificated Shareholder, you must complete and return the attached form of election in respect of all of part of your shareholding in accordance with the instructions contained therein and deliver, post or email it to the Company's transfer secretaries, Computershare Investor Services Proprietary Limited ("**Transfer Secretaries**") at the address or email details stated in the form of election, so as to be received by them by no later than 12:00 on Friday, 5 October 2018; or
 - should you be a dematerialised Shareholder, you must instruct your Central Securities Depository Participant ("**CSDP**") or broker accordingly in terms of the custody agreement existing between you and your CSDP or broker.
- SHOULD YOU WISH TO RECEIVE THE ABOVE DIVIDEND IN CASH ("CASH DIVIDEND"), NO ACTION WILL BE REQUIRED AS YOU WILL BE DEEMED TO HAVE ELECTED THE CASH DIVIDEND IF YOU DO NOT ELECT THE REINVESTMENT ALTERNATIVE.**



PSG CAPITAL

Sponsor

SALIENT DATES AND TIMES	2018
Record date to determine which Shareholders are entitled to receive this circular (" Circular ")	Friday, 7 September
Circular and form of election posted to Shareholders	Friday, 14 September
Announcement of Reinvestment Alternative issue price, ratio and finalisation information on SENS	Friday, 21 September
Last day to trade <i>cum</i> Reinvestment Alternative and Cash Dividend (" LDT ")	Tuesday, 2 October
Trading commences <i>ex</i> Reinvestment Alternative and Cash Dividend	Wednesday, 3 October
Listing of maximum possible number of Shares to be issued under the Reinvestment Alternative	Friday, 5 October
Last day to elect to receive Reinvestment Alternative by 12:00 (South African time) on	Friday, 5 October
Record Date	Friday, 5 October
Electronic payment and CSDP/broker accounts updated in respect of Cash Dividend on	Monday, 8 October
Announcement of the results of the dividend on SENS	Monday, 8 October
Share certificates posted and CSDP/broker accounts updated in respect of Reinvestment Alternative on or about	Wednesday, 10 October
Adjustment of number of new Shares listed on or about	Friday, 12 October

Notes:

- Shareholders electing the Reinvestment Alternative, should note that settlement of the Shares will occur three business days after the Record Date, which differs from the conventional one business day after the record date settlement process.
- Shares may not be dematerialised or rematerialised between Wednesday, 3 October 2018 and Friday, 5 October 2018, both days inclusive.
- The above dates and times are subject to change. Any changes will be announced on SENS.

Date of issue: Friday, 14 September 2018

Copies of this Circular and form of election are available in English at the Company's registered office at 8th Floor, The Terraces, 34 Bree Street, Cape Town, 8001 during normal business hours from Friday, 14 September 2018 until Friday, 5 October 2018 and on the Company's website at www.fairvest.co.za. The distribution of this Circular and/or accompanying documents and the right to elect shares in jurisdictions other than the Republic of South Africa ("**South Africa**") may be restricted by law, and failure to comply with any of these restrictions may constitute a violation of securities laws of any jurisdictions. Shareholders' rights to elect shares are not being offered, directly or indirectly, in the United States of America, the United Kingdom, Canada, Australia or Japan unless certain exemptions from those jurisdictions are applicable. The commentary in this Circular regarding the tax implications of the Cash Dividend and the Reinvestment Alternative should not be construed as tax advice. If a Shareholder is in any doubt as to the tax implications for such Shareholder's unique circumstances, such Shareholder should consult its tax advisor.

CIRCULAR TO FAIRVEST SHAREHOLDERS

1. INTRODUCTION

- 1.1 Shareholders are referred to the Company's SENS announcement on Tuesday, 4 September 2018, advising that Fairvest's board of directors has declared a dividend of 10.344 cents per Share for the six-month period ended 30 June 2018. In the above announcement Shareholders were informed that they could either receive the dividend in cash (Cash Dividend) or could elect to reinvest the dividend and acquire new Shares in the Company (Reinvestment Alternative).
- 1.2 In this regard, Fairvest confirms that Shareholders will be entitled, in respect of all or part of their shareholding, to elect to participate in the Reinvestment Alternative, failing which they will receive the Cash Dividend of 10.344 cents per Share.
- 1.3 The number of Shares which Shareholders will receive in terms of the Reinvestment Alternative will be determined with reference to the ratio that 10.344 cents per Share bears to the ratio price, being:
 - 1.3.1 the five-day volume weighted average traded price (less the Cash Dividend) ("**5-day VWAP**"); or
 - 1.3.2 the spot price (less the Cash Dividend) ("**Spot Price**")of Shares on the JSE prior to the finalisation date, subject to any discount to such 5-day VWAP or Spot Price as may be determined by Fairvest's board of directors, either itself or through a board sub-committee appointed to set the pricing and terms of the Reinvestment Alternative ("**Board**"), provided that any such discount will not exceed 3%. The price will be announced on the finalisation date, which will be no later than on Friday, 21 September 2018 by 11:00.
- 1.4 The entitlement of shareholders to elect to participate in the Reinvestment Alternative is subject to the Board having the discretion to withdraw the entitlement to elect the Reinvestment Alternative should market conditions warrant such action. A withdrawal of the entitlement to elect the Reinvestment Alternative would be communicated to Shareholders before the publication of the finalisation announcement on Friday, 21 September 2018 by 11:00.
- 1.5 By electing the Reinvestment Alternative, Shareholders will be able to increase their shareholding in Fairvest without incurring dealing costs. In turn, Fairvest will benefit from an increase in the amount of Shareholders' funds available to support continued growth.

2. CASH DIVIDEND AND REINVESTMENT ALTERNATIVE

2.1 Cash Dividend

- 2.1.1 Shareholders recorded in Fairvest's share register at the close of business on the Record Date of Friday, 5 October 2018 and who have not elected to participate in the Reinvestment Alternative, will be paid the Cash Dividend.
- 2.1.2 Shareholders who wish to receive the Cash Dividend do not need to take any further action. If no election is made to participate in the Reinvestment Alternative option, Shareholders will receive the Cash Dividend in respect of all the Shares held on the Record Date. Accordingly, Shareholders who wish to receive the Cash Dividend must **not** complete the attached form of election.
- 2.1.3 The Cash Dividend of 10.344 cents per Share will, on Monday, 8 October 2018, be paid via electronic transfer into the bank accounts of certificated Shareholders, whose banking details are held by the Transfer Secretaries. Certificated Shareholders whose bank account details are not held by the Transfer Secretaries, are requested to provide such details to the Transfer Secretaries to enable payment of the Cash Dividend to be made to them.
- 2.1.4 In the case of dematerialised Shareholders receiving the Cash Dividend, the cash amount will be credited on or about Monday, 8 October 2018 to their accounts held at their CSDP or broker.

2.2 Shareholders who wish to receive the Reinvestment Alternative

- 2.2.1 Certificated Shareholders wishing to receive the Reinvestment Alternative **must complete and return the attached form of election** in respect of all of part of their shareholding in accordance with the instructions contained therein and deliver, post or email it to the Company's Transfer Secretaries, Computershare Investor Services Proprietary Limited, as follows:

Hand deliveries to:

Computershare Investor Services
Proprietary Limited
Rosebank Towers, 15 Biermann Avenue
Rosebank, 2196

Postal deliveries to:

Computershare Investor Services
Proprietary Limited
PO Box 61763
Marshalltown, 2107

Emails to:

corporate.events@computershare.co.za

so as to be received by the Transfer Secretaries by no later than 12:00 on Friday, 5 October 2018.

- 2.2.2 Dematerialised Shareholders wishing to receive the Reinvestment Alternative must **not** complete the attached form of election, but should instead instruct their CSDPs or brokers with regard to their election in terms of the custody agreement existing between them and their CSDPs or brokers.
- 2.2.3 Shareholders may make the election in respect of all or part of their Shares held on the Record Date. If a Shareholder only makes the election in respect of part of its shareholding, such Shareholder will receive the Cash Dividend in respect of those remaining Shares for which the election is not made.

3. FRACTIONS

Trading in the electronic Strate environment does not permit fractions and fractional entitlements in respect of Shares. Accordingly, should a Shareholder's reinvestment in new Shares, calculated in accordance with the ratio referred to in paragraph 1.3 above give rise to a fraction of a new Share, such fraction will be rounded down to the nearest whole number, resulting in the allocation of whole Shares and a payment to the Shareholder in respect of the remaining cash amount due to that Shareholder under the dividend. Certificated Shareholders whose bank account details are not held by the Transfer Secretaries, are requested to provide such details to the Transfer Secretaries to enable payment of the fraction due to the Shareholder in respect of the Reinvestment Alternative. Should no details be on record, the funds will be held by the Company until such time as the details have been provided and the cash fraction will be paid to the Shareholder upon its request.

4. TAX IMPLICATIONS

- 4.1 In accordance with Fairvest's status as a Real Estate Investment Trust ("**REIT**"), Shareholders are advised that the dividend meets the requirements of a "qualifying distribution" for the purposes of section 25BB of the Income Tax Act, No. 58 of 1962 ("**Income Tax Act**").
- 4.2 **South African tax residents**
 - 4.2.1 Qualifying distributions received by Shareholders who are South African tax residents must be included in the gross income of such Shareholders (as a non-exempt dividend in terms of section 10(1)(k)(aa) of the Income Tax Act), with the effect that the qualifying distribution is taxable as income in the hands of the Shareholder. These qualifying distributions are, however, exempt from dividend withholding tax in the hands of South African tax resident Shareholders, provided that the South African resident Shareholders have provided the following forms to their CSDP or broker, as the case may be, in respect of uncertificated Shares, or to the Transfer Secretaries, in respect of certificated Shares:
 - 4.2.1.1 a declaration that the distribution is exempt from dividend withholding tax; and
 - 4.2.1.2 a written undertaking to inform the CSDP, broker or the Transfer Secretaries, as the case may be, should the distribution cease to be exempt from dividend withholding tax.

both in the form prescribed by the Commissioner for the South African Revenue Service ("**SARS**") and Shareholders are accordingly advised to contact their CSDP or broker or the Transfer Secretaries, as the case may be, to arrange for the abovementioned documents to be submitted prior to payment of the distribution, if such documents have not already been submitted.

4.3 Non-resident Shareholders

- 4.3.1 Qualifying distributions received by non-resident Shareholders will not be taxable as income and will instead be treated as ordinary dividends but which are exempt in terms of the usual dividend exemptions per section 10(1)(k) of the Income Tax Act. Any qualifying distribution received by a non-resident from a REIT will be subject to dividend withholding tax at 20%, unless the rate is reduced in terms of any applicable agreement for the avoidance of double taxation ("**DTA**") between South Africa and the country of residence of the Shareholder. Assuming dividend withholding tax will be withheld at a rate of 20%, the net amount due to non-resident shareholders will be 8.2752 cents per Share. A reduced dividend withholding tax rate in terms of the applicable DTA, may only be relied on if the non-resident Shareholder has provided the following forms to their CSDP or broker, as the case may be, in respect of the uncertificated Shares, or to the Transfer Secretaries, in respect of certificated Shares:

- 4.3.1.1 a declaration that the dividend is subject to a reduced rate as a result of the application of a DTA; and

- 4.3.1.2 a written undertaking to inform their CSDP, broker or the Transfer Secretaries, as the case may be, should the circumstances affecting the reduced rate change or the beneficial owner cease to be the beneficial owner,

both in the form prescribed by SARS. Non-resident Shareholders are advised to contact their CSDP or broker or the Transfer Secretaries, as the case may be, to arrange for the abovementioned documents to be submitted prior to payment of the distribution if such documents have not already been submitted, if applicable.

- 4.4 Local tax resident Shareholders as well as non-resident shareholders are encouraged to consult their professional advisors should they be in any doubt as to the appropriate action to take.

5. EXCHANGE CONTROL

The following summary is intended as a guide only and is therefore not comprehensive. If you are in any doubt in regard hereto, please consult your CSDP, broker, attorney, accountant, banker or other professional advisor immediately.

In terms of the Exchange Control Regulations, 1961, as amended, promulgated in terms of section 9 of the Currency and Exchanges Act, No. 9 of 1933 ("**Exchange Control Regulations**"):

5.1 In the case of certificated Shareholders

- 5.1.1 Any Share certificates that might be issued to non-resident Shareholders will be endorsed "Non-resident".
- 5.1.2 Any new Share certificates and cash dividend payments based on emigrants' shares controlled in terms of the Exchange Control Regulations will be forwarded to the authorised dealer in foreign exchange controlling their blocked assets. The election by emigrants for the above purpose must be made through the authorised dealer in foreign exchange controlling their blocked assets. Such new share certificates will be endorsed "Non-resident".
- 5.1.3 Cash dividend payments due to non-residents are freely transferable from South Africa. In respect of all non-residents of the common monetary area, comprising South Africa, the Republic of Namibia, the Kingdom of Lesotho and the Kingdom of Swaziland ("**Common Monetary Area**"), the distribution payments due will be sent to the registered address of the Shareholder concerned or in accordance with instructions given to the Transfer Secretaries.

5.2 In the case of dematerialised Shareholders

- 5.2.1 Any Shares issued to emigrants from the Common Monetary Area will be credited to their blocked share accounts at the CSDP controlling their blocked portfolios.
- 5.2.2 Any Shares issued to non-residents of the Common Monetary Area will be credited to their CSDP or broker's account and a "non-resident" annotation will appear in the CSDP or broker's register.
- 5.2.3 Any distribution paid to an emigrant from the Common Monetary Area, will be credited to their CSDP or broker's accounts which will arrange for the same to be credited directly to the Shareholder's blocked Rand account held by that Shareholder's authorised dealer and held to the order of that authorised dealer.
- 5.2.4 Any distribution paid to non-resident Shareholders who are not emigrants from the Common Monetary Area, will be credited directly to the bank accounts nominated for the relevant Shareholders, by their duly appointed CSDP or broker.

Non-resident and emigrant dematerialised Shareholders will have all aspects relating to exchange control managed by their CSDP or broker.

6. FOREIGN SHAREHOLDERS

The distribution of this Circular and/or accompanying documents and the right to elect the Reinvestment Alternative in jurisdictions other than South Africa may be restricted by law and a failure to comply with any of these restrictions may constitute a violation of the securities laws of any such jurisdictions. The Shares have not been and will not be registered for the purposes of the election under the securities laws of the United Kingdom, European Economic Area or EEA, Canada, United States of America, Japan or Australia and accordingly are not being offered, sold, taken up, re-sold or delivered directly or indirectly to recipients with registered addresses in such jurisdictions.

7. LISTING OF NEW SHARES

- 7.1 Application will be made to the JSE for the listing of the maximum possible number of Shares to be issued in terms of the Reinvestment Alternative, such Shares to be listed at the commencement of business on Friday, 5 October 2018.
- 7.2 Following the implementation of the Reinvestment Alternative, the Company will apply to the JSE for the number of listed Shares to be adjusted, so as to reflect the actual number of Shares issued to Shareholders, such adjustment to occur on or about Friday, 12 October 2018.

8. GENERAL INFORMATION

- 8.1 Fairvest's Income tax reference number is 9205/066/06/1
- 8.2 Shares in issue at the date of declaration of the dividend: 991 020 553
- 8.3 The maximum amount to be capitalised from the reserves of Fairvest, in order to be able to issue new Shares under the Reinvestment Alternative as fully paid up, will amount to approximately R102.51 million.
- 8.4 All new Shares issued in terms of the Reinvestment Alternative will, upon their issue, rank *pari passu* in all respects with the other Fairvest Shares already in issue.

SIGNED AT CAPE TOWN ON 12 SEPTEMBER 2018 FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF FAIRVEST PROPERTY HOLDINGS LIMITED

DM WILDER

Chief Executive Officer

FAIRVEST

PROPERTY HOLDINGS

FAIRVEST PROPERTY HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1998/005011/06)
Share code: FVT ISIN: ZAE000203808
(Approved as a REIT by the JSE)
("Fairvest" or "the Company")

FORM OF ELECTION

If you are in any doubt as to what action to take, please consult your broker, banker, attorney, accountant or other professional advisor immediately.

Terms appearing in title case in this form of election and that are not otherwise defined herein, shall bear the meanings assigned to those terms in the circular to which this form of election is annexed ("Circular").

This form of election requires your immediate attention and is for use by certificated Shareholders only.

Dematerialised Shareholders must not complete this form of election but should instruct their CSDP or broker as to their election in the manner and time stipulated in the agreement governing their relationship.

Shareholders will be entitled, in respect of all or part of their Shareholding, to elect to participate in the Reinvestment Alternative, failing which they will receive the Cash Dividend of 10.344 cents per Share.

Shareholders who wish to receive the Cash Dividend of 10.344 cents per Share must not complete and return this form of election and no further action is required by such Shareholders.

I/We

(Full name/s in BLOCK LETTERS)

regarding the election:

- HEREBY IRREVOCABLY ELECT to receive the Reinvestment Alternative Shares, the number of which will be determined with reference to the ratio that **10.344** cents per Share bears to the 5-day VWAP or Spot Price prior to the finalisation date (subject to any discount to such five-day VWAP or Spot Price as may be determined by the Board, provided that any such discount will not exceed 3%), to be announced no later than Friday, 21 September 2018, in respect of the number of Shares in the issued capital of Fairvest reflected in Block (4) overleaf and on the terms and conditions contained in this form of election and in the accompanying Circular;
- ACKNOWLEDGE that I/we am/are not entitled to receive a Cash Dividend of **10.344** cents per Share in respect of Shares for which the Reinvestment Alternative is elected; and
- ACKNOWLEDGE that this form is applicable only in respect of Shares of which I/we was/were the registered holder(s) on the close of business on the Record Date, being Friday, 5 October 2018.

Signed at _____ on _____ 2018

Signature _____ Capacity of Signatory _____

Assisted by (where applicable) _____

Telephone number (including area code and international code if outside South Africa) _____

Home: _____ Work: _____

Cellphone number: _____ Fax number: _____

Email address: _____

THIS FORM OF ELECTION MUST BE COMPLETED IN ITS ENTIRETY AND RETURNED TO THE TRANSFER SECRETARIES

Hand deliveries to:

Computershare Investor Services Proprietary Limited
 Rosebank Towers, 15 Biermann Avenue
 Rosebank, 2196

Postal deliveries to:

Computershare Investor Services Proprietary Limited
 PO Box 61763
 Marshalltown, 2107

Emails to:

corporate.events@computershare.co.za

To be received by the Transfer Secretaries by no later than 12:00 on Friday, 5 October 2018

Name and address of registered Shareholder		Shareholder account number
(1)		<i>Enquiries in connection with this form of instruction should be addressed to the Transfer Secretaries, quoting this number</i>
Number of Fairvest Shares deemed to be held on the Record Date, being Friday, 5 October 2018, based on your shareholding as at close of business on Friday, 7 September 2018	Maximum Cash Dividend to which you may be entitled based on your deemed shareholding at close of business on Friday, 5 October 2018, should you not elect to participate in the Reinvestment Alternative	
(2)	(3)	(4)

Notes:

- For the terms and conditions of this election, please refer to the accompanying Circular.
- The election may be made in respect of all or any of Shares registered or deemed to be registered in the name of the Shareholder at close of business on the Record Date.
- In order to be valid, this form of election must be properly completed and lodged with, or posted, emailed to the Transfer Secretaries at the address indicated above, so as to be received by them by no later than 12:00 on Friday, 5 October 2018. **Late forms of election will not be accepted.**
- Fairvest reserves the right in its discretion to:
 - treat as invalid (in which case the Cash Dividend will be paid) any form of election not complying with the terms of the election or any instruction contained herein; and
 - require proof of the authority of the person signing this form of election where such proof has not yet been lodged with or recorded by the Transfer Secretaries.
- Any person who is required to sign this form of election and who is under legal disability shall be assisted by such person's spouse, guardian or duly authorised legal representatives, as the case may be, who shall also sign this form.
- If this form of election is signed under a power of attorney, then such power of attorney, or certified copy thereof, must be sent with this form of election for noting (unless it has already been noted by the Transfer Secretaries).
- Any and every alteration or correction which is made to this form of election must be initialled by the signatory(ies).