

# FAIRVEST

PROPERTY HOLDINGS

## FAIRVEST PROPERTY HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1998/005011/06)

JSE share code: FVT ISIN: ZAE000203808

(Approved as a REIT by the JSE)

("Fairvest" or the "Company")

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## REVISED LISTING PARTICULARS

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### PREPARED IN TERMS OF THE JSE LISTINGS REQUIREMENTS

The definitions and interpretations commencing on page 3 of these revised listing particulars have, where appropriate, been used on this cover page.

These revised listing particulars are issued in compliance with the JSE Listings Requirements for the purpose of providing information with regard to Fairvest. These revised listing particulars have been prepared on the assumption that the transaction will be implemented resulting in Fairvest issuing more than 50% of the Fairvest shares already in issue and accordingly the Company is required to publish revised listings particulars in accordance with paragraph 9.22 of the JSE Listings Requirements. If the transaction becomes unconditional and is implemented, Fairvest may effect a reverse takeover of Arrowhead in terms of paragraphs 9.5(c) of the JSE Listings Requirements. For that reason, these revised listing particulars are published in accordance with paragraph 9.24 of the JSE Listings Requirements. These revised listing particulars are not an offer or invitation to subscribe for shares or other securities in Fairvest.

At the date of these revised listing particulars:

- The authorised share capital of Fairvest comprises 3 000 000 000 ordinary shares of no par value;
- The issued share capital of Fairvest comprises 1 027 332 675 ordinary shares of no par value; and
- 38 086 599 Fairvest shares held in treasury.

After implementation of the AHB share swaps, Fairvest will be obliged to make the offers to Arrowhead shareholders. On the theoretical assumption that the offers are then accepted by all Arrowhead shareholders:

- The authorised share capital of Fairvest will comprise 6 000 000 000 ordinary shares of no par value;
- The issued share capital of Fairvest will comprise 3 126 239 836 shares of no par value; and
- Fairvest will hold 38 086 599 Fairvest shares as treasury shares.

The Fairvest shares to be issued pursuant to the implementation of the transaction will rank *pari passu* in respect of all rights with existing Fairvest shares. There are no convertibility or redemption provisions relating to any of the Fairvest shares to be issued. The Fairvest shares will be issued in dematerialised form only. No certificated Fairvest shares will be issued. There will be no fractions of Fairvest shares issued.

The directors, whose names are given in paragraph 2.1 of these revised listing particulars, collectively and individually accept full responsibility for the accuracy of the information given herein and certify that, to the best of their knowledge and belief, no facts have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that these revised listing particulars contains all information required by law and the JSE Listings Requirements.

All of the advisors to the Company whose names are included in the "Corporate Information" section of these revised listing particulars, have consented in writing and have not prior to publication of these revised listing particulars, withdrawn their written consent to the inclusion of their names in the capacity stated and, where applicable, to their reports being included in these revised listing particulars in the form and context in which they appear. The independent reporting accountants has confirmed that the contents of these revised listing particulars are not contradictory to the information contained in its report.

An abridged version of these revised listing particulars was published on SENS and ANS on Tuesday, 10 August 2021 and will be published in the press on Wednesday, 11 August 2021.

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**Corporate advisor and  
transaction sponsor**

**Attorneys and  
competition law advisors**

**Independent reporting accountants  
and auditors**

JAVACAPITAL

  
WERKSMANS  
ATTORNEYS



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Date of issue: Tuesday, 10 August 2021

*These revised listing particulars is available in English only. Due to the COVID-19 pandemic and the resultant lockdown regulations, hard copies of these revised listing particulars will not be available at the registered address of the Company. These revised listing particulars will only be available on Fairvest's website ([www.fairvest.co.za/news/notices](http://www.fairvest.co.za/news/notices)) from Tuesday, 10 August 2021.*

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## CORPORATE INFORMATION

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### Registered office

Fairvest Property Holdings Limited  
(Registration number 1998/005011/06)  
8<sup>th</sup> Floor, The Terraces  
34 Bree Street  
Cape Town, 8001  
Principal place of business: as above  
(Postnet Suite 30, Private Bag X3, Roggebaai, 8012)

### Company secretary

FluidRock Co Sec Proprietary Limited  
Represented by Ronelle Kleyn (B.Proc, LLB, B.BA  
(Economics and Mandarin), ACIS  
(Registration number 2016/093836/07)  
Unit 5 First Floor Right  
Berkley Office Park  
8 Bauhinia Street  
Highveld Techno Park  
Centurion, 0169  
Principal place of business: as above  
(PO Box 25160, Monument Park, Pretoria, 0105)

### Corporate advisor

Java Capital Proprietary Limited  
(Registration number 2012/089864/07)  
6<sup>th</sup> Floor, 1 Park Lane  
Wierda Valley  
Sandton, 2196  
(PO Box 522606, Saxonwold, 2132)

### Transaction sponsor

Java Capital Trustees and Sponsors Proprietary Limited  
(Registration number 2006/005780/07)  
6<sup>th</sup> Floor, 1 Park Lane  
Wierda Valley  
Sandton, 2196  
(PO Box 522606, Saxonwold, 2132)

### Asset Manager

New Star Asset Management Proprietary Limited  
(Registration number 2005/029006/07)  
8<sup>th</sup> Floor, The Terraces  
34 Bree Street  
Cape Town, 8001  
(PO Box 50742, Waterfront, Cape Town, 8012)

### Independent reporting accountants and auditors

BDO South Africa Incorporated  
(Registration number 1995/002310/21)  
6<sup>th</sup> Floor, 123 Hertzog Boulevard  
Foreshore  
Cape Town, 8001  
Principal place of business: as above  
(PO Box 3883, Cape Town, 8000)

### Attorneys and competition law advisors

Werksmans Incorporated  
(Registration number 1990/007215/21)  
The Central  
96 Rivonia Road  
Sandton  
2146  
Principal place of business: as above  
(Private Bag 10015, Sandton, 2146)

### Bankers

FirstRand Bank Limited  
(Registration number 1929/001225/06)  
6<sup>th</sup> Floor, 1 First Place, Bank City  
Cnr Simmonds and Pritchard Streets  
Johannesburg, 2001  
(PO Box 1153, Johannesburg, 2000)

### Transfer secretaries

Computershare Investor Services Proprietary Limited  
(Registration number 2004/003647/07)  
Rosebank Towers  
15 Biermann Avenue  
Rosebank, 2196  
(Private Bag X9000, Saxonwold, 2132)

### Date and place of incorporation of Fairvest

Incorporated in the Republic of South Africa on 17 March 1998

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## DEFINITIONS AND INTERPRETATIONS

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In these revised listing particulars and the annexures hereto, unless inconsistent with the context, an expression which denotes one gender includes the other genders, a natural person includes a juristic person and *vice versa*, the singular includes the plural and *vice versa* and the expressions set out in the first column bear the meaning opposite them in the second column, as follows:

“A2X”	the exchange operated by A2X Proprietary Limited (Registration number 2014/147138/07), a private company incorporated and registered in accordance with the laws of South Africa, and licensed as an exchange under the Financial Markets Act, No. 19 of 2012, as amended from time to time;
“AHA share”	a “A” ordinary share of no par value in Arrowhead;
“AHA shareholder”	the holder of an AHA share;
“AHB share”	a “B” ordinary share of no par value in Arrowhead;
“AHB shareholder”	the holder of an AHB share;
“AHB share swap”	the proposed acquisition by Fairvest of the committed AHB shares from committed AHB shareholders, in consideration for the issue of FVT shares at a swap ratio of 1.85 FVT shares for every AHB share, as more fully described in the category 1 acquisition circular;
“AHB share swap agreements”	written agreements between Fairvest and each of the committed AHB shareholders in terms of which Fairvest will acquire, in aggregate, the committed AHB shares in consideration for which it will issue new Fairvest shares at the swap ratio;
“Arrowhead”	Arrowhead Properties Limited (Registration number: 2007/032604/06), a public company incorporated and registered in accordance with the laws of South Africa and listed on the JSE;
“Arrowhead shareholders”	collectively, the holders of AHA and/or AHB shares;
“Arrowhead shares”	collectively, AHA and AHB shares;
“asset manager” or the “Fairvest Manco” or “New Star”	New Star Asset Management Proprietary Limited (Registration number 2005/029006/07), a private company incorporated and registered in accordance with the laws of South Africa which company oversees Fairvest’s asset management function;
“asset management agreement”	the asset management agreement between the Company and New Star, setting out the terms and conditions of the appointment of New Star as asset manager to Fairvest;
“board” or “directors” or “board of Fairvest”	the board of directors of Fairvest;
“business day”	any day other than a Saturday, Sunday or an official public holiday in South Africa;
“category 1 acquisition circular”	the category 1 acquisition circular to Fairvest shareholders dated Tuesday, 10 August 2021;
“certificated shares”	shares which have not yet been dematerialised into the Strate system, title to which is represented by physical documents of title;
“committed AHB shareholders”	collectively, the AHB shareholders who have entered into the share swap agreements with Fairvest in terms of which they have agreed to swap an aggregate of 507 778 681 AHB shares in consideration for the issue to them of FVT shares in accordance with the swap ratio, as more fully detailed in the category 1 acquisition circular;

<b>“Common Monetary Area”</b>	collectively, South Africa, the Kingdoms of Swaziland and Lesotho and the Republic of Namibia;
<b>“Companies Act”</b>	the Companies Act No. 71 of 2008, as amended from time to time;
<b>“Companies Regulations” or “Regulations”</b>	the Companies Regulations, 2012 in terms of section 223 of the Companies Act;
<b>“comparable offer”</b>	implementation of the AHB share swap will trigger an obligation for Fairvest, in terms of section 125 of the Companies Act, to make a comparable offer to acquire AHA shares in addition to the mandatory offer for AHB shares;
<b>“CSDP”</b>	a Central Securities Depository Participant in South Africa appointed to hold and administer dematerialised shares;
<b>“dematerialisation”</b>	the process whereby certificated shares are converted to an electronic form as dematerialised shares and recorded in the sub-register of shareholders maintained by a CSDP or broker in South Africa;
<b>“dematerialised shareholders”</b>	shareholders who hold dematerialised shares;
<b>“dematerialised shares”</b>	shares which have been incorporated into the Strate system, title to which is no longer represented by physical documents of title;
<b>“documents of title”</b>	share certificates, certified transfer deeds, balance receipts and any other documents of title to shares acceptable to the board;
<b>“Fairvest” or the “Company”</b>	Fairvest Property Holdings Limited (Registration number: 1998/005011/06), a public company incorporated and registered in accordance with the laws of South Africa and listed on the JSE, full details of which are set out in the “Corporate Information” section;
<b>“FVT share” or “Fairvest share” or “shares” or “ordinary shares”</b>	an ordinary share of no par value in the share capital of Fairvest;
<b>“Fairvest Manco share purchase agreement”</b>	The share purchase agreement entered into between Fairvest, New Star and the Fairvest Manco shareholders on 30 July 2021 as detailed in the category 1 acquisition circular;
<b>“Fairvest Manco shareholders”</b>	collectively, Hilton Datnow, the Trustees for the time being of the Marcus Family Trust, the Trustees for the time being of the Wilder Family Trust, the Trustees for the time being of the Labora Trust, the Trustees for the time being of the Gelz Trust and the Trustees for the time being of the Universal Long Term Investment Trust;
<b>“Financial Markets Act”</b>	the Financial Markets Act, No. 19 of 2012, as amended from time to time;
<b>“GLA”</b>	gross lettable area, being the total area of a property that can be rented to a tenant;
<b>“government”</b>	the government of South Africa;
<b>“group” or “Fairvest group”</b>	the Company and its subsidiaries;
<b>“IFRS”</b>	International Financial Reporting Standards;
<b>“Income Tax Act”</b>	the Income Tax Act, No. 58 of 1962, as amended from time to time;
<b>“independent reporting accountants and auditors” or “independent reporting accountants” or “BDO”</b>	BDO South Africa Incorporated (Registration number 1995/002310/21), full details of which are set out in the “Corporate Information” section;
<b>“Java Capital” or “corporate advisor”</b>	Java Capital Proprietary Limited (Registration number 2012/089864/07) in its capacity as corporate advisor to the Company, a private company incorporated and registered in accordance with the laws of South Africa, full details of which are set out in the “Corporate Information” section;

“JSE”	the exchange operated by the JSE Limited (Registration number 2005/022939/06), a public company incorporated and registered in accordance with the laws of South Africa and licensed as an exchange under the Financial Markets Act, as amended from time to time;
“JSE Listings Requirements”	the Listings Requirements of the JSE, as amended from time to time;
“King IV”	the King IV Report on Corporate Governance for South Africa, 2016;
“last practicable date”	the last trading date before the finalisation of these revised listing particulars, being Thursday, 29 July 2021;
“legal advisor” or “Werksmans”	Werksmans Incorporated, (Registration number 1990/007215/21) full details of which are set out in the “Corporate Information” section;
“long stop date”	the date agreed between Fairvest and the committed AHB shareholders as being the last date by which Fairvest must have implemented the AHB share swap, being 20 business days after fulfilment of all conditions to the AHB share swap agreements (unless a later date is agreed);
“m <sup>2</sup> ”	square metres;
“major subsidiary”	a subsidiary that represents 25% or more of total assets or revenue of the consolidated group based on the published interim financial results for the six months ended 31 December 2020;
“mandatory offer”	implementation of the AHB share swap will trigger an obligation for Fairvest, in terms of section 123 of the Companies Act, to make a mandatory offer to acquire AHB shares for the same consideration as agreed in terms of the AHB share swap agreements, which will be in addition to the comparable offer for AHA shares;
“MOI”	the memorandum of incorporation of the Company, extracts of which are set out in <b>Annexure 5</b> ;
“NAV”	net asset value;
“NTAV”	net tangible asset value;
“offers”	collectively, the mandatory offer and the comparable offer;
“own-name dematerialised shareholders”	dematerialised Fairvest shareholders who/which have elected own-name registration;
“press”	The <i>Business Day</i> newspaper or any widely circulated daily newspaper;
“promoter”	the party(ies) responsible for the formation of a company to be listed, or acquired by an existing issuer, and who earn(s) a fee therefrom, in cash or otherwise;
“property managers”	collectively, Broll Property Group Proprietary Limited, AJ Property Holdings Proprietary Limited, Mainstream Property Group Proprietary Limited, Abreal Proprietary Limited, Axis Asset Management Proprietary Limited full details of which are set out in <b>Annexure 19</b> ;
“property portfolio” or “properties”	the portfolio of properties owned by the Company, further details of which are set out in <b>Annexure 6</b> ;
“revised listing particulars”	this bound document inclusive of all annexures dated Tuesday, 10 August 2021, prepared in compliance with the JSE Listings Requirements and the Companies Act;
“REIT”	Real Estate Investment Trust;
“required resolutions”	the resolutions proposed to shareholders in the notice of general meeting attached to and forming part of the category 1 acquisition circular;
“Rand” or “R”	South African Rand;
“SENS”	the Stock Exchange News Service operated by the JSE;

<b>“single-step merger”</b>	a possible transaction under discussion between Fairvest and Arrowhead, which may take the form of either Fairvest acquiring all AHB shares in issue or Arrowhead acquiring all Fairvest shares in issue, in either case the acquisition to be effected by share swap pursuant to a scheme of arrangement;
<b>“shareholders” or “Fairvest” shareholders” or “FVT shareholder”</b>	the registered holders of Fairvest shares;
<b>“South Africa”</b>	the Republic of South Africa;
<b>“Strate”</b>	Strate Proprietary Limited (Registration number 1998/022242/07), a private company incorporated and registered in accordance with the laws of South Africa, a registered central securities depository responsible for the electronic settlement system used by the JSE;
<b>“subsidiaries”</b>	the subsidiaries of the Company, details of which are set out in <b>Annexure 2</b> ;
<b>“transaction”</b>	the term “transaction” as used in this circular encompasses: <ul style="list-style-type: none"> <li>(i) the acquisition by Fairvest of the committed AHB shares in terms of the AHB share swap agreements, including the AHB share swap with Vukile which is a related party transaction;</li> <li>(ii) the acquisition by Fairvest of further AHB shares pursuant to acceptances, if any, of the mandatory offer; and</li> <li>(iii) the acquisition by Fairvest of AHA shares pursuant to acceptances, if any, of the comparable offer;</li> </ul>
<b>“transaction sponsor”</b>	Java Capital Trustees and Sponsors Proprietary Limited (Registration number 2006/005780/07) in its capacity as transaction sponsor to the Company; a private company incorporated and registered in accordance with the laws of South Africa, full details of which are set out in the “Corporate Information” section; and
<b>“transfer secretaries” or “Computershare”</b>	Computershare Investor Services Proprietary Limited, (Registration number 2004/003647/07) a private company incorporated and registered in South Africa, full details of which are set out in the “Corporate Information” section.



# FAIRVEST

PROPERTY HOLDINGS

## FAIRVEST PROPERTY HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1998/005011/06)

JSE share code: FVT ISIN: ZAE000203808

(Approved as a REIT by the JSE)

("Fairvest" or the "Company")

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### Directors of the Company

Jacques du Toit (*Non-Executive Chairman*)

Darren Wilder (*Chief Executive Officer*)

Jacques Kriel (*Chief Financial Officer*)

Adam Marcus (*Alternate Director to Darren Wilder*)

Louis Andrag (*Lead Independent Non-Executive Director*)

Khegu Nkuna (*Independent Non-Executive Director*)

Ndabezinhle Mkhize (*Independent Non-Executive Director*)

Jacob Wiese (*Independent Non-Executive Director*)

Trevor Cohen (*Independent Non-Executive Director*)

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## REVISED LISTING PARTICULARS

### PART ONE – INFORMATION ON THE FAIRVEST GROUP

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#### 1. NAME, ADDRESS AND INCORPORATION

- 1.1 Fairvest was incorporated on 17 March 1998 under the name Basfour 429 Proprietary Limited. The Company converted to a public company and changed its name to Fairvest Property Holdings Limited on 13 December 2001.
- 1.2 The addresses of the Company's registered office and the transfer secretaries' registered office is set out in the "Corporate Information" section.
- 1.3 The group structure is set out in **Annexure 1** and the names, registration numbers, places of incorporation, dates of incorporation, nature of business and issued capital of each of Fairvest's subsidiaries are set out in **Annexure 2**.

#### 2. DIRECTORS, OTHER OFFICE HOLDERS OR MATERIAL THIRD PARTIES

##### 2.1 Directors of the Company

The board currently comprises eight directors of which six are non-executives (five of whom are independent), two executive directors and one alternate director to the chief executive officer.

- 2.1.1 The full names, ages, business addresses, qualifications, positions and experience of the directors of the Company of Fairvest are outlined below:

<b>Name and age</b>	<b>Jacques du Toit (50)</b>
<b>Business address</b>	46 Orange Street, Gardens, Cape Town, 8001
<b>Qualification</b>	CFA
<b>Position</b>	Chairperson, non-executive director
<b>Experience</b>	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 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.
<b>Name and age</b>	<b>Darren Wilder (52)</b>
<b>Business address</b>	8 <sup>th</sup> Floor, The Terraces, 34 Bree Street, Cape Town, 8001
<b>Qualification</b>	–
<b>Position</b>	CEO
<b>Experience</b>	Darren worked for Seeff Properties in various positions from 1991 until 1997. During 1997 he was appointed to the board of the then JSE-listed company, Capital Alliance Properties, and was a participant in its management buy-out. Darren co-founded Spearhead Property group and was part of the team that listed the company on the JSE. He was appointed COO in 1999. Darren's work experience also includes national leasing director for Madison Properties, business development director of the V&A Waterfront and also a consultant to the chief executive officer of the V&A Waterfront.
<b>Name and age</b>	<b>Jacques Kriel (42)</b>
<b>Business address</b>	8 <sup>th</sup> Floor, The Terraces, 34 Bree Street, Cape Town, 8001
<b>Qualification</b>	CA(SA)
<b>Position</b>	CFO
<b>Experience</b>	Jacques was the CEO and financial director of Fairvest from January 2010 until October 2012. Jacques is qualified as a chartered accountant. After completing his training he relocated to the United Kingdom where he joined Ernst & Young, London. Jacques joined the Bank of England in 2008, until he joined Fairvest, and was responsible for the financial reporting of the United Kingdom's Foreign Currency Reserves.
<b>Name and age</b>	<b>Adam Marcus (48)</b>
<b>Business address</b>	8 <sup>th</sup> Floor, The Terraces, 34 Bree Street, Cape Town, 8001
<b>Qualification</b>	BSc (CM)
<b>Position</b>	Alternate Director to Darren Wilder
<b>Experience</b>	Adam graduated in 1995 from the University of Cape Town with a BSc (CM). After graduating, Adam joined a commercial property brokerage where he headed up the Investment Sales Division, structuring investment and development transactions. In 1999, he founded Gateway Property Developments, which has a 12-year track record of delivering commercial and residential property developments. Having successfully managed a property development business, Adam's skill set encompasses a full spectrum of property skills from deal structuring, structured finance, green fields and brown field developments, redevelopments, value engineering, property management and leasing.

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<b>Name and age</b>	<b>Louis Andrag (48)</b>
<b>Business address</b>	Edward 2 Building, Edward Street, Bellville, Cape Town, 7530
<b>Qualification</b>	B. Eng (Industrial Mechanical), MBA
<b>Position</b>	Lead Independent Non-Executive Director
<b>Experience</b>	Louis graduated from the University of Stellenbosch in 1996 with a B.Engineering (Industrial Mechanical) degree and worked in Germany and the USA as an engineer before returning to South Africa, and joined Stellenbosch Farmers' Winery as site engineer. He joined an agricultural business as logistics manager and obtained his Honours and Masters degree in Business Administration through part-time studies from the University of Stellenbosch. He was later appointed as general manager of the Agricultural Machinery Division and Director. In 2009 Louis started his privately owned property investment and residential development company Leggato Investments with investments in South Africa and Germany. He serves as chair and director on the boards of a number of private companies.

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<b>Name and age</b>	<b>Khegu Nkuna (34)</b>
<b>Business address</b>	41 West Street, Houghton Estate, Johannesburg 7490
<b>Qualification</b>	CA(SA)
<b>Position</b>	Independent non-executive director
<b>Experience</b>	Khegu is a qualified Chartered Accountant and currently the Group Financial Director of the Masingita group of companies. Khegu has experience in both private and public companies spanning across diverse industries. She has diverse professional experience in auditing, finance management, strategic financial management, strategy development, financial risk analysis and corporate governance.

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<b>Name and age</b>	<b>Ndabezinhle Mkhize (43)</b>
<b>Business address</b>	EPPF Office Park, 24 Georgian Crescent East, Bryanston East, Johannesburg, 2191
<b>Qualification</b>	B.Sc Actuarial Science, CFA
<b>Position</b>	Independent non-executive director
<b>Experience</b>	Ndabe is the Chief Investment Officer of the Eskom Pension and Provident Fund with overall investment oversight over R135 billion in assets. His previous experience includes co-portfolio management positions at STANLIB Asset Management and Coronation Fund Managers as well as an equity analyst role at Prudential Portfolio Managers. Ndabe holds a BSc (Actuarial Science) degree from the University of Cape Town (UCT) and the designations of Chartered Financial Analyst and Chartered Alternative Investment Analyst. In addition, he has gone through the Property Development Programme at the UCT Graduate School of Business.

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<b>Name and age</b>	<b>Jacob Wiese (40)</b>
<b>Business address</b>	36 Stellenberg Road, Parow Industria, Cape Town, 7490
<b>Qualification</b>	BA, LLB, Masters in International Economics and Management
<b>Position</b>	Independent non-executive director
<b>Experience</b>	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 is a non-executive director of Pepkor Holdings Limited and Invicta Holdings Limited. He is also involved with the management of Lourensford Wine Estate, one of South Africa's largest and most prestigious wine farms.
<b>Name and age</b>	<b>Trevor Cohen (79)</b>
<b>Business address</b>	4 Bernsbury Complex, St. Johns Road, Saint Andrews, Bedfordview, Johannesburg, 2008
<b>Qualification</b>	B.Com and LLB
<b>Position</b>	Independent non-executive director
<b>Experience</b>	Trevor holds a B.Com and an LLB from University of Witwatersrand. Trevor has over 35 years of experience in the retail real estate sector. His experience includes being a senior member of the real estate division at Ellerines group of companies, joint head of the Real Estate Division at OK Bazaars, head of the Gauteng branch of the New Business Development Division of Shoprite and until his retirement in April 2017, he was a Senior Consultant at Shoprite.

All of the directors are South African nationals.

## 2.2 Directors of major subsidiaries

The Company has 11 subsidiaries, further details of which are set out in **Annexure 2**. None of the subsidiaries constitute major subsidiaries in terms of the JSE Listings Requirements.

## 2.3 Fairvest advisors and company secretary

- 2.3.1 The names and business addresses of the Company's advisors are set out in the "Corporate Information" section.
- 2.3.2 FluidRock Co Sec Proprietary Limited represented by Ronelle Kleyn fulfils the role of company secretary. The business address of the company secretary is set out in the "Corporate Information" section.
- 2.3.3 The Fairvest board has considered the competence, qualifications and experience of the company secretary and she is deemed fit to be appointed in the role as company secretary of Fairvest.
- 2.3.4 The company secretary has the following qualifications:  
B.Proc, LLB, B.BA (Economics and Mandarin), ACIS

## 2.4 Additional information related to the directors

- 2.4.1 **Annexure 3** contains the following information:
  - 2.4.1.1 directors' emoluments;
  - 2.4.1.2 borrowing powers of the group exercisable by the directors;
  - 2.4.1.3 interests in shares and transactions;
  - 2.4.1.4 interests of directors and promoters; and
  - 2.4.1.5 directors' declarations.

- 2.4.2 **Annexure 4** contains details of directors' directorships and partnerships in the previous five years.
- 2.4.3 No service contracts have been entered into with the executive directors.
- 2.4.4 The provisions of the MOI with regard to the following are set out in **Annexure 5**:
- 2.4.4.1 terms of office of directors;
  - 2.4.4.2 qualification of directors;
  - 2.4.4.3 remuneration of directors;
  - 2.4.4.4 any power enabling the directors to vote on remuneration for themselves or any member of the board;
  - 2.4.4.5 the borrowing powers exercisable by the directors and how such borrowing powers can be varied; and
  - 2.4.4.6 retirement or non-retirement of directors.

## 2.5 Asset management

The asset management function of the Fairvest portfolio is outsourced to the Fairvest Manco pursuant to the asset management agreement, the salient details of which are set out in **Annexure 3**. The asset management agreement will be available for inspection as set out in part four – paragraph 11. The internalisation of Fairvest's asset management function through the acquisition of 100% of the issued share capital of the Fairvest Manco ("**Fairvest Manco Internalisation**") or in the alternative, the renewal of the asset management agreement is being contemplated and is further detailed in the category 1 acquisition circular.

### 2.5.1 Information relating to the Fairvest Manco

- 2.5.1.1 The Fairvest Manco's directors are Darren Wilder, Adam Marcus and Jacques du Toit.
- 2.5.1.2 The Fairvest Manco's registered and business address is 8<sup>th</sup> Floor, The Terraces, 34 Bree Street, Cape Town, 8001.
- 2.5.1.3 The shareholders of the Fairvest Manco are:

Shareholder	Total shares	% of issued share capital
Wilder Family Trust	350	28.0
Marcus Family Trust	350	28.0
Labora Trust	156	12.5
Gelz Trust	96	7.7
Hilton Datnow	48	3.8
Universal Long Term Investment Trust	250	20.0
<b>Total</b>	<b>1 250</b>	<b>100.0%</b>

- 2.5.1.4 The salient terms and conditions of the asset management agreement are set out in **Annexure 3**.
- 2.5.1.5 Please refer to paragraph 2.1 for the experience and qualifications of Darren Wilder, Adam Marcus and Jacques du Toit.
- 2.5.1.6 Save for their directorships in Fairvest, the Fairvest Manco directors hold no other directorships in listed property entities.

## 2.6 Property management

The property management function of the Fairvest group is undertaken by the property managers, full details of which are set out in **Annexure 19**. The agreement(s) between the Company and the respective property managers will be available for inspection as set out in part four – paragraph 11.

### 3. HISTORY, STATE OF AFFAIRS AND PROSPECTS OF THE GROUP

#### 3.1 History and state of affairs of the Group

- 3.1.1 Fairvest was incorporated on 17 March 1998 under the name Basfour 429 Proprietary Limited. The Company converted to a public company and changed its name to Fairvest Property Holdings Limited on 13 December 2001. Fairvest is an externally managed property investment holding company and is listed on the Main Board of the JSE in the “Real estate and Development” sector of the JSE. Fairvest has been classified as a REIT since 1 July 2013. On 31 October 2019, Fairvest listed on the A2X as a secondary listing.
- 3.1.2 To align the Company’s capital structure with the REIT standard in South Africa and to comply with JSE Listings Requirements for REITs, Fairvest converted its linked unit capital structure into an all-share capital structure during June 2015.
- 3.1.3 Fairvest’s invests primarily in 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.
- 3.1.4 Fairvest maintains a predominately retail portfolio across South Africa, with the four largest provinces, Gauteng, KwaZulu-Natal, Western Cape and Free State contributing 77% of the revenue. The properties are predominately blue-chip tenanted, grocery-anchored shopping centres. The high national tenant component of 72% of the portfolio provides shareholders with a low-risk investment profile with national food retailers occupying 35.3% of the portfolio in terms of GLA.
- 3.1.5 Yield accretive acquisitions remain part of Fairvest’s strategy with a focus on quality retail assets with sustainable income streams in order to extract maximum value, whilst disposals are in line with the Company’s focus on value extraction and maintaining a focus on retail assets in favour of non-metropolitan areas and the lower LSM market.
- 3.1.6 During the 2020 financial year, Fairvest concluded the acquisition of Nonkqubela Mall and Qumbu Plaza to the value of R162.9 million and R54.0 million, respectively. The sale of Tokai Junction for R180 million was concluded during October 2020.
- 3.1.7 During the nationwide lockdown due to the COVID-19 pandemic, Fairvest’s strategy was to focus on its cash flow planning and liquidity management, whilst finding sustainable solutions for tenants who were adversely impacted by COVID-19. Fairvest remained cash flow positive throughout the lockdown period and continues to generate positive cash flows. Fairvest was able to fund all operational expenditure and interest payments from cash flows without having to utilise undrawn debt facilities.
- 3.1.8 During May 2021, Fairvest concluded the AHB share swap agreements in order to acquire, on implementation after fulfilment of the conditions, an aggregate 507 778 681 AHB shares in exchange for 939 390 559 FVT shares in terms of the transaction.
- 3.1.9 After fulfilment of all conditions including approval of the transaction and on implementation of the AHB share swap, Fairvest will become able to exercise more than 35% of all the voting rights attached to Arrowhead shares and shall thereupon become obliged to make the offers in terms of the Companies Act and the Takeover Regulations. Acceptances of the offers, if any, would result in Fairvest acquiring further AHA and/or AHB shares (up to a theoretical maximum of all such shares in issue) in exchange for Fairvest shares.
- 3.1.10 Fairvest’s views are that:
- 3.1.10.1 investors in the listed property sector generally favour larger REITs in which their investment is liquid;
  - 3.1.10.2 while investors understand the numerous hurdles that must be overcome to be able to achieve any merger, they welcome initiatives aimed at achieving consolidation between REITs;
  - 3.1.10.3 investors have expressed confidence in Fairvest to unlock value both operationally and through capital allocation within its traditional low-income retail focus as well as from other sub-classes of investment property;
  - 3.1.10.4 in a market with limited access to growth capital, Fairvest should seek opportunities to grow through M&A activity, even if doing so may, for a period, result in Fairvest being invested in non-core assets; and

- 3.1.10.5 if Fairvest is proposing to issue more shares pursuant to M&A activity, it should seek shareholder approval to internalise its asset management, with investors expecting that an internally managed Fairvest will be well-positioned to drive value-adding cost efficiencies both internally and through M&A activity.
- 3.1.11 Fairvest's intentions regarding Arrowhead are supported by the committed AHB shareholders who have concluded the AHB share swap agreements with Fairvest in terms of which Fairvest proposes to acquire, in aggregate, a majority of the Arrowhead shares in issue. The AHB share swap agreements are subject to the conditions precedent set out in the category 1 acquisition circular. Fairvest is continuing to engage with Arrowhead regarding the possibility of proposing a single-step merger subject to a shareholder approval process for both companies. If Arrowhead and Fairvest agree on the terms of a single-step merger, they will work together on the appropriate process to obtain the required approvals. However, the process to achieve a single-step merger shall be completed and may succeed or fail after the general meeting to approve the transaction as set out in the category 1 acquisition circular. Accordingly, Fairvest is proceeding to seek shareholder approval for the required resolutions, which it will only implement (giving effect, *inter alia*, to the transaction, once unconditional) if a single-step merger is not achieved by the long-stop date for any reason. If a single-step merger is not achieved, then on implementation of the AHB share swap (once unconditional), Fairvest will become the controlling shareholder of Arrowhead, whereafter Fairvest will become obliged to make the offers to Arrowhead shareholders.

## 3.2 Prospects

The lasting impact of the COVID-19 pandemic on the local economy remains uncertain. While the vaccine rollout in South Africa is slow to gain traction, we expect the infection waves to continue, with trading restrictions for certain tenants a possibility. Fairvest is well positioned to remain resilient during the COVID-19 pandemic. The focus remains on maintaining viable tenancies and letting of vacancies, with a strong focus to reduce arrears even further.

Even though we expect consumer spending to be under pressure with a level of uncertainty regarding the vaccine rollout, given Fairvest's performance for the six months ended 31 December 2021, the Board expects the distribution per share for the full 2021 financial year to be between 0% and 2% higher than the previous year. This assumes no material deterioration in the macroeconomic environment relative to current levels, that no major corporate and tenant failures will occur, that tenants will be able to absorb increases in municipal and utility costs, that no further significant trading restrictions are implemented by government and no further pandemic outbreaks similar to COVID-19. This forecast is the responsibility of the board of directors of Fairvest and has not been reviewed or reported on by the auditors.

## 3.3 The Fairvest property portfolio

As at the last practicable date (and prior to the conclusion of the transaction) the Fairvest group owns 43 investment properties, none of which, on its own could be described as a principal property. As at 31 December 2020, the property portfolio was valued at R3.43 billion, with a GLA of 250 911m<sup>2</sup>. Details of the Fairvest properties are set out in **Annexure 6**. The portfolio is predominantly focused in the retail sector (95%), with selective exposure to office properties (5%). Fairvest is well diversified across the main provinces of South Africa, with a regional income split of KwaZulu-Natal (22%), Western Cape (20%), Gauteng (24%), Free State (11%), Northern Cape (7%), Limpopo (4%), Eastern Cape (10%) and Mpumalanga (2%) as at 30 June 2020.

### 3.3.1 Analysis of the Fairvest property portfolio

An analysis of the Fairvest property portfolio, as at 30 June 2020, in respect of the geographic profile, sectoral profile, tenant profile, vacancy profile, lease expiry profile, weighted average rental per square metre, weighted average rental escalation profile and average annualised property yield is set out below.

#### 3.3.1.1 Geographic profile

	Based on GLA %	Based on revenue %
Gauteng	23.6	23.6
KwaZulu-Natal	21.7	21.7
Western Cape	20.4	20.4
Free State	11.4	11.4
Eastern Cape	10.1	10.1
Northern Cape	6.6	6.6
Limpopo	4.4	4.4
Mpumalanga	1.8	1.8
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

3.3.1.2 *Sectoral profile*

	<b>Based on GLA %</b>	<b>Based on revenue %</b>
Retail	95.6	95.2
Office	4.4	4.8
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

3.3.1.3 *Tenant profile*

	<b>Based on GLA %</b>
A	74.9
B	7.7
C	17.4
<b>Total</b>	<b>100.0</b>

For the table above, the following key is applicable:

- A. Anchor and national tenants, such as Shoprite, Pick n Pay, Spar, Pepkor and Mr Price.
- B. Franchise, professional and large tenants such as Ackermans, Sheet Street, Boxer Superstores and various banks.
- C. Other (comprising of 423 out of 913 tenants).

3.3.1.4 *Vacancy profile*

	<b>Based on GLA %</b>
Retail	3.8
Office	0.7
<b>Total</b>	<b>4.5</b>

3.3.1.5 *Lease expiry profile*

**Total Portfolio**

	<b>Based on GLA %</b>	<b>Based on revenue %</b>
Vacant	4.5	–
Monthly	7.7	6.8
June 2021	19.5	20.5
June 2022	19.2	20.9
June 2023	17.3	19.7
June 2024	6.5	7.4
June 2025 and beyond	25.3	24.7
	<b>100.0</b>	<b>100.0</b>



***Retail expiry profile***

	<b>Based on GLA %</b>	<b>Based on revenue %</b>
Vacant	3.9	–
Monthly	8.1	7.1
June 2021	19.8	21.0
June 2022	19.7	21.5
June 2023	16.3	17.7
June 2024	6.6	7.5
June 2025 and beyond	25.6	25.2
	<b>100.0</b>	<b>100.0</b>

***Office expiry profile***

	<b>Based on GLA %</b>	<b>Based on revenue %</b>
Vacant	16.6	–
Monthly	0.6	1.0
June 2021	12.6	10.6
June 2022	9.2	9.7
June 2023	37.6	59.8
June 2024	4.0	3.8
June 2025 and beyond	19.4	15.1
	<b>100.0</b>	<b>100.0</b>

3.3.1.6 *Weighted average rental per square metre by rentable area per sector*

	<b>Weighted average rental per m<sup>2</sup></b>
Retail	126.91
Office	161.20
<b>Total</b>	<b>128.61</b>

3.3.1.7 *Weighted average rental escalation profile*

	<b>%</b>
Retail	7.0
Office	7.8
<b>Total</b>	<b>7.1</b>

3.3.1.8 The average annualised property yield for the portfolio is 8.8%.

3.4 **Fairvest listed security portfolio**

Following the implementation of the AHB share swap, Fairvest will hold 507 778 681 AHB shares, a 50.1% interest in Arrowhead, with a market value of R1 660 436 286.87 as at the last practicable date. The property portfolio information in respect of Arrowhead is disclosed in Arrowhead's annual integrated report which can be found at <https://arrowheadproperties.co.za/cmsAdmin/uploads/annual-reports/arrowhead-integrated-annual-report-2020.pdf>.

### 3.5 Valuation reports

- 3.5.1 As at 30 June 2020, one-third of the Fairvest properties were valued by DDP Valuers, De Leeuw Valuers and Broll Valuers who are an independent external registered professional valuer in terms of the Property Valuers Profession Act, No. 47 of 2000, with the remainder valued by the directors. Details of the valuations are disclosed in Fairvest's annual integrated report which can be found at <https://fairvest.co.za/news/reports>.
- 3.5.2 As at 30 September 2020, one-third of the Arrowhead properties were valued by registered valuers, with the remainder valued by the directors of Arrowhead. Details of the valuations are disclosed in Arrowhead's annual integrated report which can be found at: <https://arrowheadproperties.co.za/cmsAdmin/uploads/annual-reports/arrowhead-integrated-annual-report-2020.pdf>.
- 3.5.3 Given the nature of the transaction in that Fairvest does not have access to non-public information on Arrowhead, a JSE dispensation was sought and received from the preparation of detailed valuation reports in respect of each of the Fairvest and Arrowhead properties.

### 3.6 Material changes

- 3.6.1 There has been no material change in the financial or trading position of the Company between 31 December 2020, being the latest reported period, and the date of these revised listing particulars, save for:
- 3.6.1.1 the impact that the COVID-19 pandemic and resultant national lockdown has had and is anticipated to continue to have on Fairvest and its operations. The lasting impact of the COVID-19 pandemic on the local economy remains uncertain. While the vaccine rollout in South Africa is slow to gain traction, the Company expects the infection waves to continue, with trading restrictions for certain tenants a possibility. Fairvest remains well positioned, with a clearly focused strategy of mainly investing in grocery anchored assets, servicing non-metropolitan and lower-LSM markets which have proven resilient during the COVID-19 pandemic;
- 3.6.1.2 the impact that the COVID-19 pandemic and resultant national lockdown has had and is anticipated to continue to have an impact on equity capital markets for an extended period; and
- 3.6.1.3 the impact that the recent civil unrest has had on Fairvest's portfolio. Twelve properties across KwaZulu-Natal and Gauteng have been affected as at the last practicable date. The extent of the damage to these properties is still being assessed, but is mainly limited to shop fronts, roller shutter doors, fixtures and fittings. Fairvest has deployed additional security measures at its properties and is closely monitoring them across the entire portfolio. All other assets across the country are expected to remain open and operate normally. Fairvest has insurance in place for losses and damage, and most of the Company's tenants have similar cover in place. Loss of rental and security costs relating to imminent danger are also insured.
- 3.6.2 Save for the transaction and the acquisitions and disposals set out in **Annexure 9**, respectively and as further set out above:
- 3.6.2.1 there have been no material changes in the financial or trading position of the group in the three years preceding the date of these revised listing particulars; and
- 3.6.2.2 there have been no changes in the business or trading objects of the Company and its major subsidiaries in the three years preceding the date of these revised listing particulars.

### 3.7 Estimated material commitments, lease payments and contingent liabilities

The Company has no estimated material commitments, lease payments or contingent liabilities and therefore the purchase, construction or installation of buildings, plant or machinery and the estimated dated of completion and the commencement of the operational use thereof is not applicable.

### 3.8 Turnover, profit/loss and dividend history

As required in terms of Regulations 59(3)(g) and 79 of the Companies Regulations, particulars of the gross turnover, the profits and losses (before tax and after tax) and the dividends paid by the group and the Company in the preceding three financial periods, being the years ended 30 June 2020, 30 June 2019 and 30 June 2018, are set out in **Annexure 11**. The financial information set out in **Annexure 11** has been extracted from the audited financial statements of the group and the Company for the years ended 30 June 2020, 30 June 2019 and 30 June 2018.

#### 4. SHARE CAPITAL OF THE COMPANY

4.1 The authorised and issued share capital of the Company as at the last practicable date is as follows:

	<b>Stated capital R'000</b>
<i>Authorised share capital</i>	
3 000 000 000 ordinary shares of no par value	–
<i>Issued share capital</i>	
1 027 332 675 ordinary shares of no par value	821 218
of which 38 086 599 ordinary shares are treasury shares	(70 488)
<b>Total</b>	<b>750 730</b>

4.2 Assuming that the AHB share swap is implemented and the offers are implemented and accepted in full, and 2 098 811 506 ordinary shares are issued, the authorised and issued share capital of the Company is expected to be as follows:

	<b>R'000</b>
<i>Authorised share capital</i>	
6 000 000 000 ordinary shares of no par value	–
<i>Issued share capital</i>	
3 126 144 181 ordinary shares of no par value	3 078 850
of which 38 086 599 ordinary shares are treasury shares	(70 488)
<b>Total</b>	<b>3 008 402</b>

4.3 The Company's authorised and issued share capital comprises ordinary shares of no par value and, accordingly, the Company does not have a share premium account.

4.4 The table in paragraph 4.2 above assumes that the AHB share swap is implemented and the offers are implemented and accepted in full and is based on the consolidated *pro forma* statement of financial position of the Fairvest group as set out in **Annexure 14**.

4.5 **Annexure 7** contains the following salient information relating to the authorised and issued share capital:

- 4.5.1 authorisations;
- 4.5.2 rights attaching to shares;
- 4.5.3 options and preferential rights in respect of shares;
- 4.5.4 alterations to share capital;
- 4.5.5 issues and repurchases of shares in the preceding 3 years; and
- 4.5.6 statement as to listing on stock exchange.

#### 4.6 Major and controlling shareholders

4.6.1 Set out below are the names of shareholders, other than directors who, directly or indirectly, are beneficially interested in 5% or more of the issued shares of Fairvest as at the last practicable date:

<b>Shareholder</b>	<b>Direct beneficial</b>	<b>Indirect beneficial</b>	<b>Total shares</b>	<b>% of issued share capital</b>
Vukile	270 394 812	–	270 394 812	27.3
Counterpoint Asset Management	–	109 287 410	109 287 410	11.0
Sesfikile Capital	–	107 422 397	107 422 397	10.9
Stanlib Asset Management	–	62 570 599	62 570 599	6.3
Visio Capital	–	52 015 349	52 015 349	5.3
Catalyst Fund Managers	–	49 729 012	49 729 012	5.0
<b>Total</b>	<b>270 394 812</b>	<b>381 024 767</b>	<b>651 419 579</b>	<b>65.9</b>

- 4.6.2 Set out below are the names of shareholders, other than directors who, directly or indirectly, will be beneficially interested in 5% or more of the issued shares of Fairvest immediately after the AHB share swap, assuming that the AHB share swap is implemented, and 1 966 723 23 Fairvest shares are issued.

<b>Shareholder</b>	<b>Direct beneficial</b>	<b>Indirect beneficial</b>	<b>Total shares</b>	<b>% of issued share capital</b>
Vukile	482 106 155	–	482 106 155	25.0
36One Asset Management	–	265 493 418	265 493 418	13.8
Visio Capital	–	214 790 000	214 790 000	11.1
Catalyst Fund Managers	–	197 616 999	197 616 999	10.2
Counterpoint Asset Management	–	155 465 753	155 465 753	8.1
Ninety One	–	100 576 397	100 576 397	5.2
<b>Total</b>	<b>482 106 155</b>	<b>933 942 567</b>	<b>1 416 048 722</b>	<b>73.4</b>

- 4.6.3 As at the last practicable date, the Company does not have a controlling shareholder and the transaction will not result in the Company having a controlling shareholder.

## 5. OPTIONS AND PREFERENTIAL RIGHTS IN RESPECT OF SHARES

- 5.1 The Company is not party to any contract or arrangement (or proposed contract or arrangement), whereby an option or preferential right of any kind is (or is proposed to be) given to any person to subscribe for any shares in the Company or any subsidiary of the Company.
- 5.2 There are no preferential conversion and/or exchange rights in respect of any shares of the Company.

## 6. COMMISSIONS PAID OR PAYABLE IN RESPECT OF UNDERWRITING

- 6.1 No amounts have been paid, or accrued as payable, within the three years preceding the date of these revised listing particulars, as commission to any person including commission so paid or payable to any sub-underwriter or a promoter or director, for subscribing or agreeing to subscribe, or for procuring or agreeing to procure, subscriptions for any securities of Fairvest.
- 6.2 No other commissions, discounts or brokerages have been paid nor have any other special terms been granted in connection with the issue or sale of any shares in the share capital of the Company, in the three years preceding the date of these revised listing particulars.

## 7. MATERIAL CONTRACTS

- 7.1 Save for the AHB share swap agreements entered into with the committed AHB shareholders in respect of the AHB share swap detailed in the category 1 acquisition circular, the Fairvest Manco share purchase agreement, the loan agreements set out in **Annexure 8** and the company secretarial service agreement, the Company has not entered into any contracts, whether written or oral, relating to the directors' and managerial remuneration, royalties, secretarial and technical fees and restraint payments.
- 7.2 Save for the AHB share swap agreements entered into with the committed AHB shareholders in respect of the AHB share swap detailed in the category 1 acquisition circular, the Fairvest Manco share purchase agreement and the loan agreements set out in **Annexure 8**, the Company has not entered into any other material contract, being a contract entered into otherwise than in the ordinary course of business carried on, or proposed to be carried on by Fairvest or any of its subsidiaries, within the two years prior to the date these revised listing particulars or at any time containing an obligation or settlement that is material to the Company at the date of these revised listing particulars.
- 7.3 The Company is not subject to any royalty agreements and no royalties are payable by the Company.

## 8. INTERESTS OF DIRECTORS AND PROMOTERS

Details of the directors' and promoters' interests in the Company are set out in paragraph 4 of **Annexure 3** to these revised listing particulars.

## 9. LOANS AND BORROWINGS

### 9.1 Material borrowings of the group

- 9.1.1 Details of material borrowings advanced to the group as at the last practicable date are set out in **Annexure 8**.
- 9.1.2 None of the material borrowings set out in **Annexure 8** have any redemption or conversion rights attaching to them.
- 9.1.3 The Company has no loan capital outstanding.
- 9.1.4 The group has not entered into any other material inter-company financial or other transactions.
- 9.1.5 As at the last practicable date, the group has not undertaken any off-balance sheet financing.

### 9.2 Material loans advanced by the group

- 9.2.1 Save for the inter-company loans set out in **Annexure 2** and the loans set out in **Annexure 8**, no material loans were made by the Fairvest group other than in the ordinary course of business as at the last practicable date.
- 9.2.2 No loans have been made or security furnished by the group for the benefit of any director or manager or associate of any director or manager of the group.

## 10. SHARES ISSUED OR TO BE ISSUED OTHERWISE THAN FOR CASH

Save as set out in **Annexure 7** and **Annexure 9** and otherwise in consideration for the acquisition of assets in respect of acquisitions that were not material, no shares were issued or agreed to be issued by the Company or any of its subsidiaries within the three years preceding the date of these revised listing particulars otherwise than for cash.

## 11. PROPERTIES, ASSETS AND BUSINESS UNDERTAKINGS ACQUIRED OR TO BE ACQUIRED

- 11.1 Save as set out in **Annexure 9**, no material immovable properties and/or fixed assets and/or business undertakings have been acquired by the group within the three years preceding the date of these revised listing particulars or are in the process of being or are proposed to be acquired by the group (or which the group has an option to acquire).
- 11.2 Details relating to the vendors of material properties ("acquisition properties") purchased by the group in the preceding three years, or proposed to be purchased, are set out in paragraph 30 and **Annexure 9**.

## 12. AMOUNTS PAID OR PAYABLE TO PROMOTERS

Details of the promoters' interests in the Company are set out in paragraph 4 of **Annexure 3**.

### 13. PRELIMINARY AND ISSUE EXPENSES

The preliminary and issue expenses (excluding VAT) relating to transaction and the Fairvest Manco internalisation which have been incurred or that are expected to be incurred by the group within three years before the date of these revised listing particulars are presented in the table below:

<b>Fees incurred by Fairvest</b>	<b>Recipient</b>	<b>Rand</b>
Corporate advisor	Java Capital	15 995 028
Transaction sponsor fee	Java Capital Trustees and Sponsors Proprietary Limited	2 550 000
Legal advisory fee	Werksmans	2 000 000
Independent expert's fees	Mazars	750 000
Independent reporting accountants' fees	BDO	420 000
Competition Commission filing fee	Competition Commission	550 000
JSE documentation fees	JSE	656 000
Printing and other costs	Ince	75 000
Contingency costs	–	75 000
<b>Total</b>		<b>23 071 028</b>

### 14. CONFLICT OF INTEREST

The transaction sponsor, a wholly-owned subsidiary of the corporate advisor, is acting as independent transaction sponsor to Fairvest and maintains the appropriate procedures to maintain its independence of Fairvest and any of its advisors as required under JSE Listings Requirements.

As required in terms of the JSE Listings Requirements, it is confirmed that in order to manage any potential or perceived conflicts of interest that might arise as a result of Java Capital acting in these roles, Java Capital has in place appropriate checks and balances, including procedures to assess the independence of Java Capital and divisions of the responsibility amongst the persons involved in fulfilling these various functions.

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## PART TWO – INFORMATION ABOUT THE SECURITIES TO BE ISSUED

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### 1. PURPOSE OF THE ISSUE

The purpose of the issue of Fairvest shares in terms of the transaction is set out in the category 1 acquisition circular.

After fulfilment of all conditions including approval of the transaction and on implementation of the AHB share swap, Fairvest will become able to exercise more than 35% of all the voting rights attached to Arrowhead shares and shall thereupon become obliged to make the offers, which must be accompanied by a registered prospectus as required in terms of the Companies Act. Acceptances of the offers, if any, would result in Fairvest acquiring further AHA and/or AHB shares (up to a theoretical maximum of all such shares in issue) in exchange for Fairvest shares.

### 2. TIME AND DATE OF THE ISSUE

The times and dates of the transaction is set out in the category 1 acquisition circular. The time and date of the offers will be included in an offer circular to be sent to Arrowhead shareholders in relation to the offers following the implementation of the AHB share swaps.

### 3. PARTICULARS OF THE ISSUE

3.1 The particulars of the issue of Fairvest shares in terms of the transaction are set out in the category 1 acquisition circular.

#### 3.2 Previous issues of securities

Save as disclosed in **Annexure 7**, the Company did not issue any securities during the three years preceding the date of these revised listing particulars.

The Company did not issue any securities at a premium during the three years preceding the date of these revised listing particulars.

#### 3.3 Simultaneous issues

No ordinary shares are to be issued simultaneously with the issue of Fairvest shares in terms of the AHB share swap are set out in the category 1 acquisition circular.

#### 3.4 Previous issues of securities for cash and previous issues of securities at a premium

The Company has not issued any securities for cash in the three years preceding the date of these revised listing particulars.

### 4. MINIMUM SUBSCRIPTION

The offers are not subject to any minimum subscription for acceptance.

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## PART THREE – STATEMENTS AND REPORTS

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### 1. ADEQUACY OF CAPITAL

- 1.1 The directors are of the opinion that the issued capital of the Company is adequate for the purposes of the business of the Company, for at least the 12 months from the date of these revised listing particulars.
- 1.2 The directors are of the opinion that the working capital available to the group is sufficient for the group's present requirements, that is, for at least the 12 months from the date of these revised listing particulars.

### 2. REPORT BY DIRECTORS AS TO MATERIAL CHANGES

Save for the material changes as set out in part 1 – paragraph 3.6, there have been no material changes in the assets or liabilities of the Company or any subsidiary between 30 June 2020 and the date of these revised listing particulars.

### 3. STATEMENT AS TO LISTING ON STOCK EXCHANGE

All the issued Fairvest shares are listed on the Main Board of the JSE as a primary listing and on A2X as a secondary listing.

### 4. REPORT BY THE AUDITOR WHERE BUSINESS UNDERTAKING TO BE ACQUIRED

Fairvest does not intend to apply any funds in order to acquire any business undertaking.

### 5. REPORT BY AUDITOR WHERE THE COMPANY WILL ACQUIRE A SUBSIDIARY

As required in terms of Regulation 78 of the Companies Regulations and given that Arrowhead, upon implementation of the transaction, will become a subsidiary of Fairvest, **Annexure 10** sets out the profits and losses of Arrowhead for the financial years ended 30 September 2020, 2019 and 2018 and the assets and liabilities of Arrowhead as at 30 September 2020 and **Annexure 12** sets out the auditors' report on the profit and losses, dividends and assets and liabilities of Arrowhead.

### 6. REPORT BY AUDITOR OF THE FAIRVEST GROUP

As required in terms of Regulation 79 of the Companies Regulations, **Annexure 11** sets out the auditor's report on the profits and losses, dividends and assets and liabilities of Fairvest and the Fairvest group.

### 7. FORECAST STATEMENTS OF COMPREHENSIVE INCOME

Given the nature of the transaction in that Fairvest does not have access to non-public information on Arrowhead, a JSE dispensation was sought and received from the preparation of a forecast statement of comprehensive income on the transaction.

### 8. CONSOLIDATED *PRO FORMA* FINANCIAL STATEMENTS

- 8.1 The consolidated *pro forma* financial statements of the Fairvest group are set out in **Annexure 14**.
- 8.2 The consolidated *pro forma* financial statements, including the assumptions on which they are based and the financial information from which they are prepared, is the responsibility of the directors. The independent reporting accountants' report on the consolidated *pro forma* financial statements of the group is set out in **Annexure 15**.
- 8.3 Given the nature of the transaction in that Fairvest does not have access to non-public information on Arrowhead, a JSE dispensation was sought and received in respect of the preparation by the independent reporting accountants' of a review conclusion on the value and existence of assets and liabilities acquired by the Fairvest group.



## 9. HISTORICAL FINANCIAL INFORMATION

- 9.1 The historical financial information of Fairvest for the years ended 30 June 2020, 30 June 2019 and 30 June 2018 and for the six months ended 31 December 2020 has been incorporated by reference and can be found at <https://fairvest.co.za/news/results>.
- 9.2 The auditors' report in terms of Regulation 79 of the Companies Regulations is set out in **Annexure 13**.
- 9.3 The historical financial information of Arrowhead for the years ended 30 September 2020, 30 September 2019 and 30 September 2018 and for the six months ended 31 March 2021 has been incorporated by reference and can be found at <https://arrowheadproperties.co.za/index.php>.

## 10. DIVIDENDS AND DISTRIBUTIONS

- 10.1 As a REIT, Fairvest must distribute at least 75% of its total distributable profits as a distribution to Fairvest shareholders by no later than four months after its financial year end, subject to the relevant solvency and liquidity test in terms of section 46 of the Companies Act.
- 10.2 Fairvest declares semi-annual dividends for the six-month periods ended 30 June and 31 December.
- 10.3 Any dividend distributions remaining unclaimed for a period of three years from the date of declaration thereof may be forfeited by resolution of the directors for the benefit of Fairvest.
- 10.4 There are no arrangements in terms of which future dividends are waived or agreed to be waived.

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## PART FOUR – ADDITIONAL MATERIAL INFORMATION

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### 1. RELATIONSHIP INFORMATION

- 1.1 Details of the asset manager and the property managers are set out in paragraphs part one – paragraph 2.5, **Annexure 3** and **Annexure 19**.
- 1.2 Save by virtue of their interests in Fairvest shares as disclosed in paragraph 3.2 of **Annexure 3**, no director of Fairvest has any beneficial interest, whether direct or indirect, in relation to any property held or property to be acquired by the Company nor are they contracted to become a tenant of any part of the property of the Company.
- 1.3 There is no relationship between any director or promoter of Fairvest and another person that may conflict with a duty to Fairvest.
- 1.4 No securities or other participatory interests will be issued by Fairvest in order to finance the acquisition of any properties acquired or to be acquired.
- 1.5 No director of Fairvest or promoter has been beneficially interested, whether directly or indirectly, in the acquisition or disposal of any properties by the Company since 30 June 2020.

### 2. PROPERTIES, ASSETS AND BUSINESS UNDERTAKINGS DISPOSED OF OR TO BE DISPOSED OF

Save as set out in **Annexure 9**, no material immovable properties and/or fixed assets and/or business undertakings have been disposed of in the three years preceding the last practicable date.

### 3. VENDORS

- 3.1 Details relating to the vendors of all material assets purchased by the group in the three years preceding the last practicable date or proposed to be purchased (“**material assets**”) are set out in **Annexure 9**.
- 3.2 No vendors of the material assets (the “**vendors**”) has guaranteed the book debts of the letting enterprises acquired or to be acquired by the group. All agreements in terms of which Fairvest or its subsidiaries acquired material assets during the three years preceding the last practicable date (the “**vendor agreements**”) contain warranties standard for transactions of their nature.
- 3.3 The vendor agreements do not preclude the vendors from carrying on business in competition with the Company nor do they impose any other restrictions on the vendors. No payment in cash or otherwise has been made in this regard.
- 3.4 There are no liabilities for accrued taxation that are required to be settled in terms of vendor agreements.
- 3.5 Save as disclosed in respect of the acquisitions set out in **Annexure 9** and in respect of the transaction, Fairvest has not purchased any securities in any Company. The securities detailed in **Annexure 9** were acquired at the proportionate value of the net assets of that Company attributable to such securities acquired. A reconciliation in respect of the securities to be acquired in terms of the transaction and the offers is set out below:

	R'000	Per combined Arrowhead share
Consideration based on value of shares issued by Fairvest	3 882 801	3.83
Net asset value attributable to shares acquired in Arrowhead	6 616 693	6.52
Gain on bargain purchase	2 733 891	2.70

- 3.6 Save for the directors' interests in transactions, details of which are set out in paragraph 3.2 of **Annexure 3**, no promoter or director (or any partnership, syndicate or other association in which a promoter or director had an interest) had any beneficial interest, direct or indirect in any transaction relating to any of the material assets.
- 3.7 No cash or securities have been paid or any benefit given within the three preceding years of the last practicable date or is proposed to be paid or given to any promoter (not being a director).
- 3.8 Save for those acquisitions set out in **Annexure 9**, all of the material assets acquired have been transferred into the name of the group. The material assets have not been ceded or pledged to any party, although have been provided as security for borrowings as set out in **Annexure 8**.

#### 4. **GOVERNMENT PROTECTION AND INVESTMENT ENCOURAGEMENT LAW**

There is no government protection or any investment encouragement law pertaining to any of the businesses operated by the group.

#### 5. **CORPORATE GOVERNANCE**

Fairvest's corporate governance statement is available on the Company's website at <https://fairvest.co.za/corporate-governance>, in Fairvest's annual integrated report which can be found at <https://fairvest.co.za/news/reports> and is set out in **Annexure 16**.

#### 6. **LITIGATION STATEMENT**

There are no legal or arbitration proceedings, including any proceedings that are pending or threatened, of which Fairvest is aware, that may have or have had in the recent past (being the previous 12 months), a material effect on the group's financial position.

#### 7. **DIRECTORS' RESPONSIBILITY STATEMENT**

The directors, whose names are given in paragraph 2.2.1 of these revised listing particulars, collectively and individually accept full responsibility for the accuracy of the information given herein (but only in so far as it relates to Fairvest) and certify that, to the best of their knowledge and belief, no facts have been omitted which would make any statement false or misleading, that all reasonable enquiries to ascertain such facts have been made, and that these revised listing particulars contains all information required by law and the JSE Listings Requirements.

#### 8. **CONSENTS**

Each of the corporate advisor, transaction sponsor, independent reporting accountants and auditors, the attorneys, transfer secretaries and company secretary have consented in writing to act in the capacities stated and to their names appearing in these revised listing particulars and have not withdrawn their consent prior to the publication of these revised listing particulars.

The independent reporting accountants have consented to the inclusion of their reports in the form and context in which they are included in these revised listing particulars, which consents have not been withdrawn prior to the publication of these revised listing particulars.

#### 9. **TRADING HISTORY OF FAIRVEST SHARES**

A table of the aggregate volumes and values traded and the highest and lowest prices traded in Fairvest shares for each month over the 12 months preceding to, and for each day over the 30 days preceding, the last practicable date is set out in **Annexure 18**.

## 10. INCORPORATION BY REFERENCE

The following information is incorporated in these revised listing particulars by reference:

### Revised listing particulars reference

Revised listing particulars reference	Nature of information	Accessible at
Part Three – Paragraph 8	<p>The historical financial information of Fairvest for the years ended 30 June 2020, 30 June 2019 and 30 June 2018 and for the six months ended 31 December 2020 has been incorporated by reference.</p> <p>The historical financial information of Arrowhead for the years ended 30 September 2020, 30 September 2019 and 30 September 2018 and for the six months ended 31 March 2021 has been incorporated by reference.</p>	<p>The financial statements of Fairvest can be viewed on Fairvest’s website at: <a href="https://fairvest.co.za/news/results">https://fairvest.co.za/news/results</a></p> <p>The financial statements of Arrowhead can be viewed on Arrowhead’s website at: <a href="https://arrowheadproperties.co.za/index.php">https://arrowheadproperties.co.za/index.php</a></p>
Part One – paragraph 3.4	The property portfolio information in respect of Arrowhead has been incorporated by reference.	The property portfolio information in respect of Arrowhead can be viewed at <a href="https://arrowheadproperties.co.za/cmsAdmin/uploads/annual-reports/arrowhead-integrated-annual-report-2020.pdf">https://arrowheadproperties.co.za/cmsAdmin/uploads/annual-reports/arrowhead-integrated-annual-report-2020.pdf</a>
Part One – Paragraph 3.5	<p>Details of the valuations of the Fairvest properties are disclosed in Fairvest’s annual integrated report which has been incorporated by reference.</p> <p>Details of the valuations of the Arrowhead properties are disclosed in Arrowhead’s annual integrated report which has been incorporated by reference.</p>	<p>Details of the Fairvest property valuations can be viewed at: <a href="https://fairvest.co.za/news/reports">https://fairvest.co.za/news/reports</a>.</p> <p>Details of the Arrowhead property valuations can be viewed at: <a href="https://arrowheadproperties.co.za/cmsAdmin/uploads/annual-reports/arrowhead-integrated-annual-report-2020.pdf">https://arrowheadproperties.co.za/cmsAdmin/uploads/annual-reports/arrowhead-integrated-annual-report-2020.pdf</a></p>

Insofar as it relates to Fairvest, where information has materially changed since publication and the last practicable date, any changes have been disclosed.

## 11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the Company’s registered office during business hours from the date of issue of these revised listing particulars. In light of the COVID-19 pandemic and the resultant lockdown regulations, copies of these documents will also be available for inspection electronically and may be obtained from the Company by sending a request to [investor@fairvest.co.za](mailto:investor@fairvest.co.za):

- 11.1 the signed revised listing particulars;
- 11.2 the category 1 acquisition circular;
- 11.3 the MOI of Fairvest;
- 11.4 the material contracts referred to in part 1 – paragraph 7;
- 11.5 the property management agreements detailed in **Annexure 19**;
- 11.6 the asset management agreement detailed in **Annexure 3**;
- 11.7 the Fairvest Manco share purchase agreement;
- 11.8 the written consents referred to in part 4 – paragraph 8 above;

- 11.9 the signed reports by the independent reporting accountants and auditors, extracts of which are set out in **Annexure 12, Annexure 13** and **Annexure 15**; and
- 11.10 the audited financial statements of Fairvest for the years ended 30 June 2020, 30 June 2019 and 30 June 2018 and the six months ended 31 December 2020.

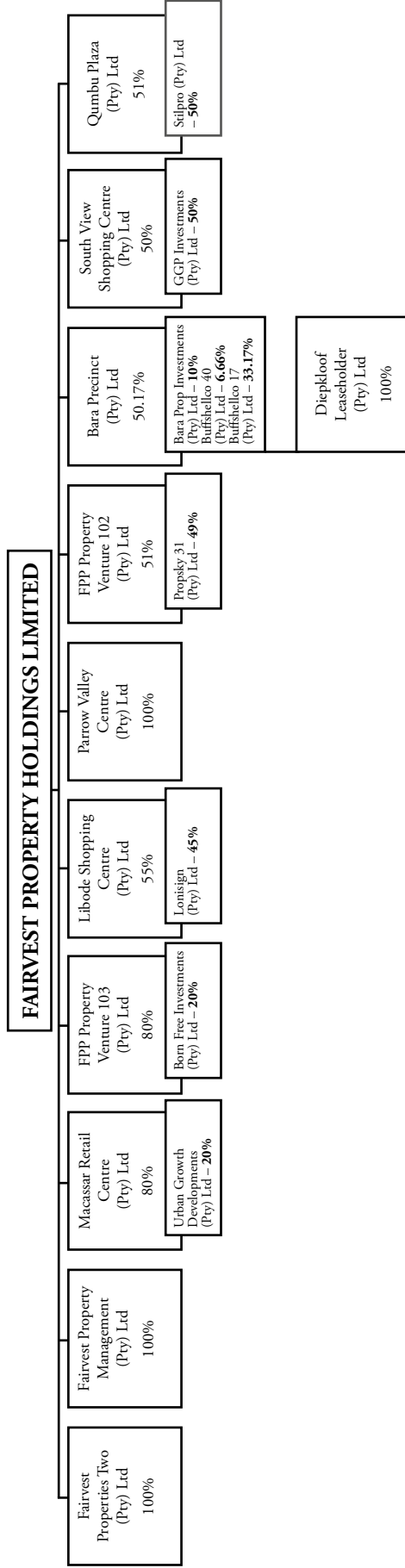
Signed in Cape Town by Darren Wilder on his behalf and on behalf of all of the directors of the Company on 10 August 2021 in terms of a board resolution granting Darren Wilder authority to do so.

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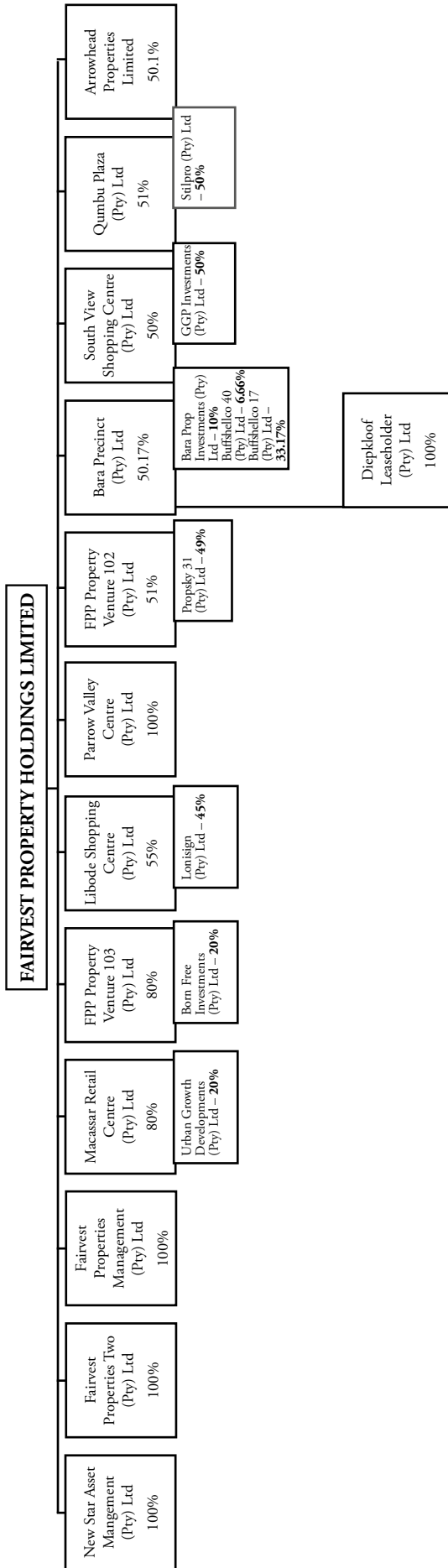
**DM Wilder**  
**Chief Executive Officer**

**GROUP STRUCTURE**

Set out below is the group structure as at the last practicable date:



Set out below is the group structure post-implementation of the transaction and the Fairvest Manco internalisation:



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**DETAILS OF SUBSIDIARIES**


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Set out below are details of all subsidiaries of the Company following the implementation of the transaction and the Fairvest Manco internalisation:

	<b>Name of subsidiary</b>	<b>Date and place of incorporation</b>	<b>Registration No.</b>	<b>Issued share capital</b>	<b>% held</b>	<b>Inter-company loan owing to Fairvest as at 30 June 2020 (R'000)</b>
1.	Fairvest Property Management Proprietary Limited	28 August 2001 South Africa	2001/020298/07	100 shares of no par value	100%	317
2.	Fairvest Properties Two Proprietary Limited	2000/009837/07 South Africa	2000/009837/07	1 000 shares of no par value	100%	66 406
3.	FPP Property Venture 103 Proprietary Limited	9 July 2015 South Africa	2015/229619/07	100 shares of no par value	80%	42 208
4.	Macassar Retail Centre Proprietary Limited	24 October 2014 South Africa	2014/209218/07	100 shares of no par value	80%	35 809
5.	Libode Shopping Centre Proprietary Limited	26 June 2017 South Africa	2017/273514/07	100 shares of no par value	55%	28 246
6.	Parow Valley Centre Proprietary Limited	9 July 2015 South Africa	2015/229676/07	100 shares of no par value	51%	8 789
7.	FPP Property Venture 102 Proprietary Limited	9 July 2015 South Africa	2015/229521/07	100 shares of no par value	51%	69 174
8.	South View Shopping Centre Proprietary Limited	26 June 2017 South Africa	2017/273484/07	100 shares of no par value	50%	20 618
9.	Bara Precinct Proprietary Limited	28 July 2016 South Africa	2016/323469/07	301 "A" class ordinary shares, 199 "B" ordinary shares and 100 ordinary shares of no par value	50.17%	(9 083)
10.	Diepkloof Leaseholder Proprietary Limited*	3 December 1979 South Africa	1979/007051/07	100 shares of no par value	50.17%	–
11.	Qumbu Plaza Proprietary Limited	23 October 2017 South Africa	2017/471706/07	100 shares of no par value	51%	27 917
12.	Arrowhead Properties Limited <sup>#</sup>	13 November 2007 South Africa	2007/032604/06	62 718 658 AHA shares and 976 956 729 AHB shares	50.1%	–
13.	New Star Asset Management Proprietary Limited	18 August 2005 South Africa	2005/029006/07		100%	–

\* Bara Precinct Proprietary Limited owns 100% of the issued share capital in Diepkloof Leaseholder Proprietary Limited.

<sup>#</sup> Including its subsidiaries



1. None of the subsidiaries are major subsidiaries as defined in the JSE Listings Requirements. Following implementation of the transaction, Arrowhead Properties Limited will become a major subsidiary.
2. All subsidiaries are incorporated in South Africa and other than Arrowhead are not listed on any stock exchange.
3. All subsidiaries are property owning companies, save for New Star Asset Management Proprietary Limited which if acquired in terms of the Fairvest Manco share purchase agreement will become a 100% owned subsidiary of Fairvest.
4. The loans to subsidiaries are unsecured, at varying rates of interest linked to prime interest rate and with no fixed terms of repayment. These loans will not be called for nor is repayment expected within the next 12 months.
5. The loan to Fairvest Property Management Proprietary Limited has been subordinated in favour of the remaining creditors to the extent of R105 000 until such time as the assets of the company fairly valued exceed its liabilities and a loss allowance amounting to R105 000 has been recognised in respect of the loan.

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**INFORMATION ON THE DIRECTORS, MANAGEMENT AND MATERIAL THIRD PARTIES**

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**1. DIRECTORS' EMOLUMENTS**

1.1 Directors' emoluments for the year ended 30 June 2020 are set out in the table below:

	<b>Directors' fees R'000</b>	<b>Meeting attendance fees R'000</b>	<b>Salary R'000</b>	<b>Short-term bonus R'000</b>	<b>Total R'000</b>
<i>Executive directors</i>					
BJ Kriel	–	–	1 821	1 265	<b>3 086</b>
DM Wilder <sup>1</sup>	–	–	2 426	509	<b>2 935</b>
<i>Alternate director</i>					
A Marcus <sup>1</sup>	–	–	2 426	509	<b>2 935</b>
<i>Non-executive directors</i>					
JF du Toit	251	155	–	–	<b>406</b>
LW Andrag	172	140	–	–	<b>312</b>
JD Wiese	172	140	–	–	<b>312</b>
N Mkhize	172	117	–	–	<b>289</b>
TJ Cohen	172	81	–	–	<b>253</b>
KR Nkuna	172	105	–	–	<b>277</b>
<b>Total</b>	<b>1 111</b>	<b>738</b>	<b>6 673</b>	<b>2 283</b>	<b>10 805</b>

**Notes:**

1. DM Wilder and AJ Marcus are remunerated by New Star. Fees for other services and commission are paid to entities in which the directors have a beneficial interest.

The remuneration received by any of the directors will not be varied as a consequence of the transaction or the offers.

1.2 Save for the tables above, the directors of the Company did not receive any emoluments in the form of:

- 1.2.1 fees for services as a director;
- 1.2.2 management, consulting, technical or other fees paid for such services rendered, directly or indirectly, including payments to management companies, a part of which is then paid to a director of the Company;
- 1.2.3 basic salaries;
- 1.2.4 bonuses and performance-related payments;
- 1.2.5 sums paid by way of expense allowance;
- 1.2.6 any other material benefits received;
- 1.2.7 contributions paid under any pension scheme; or
- 1.2.8 any commission, gain or profit-sharing arrangements.

1.3 No share options or any other right have been given to a director of the Company in respect of providing a right to subscribe for shares in the Company.

1.4 No shares have been issued and allotted in terms of a share purchase or share option scheme for any of the employees.

- 1.5 All directors are remunerated by Fairvest, other than DM Wilder and AJ Marcus who are remunerated by New Star.
- 1.6 Save in respect of DM Wilder and AJ Marcus who are remunerated by New Star, no director receives any remuneration or benefit in any form from any holding company or subsidiary of Fairvest (or from their associates), from any joint venture of Fairvest or any holding company or subsidiary of Fairvest, or from any third party management or advisor to Fairvest or to any holding company or subsidiary of Fairvest.
- 1.7 The remuneration received by any of the directors will not be varied as a consequence of the transaction or the offers.
- 1.8 Save for the asset management agreement, the business of the group, or any part thereof, is not managed or proposed to be managed by any third party under contract or arrangement.

## 2. BORROWING POWERS

- 2.1 The borrowing powers of the group exercisable by the directors are unlimited. The borrowing powers of the group may not be varied unless a special resolution has been passed by shareholders with the support of 75% of voting rights exercised.
- 2.2 The borrowing powers have not been exceeded during the period from the date of incorporation of the Company to the last practicable date. There are no exchange control or other restrictions on the borrowing powers of the group. Further information related to the borrowing powers of directors is set out in **Annexure 6**.

## 3. DIRECTORS' INTERESTS

### 3.1 Directors' interests in Fairvest shares

- 3.1.1 Set out below are the names of directors of the Company (and their associates), including directors who have resigned in the last 18 months that, directly or indirectly, are beneficially interested in Fairvest shares in issue at the last practical date.

Director	Direct beneficial	Indirect beneficial/ associates	Total shares	% of total shares
BJ Kriel	–	23 717 745	23 717 745	2.33
DM Wilder	–	9 978 190	9 978 190	0.98
AJ Marcus	–	4 927 326	4 927 326	0.48
TJ Cohen	109 770	–	109 770	0.01
<b>Total</b>	<b>109 770</b>	<b>38 623 261</b>	<b>38 733 031</b>	<b>3.80%</b>

- 3.1.2 Save as set out in paragraph 3.1.1 above, there have been no changes to the directors' interests between the year ended 30 June 2020 and the date of these revised listing particulars.
- 3.1.3 The information set out in paragraphs 3.1.1 and 3.1.2 above is not expected to change as a result of the transaction or the offers.

### 3.2 Directors' interests in transactions

Save as disclosed in paragraph 3.1 above, none of the directors of the Company, including a director that has resigned during the last 18 months, has or had any material beneficial interest, direct or indirect, in transactions that were effected by the group during the current financial year or immediately preceding financial year or during any earlier financial year and which remain in any respect outstanding or underperformed.

## 4. INTERESTS OF DIRECTORS AND PROMOTERS

- 4.1 No amount has been paid, or is accrued as payable, within the three years preceding the date of these revised listing particulars, or is proposed to be paid to any promoter or to any partnership, syndicate or other association of which such promoter is or was a member and no other benefit has been given or is proposed to be given to such promoter, partnership, syndicate or other association within the said period.

- 4.2 Save for the directors' interests in transactions, details of which are set out in paragraph 3.2 above, neither the directors nor the promoters of the Company have received any material beneficial interest, direct or indirect, in the promotion of the Company and its properties within the three years preceding the date of these revised listing particulars. This includes a partnership, Company, syndicate or other association.
- 4.3 No amount has been paid, or has been agreed to be paid, within the three years preceding the date of these revised listing particulars, to any director of the Company or to any company in which such director is beneficially interested, directly or indirectly, or of which he is a director ("**the associate company**") or to any partnership, syndicate or other association of which he is a member ("**the associate entity**"), in cash, securities or otherwise, by any person, either to induce him to become, or to qualify him as a director or otherwise for services rendered by him or by the associate company or the associate entity in connection with the promotion or formation of the group.

## 5. DIRECTORS' DECLARATIONS

None of the directors have:

- 5.1 ever been involved in any business rescue plans and/or resolution proposed by any entity to commence business rescue proceedings, application having been made for any entity to begin business rescue proceedings, notices having been delivered in terms of section 129(7) of the Companies Act, receiverships, compulsory liquidations, administrations, company voluntary arrangements or any composition or arrangement with creditors generally or any class of creditors of any company where such person is or was a director, with an executive function within such company at the time of, or within the 12 months preceding, such events;
- 5.2 entered into creditors' voluntary liquidations of any company where such person is or was a director, with an executive function within such company at the time of, or within the 12 months preceding such events;
- 5.3 either themselves or any company of which he was a director or an alternate director or officer at the time of the offence, been convicted in any jurisdiction of any criminal offence, or an offence under legislation relating to the Companies Act;
- 5.4 been removed from an office of trust, on grounds of misconduct, involving dishonesty;
- 5.5 been disqualified by a court from acting as a director of a company, or from acting in management or conduct of the affairs of any company;
- 5.6 been convicted of an offence resulting from dishonesty, fraud, theft, perjury, misrepresentation or embezzlement;
- 5.7 been adjudged bankrupt, insolvent or sequestrated (whether provisionally or finally) in any jurisdiction;
- 5.8 been a party to a scheme of arrangement or made any other form of compromise with his creditors;
- 5.9 been found guilty in disciplinary proceedings, by an employer or regulatory body, due to dishonest activities;
- 5.10 had any court grant an order declaring him to be a delinquent or placed such director under probation in terms of section 162 of the Companies Act and/or 47 of the Close Corporations Act, No. 69 of 1984 of South Africa or disqualifying him or her to act as a director under section 219 of the Companies Act, No. 61 of 1973, as amended or section 69 of the Companies Act;
- 5.11 been barred from entry into any profession or occupation;
- 5.12 been convicted in any jurisdiction of any criminal offence, or an offence under legislation relating to the Companies Act;
- 5.13 has received any official public criticisms by any statutory or regulatory authorities (including recognised professional bodies);
- 5.14 entered into any compulsory liquidations, administrations or partnership voluntary arrangements of any partnerships where such person is or was a partner at the time of or within the 12 months preceding such event;

- 5.15 entered into receiverships of any asset(s) of such person or of a partnership of which the person is or was a partner at the time of, or within the 12 months preceding, such event; or
- 5.16 been involved in any offence involving dishonesty committed by such person.

### **SALIENT TERMS AND CONDITIONS OF THE ASSET MANAGEMENT AGREEMENT**

Set out below are the salient terms and conditions extracted from the asset management agreement:

#### **3. APPOINTMENT AND DURATION**

- 3.1 Fairvest hereby appoints the asset manager, which hereby accepts such appointment, to render the asset management services in accordance with the terms and conditions of this agreement.
- 3.2 The asset manager shall be an independent contractor and not an agent (save to the extent expressly authorised in terms of this agreement) employee or partner of Fairvest.
- 3.3 The asset manager shall not have the authority to represent Fairvest and to contract in the name of and for the benefit of Fairvest except where such authority is expressly conferred upon it in terms of this agreement and when so representing Fairvest, the asset manager will act in the best interests of Fairvest.
- 3.4 This agreement shall commence on the commencement date and shall be for a fixed period of 10 (ten) years (“**initial period**”) unless Fairvest purchases the business conducted by the asset manager in accordance with the provisions of clause 16 below or it is otherwise terminated in accordance with the provisions of clause 18 below. The agreement shall be renewable for subsequent 5 (five) year periods on the same terms and conditions. In terms of the JSE Listings Requirements, any renewal of the agreement requires the approval by a majority of disinterested unitholders.

#### **4. DUTIES OF THE ASSET MANAGER**

##### *4.1 Asset management services*

- 4.1.1 The asset manager shall perform the asset management services set out in Annexure A1, together with such other duties as Fairvest may reasonably direct and which are services normally expected from property asset managers from time to time. In this regard the asset manager undertakes to Fairvest that the key individuals will be full time employees of the asset manager and that it will procure that the key individuals dedicate the requisite time and attention to the provision of the asset management services in their capacity as employees of the asset manager.
- 4.1.2 Notwithstanding anything to the contrary in this agreement, the services and activities set out in Annexure A2 shall at all times remain the responsibility of Fairvest, to be performed by the CFO seconded to the asset manager in accordance with clause 4.3.2 below in the ordinary course of his duties to Fairvest.
- 4.1.3 The asset manager shall strategically manage the property portfolio in an efficient manner, in good faith and diligently in accordance with sound, reasonable and prudent asset management practices and in keeping with directives issued by Fairvest from time to time.

##### *4.2 Property management services*

- 4.2.1 The asset manager shall, with the prior written consent of Fairvest, which consent shall not be unreasonably withheld, appoint one or more property managers to perform the property management and administration services on terms and conditions to be agreed between Fairvest and such property manager/s. It is recorded that, at present, Fairvest has appointed The Blend Group to undertake its property management.
- 4.2.2 The asset manager shall, as part of its asset management services rendered in terms of clause 4.1, oversee and monitor the property manager/s appointed by Fairvest and endeavour to ensure that the property manager/s comply with their management and other responsibilities and obligations.

#### 4.3 *Arrangements regarding Chief Financial Officer*

- 4.3.1 It is recorded that as at the commencement date the Chief Financial Officer (“CFO”) of Fairvest will be Jacques Kriel. In the event of his ceasing to be the CFO Fairvest shall, with the prior written consent of the asset manager, which consent shall not be unreasonably withheld, appoint a new CFO. The CFO shall at all times be an employee of Fairvest and Fairvest shall bear all costs associated with the employment of the CFO. Notwithstanding the aforementioned, the appointment of the CFO will always be subject to the provisions of the Fairvest’s articles of association or memorandum of incorporation, as may be in force at the time, and the Companies Act, 2008.
- 4.3.2 Notwithstanding the provisions of clause 4.3.1 above, the CFO shall be permanently seconded to the asset manager and shall perform his duties and functions under the supervision of the asset manager and in accordance with the responsibilities of the asset manager as set out in this agreement.

### 5. **BASE REMUNERATION**

- 5.1 The base remuneration payable by Fairvest to the asset manager for asset management services rendered by it in terms of this agreement shall be:
- 5.1.1 prior to the initial acquisition, a monthly fee equivalent to 1/12<sup>th</sup> of 1% of the aggregate of the market capitalisation and the borrowings of Fairvest; and
- 5.1.2 following the initial acquisition, a monthly fee equivalent to 1/12<sup>th</sup> of 0.5% of the aggregate of the market capitalisation and the borrowings of Fairvest.
- 5.2 For the purpose of clause 5.1 above:
- 5.2.1 “borrowings” means the aggregate of Fairvest’s borrowings (excluding the face value of any debentures forming part of any linked units issued by Fairvest) on the day in question; and
- 5.2.2 “market capitalisation” means the market capitalisation of Fairvest on the JSE at the close of business on the trading day in question, calculated as the volume weighted average traded price of each class of linked unit on the JSE for the 14 calendar day period prior to the last trading day in question multiplied by the number of that class of linked units in issue on the day in question.
- 5.3 The base fee referred to above shall be payable to the asset manager monthly in arrears on the 10<sup>th</sup> day of each month, together with the applicable VAT thereon.

### 6. **ASSET ACQUISITION FEE**

Fairvest shall pay the asset manager a fee (excluding VAT) equal to 1% of the purchase price of any property or portion of a property acquired, whether directly or indirectly, by Fairvest, which amounts shall be payable on registration of transfer of ownership to Fairvest or a subsidiary of it or the equivalent.

### 7. **ASSET DISPOSAL FEE**

- 7.1 In respect of the disposal, after the commencement date, of any property or portion of property:
- 7.1.1 owned, whether directly or indirectly, by Fairvest prior to the commencement date (meaning properties in respect of which Fairvest, directly or indirectly, is the registered title holder and properties in respect of which Fairvest, directly or indirectly, has entered into legally binding purchase agreements and which properties are only transferred to Fairvest after the commencement date); and
- 7.1.2 acquired by Fairvest after the commencement date and identified for disposal by way of a Fairvest board resolution at the time of its acquisition.

Fairvest shall pay the asset manager a fee (excluding VAT) equal to 1% of the disposal price of any such property or portion of property, payable on registration of transfer of ownership to the purchaser.

- 7.2 No fee shall be paid to the asset manager in respect of the disposal of any property or portion of property by Fairvest which property is acquired on or after the commencement date other than in the circumstances contemplated in clause 7.1.2 above.

## 8. LEASING COMMISSIONS

Fairvest shall pay the asset manager a leasing commission for any new leases negotiated and for the re-negotiation of existing leases by the asset manager in accordance with the asset manager's responsibilities set out in paragraph 2 of Annexure A to this agreement, which commissions shall be calculated in accordance with the commission rates set out in Annexure C to this agreement.

## 9. APPOINTMENTS IN RESPECT OF DEVELOPMENTS

The asset manager shall not, by virtue of its appointment in terms of this agreement only, be precluded from being appointed by Fairvest to oversee or manage any new developments being undertaken by or on behalf of Fairvest; it being recorded that any such appointment shall be on an arms-length basis, at market related fees and subject to approval by the Fairvest board of directors (excluding any directors who have an interest in the asset manager, are directors of the asset manager or are employees of the asset manager).

## 16. ACQUISITION OF THE ASSET MANAGER BY FAIRVEST

### 16.1 Fairvest:

- 16.1.1 shall have the right (but shall not be obliged) to purchase the business conducted by the asset manager at any time after Fairvest's market capitalisation exceeds R2 billion for an uninterrupted period of 6 months; and
- 16.1.2 must purchase the business conducted by the asset manager when or in the event that the agreement terminates (i) pursuant to an event contemplated in clause 18.2.1.3 below in circumstances where the acquirer has not agreed to take over the rights and obligations of Fairvest in respect of the property sold, alienated or disposed of in terms of this agreement; or (ii) in accordance with the provisions of clause 18.2.2 or 18.2.3.

### 16.2 In the event of Fairvest exercising its right to, or becoming obliged to purchase the business conducted by the asset manager in accordance with the provisions of clauses 16.1.1 or 16.1.2 above, a sale of business shall be deemed to have been concluded on the following terms and conditions:

- 16.2.1 the acquisition shall be subject to Fairvest complying with the requirements of the JSE Listings Requirements and without derogating from the generality of the foregoing, that Fairvest procure a fairness opinion from an independent advisor should the JSE rule that the transaction is a related party transaction and requires a fairness opinion;
- 16.2.2 the assets shall be delivered to Fairvest against payment of the purchase price;
- 16.2.3 if applicable, Fairvest shall bear the costs of any VAT payable in respect of the acquisition of the business;
- 16.2.4 the effective date of the acquisition ("**the effective date**") shall be:
  - 16.2.4.1 in circumstances where Fairvest is purchasing the business as a consequence of the provisions of clause 16.1.1 being applicable, on the 30<sup>th</sup> day following written notification by Fairvest to the asset manager that it will be exercising its right to purchase the asset manager; and
  - 16.2.4.2 in circumstances where Fairvest is purchasing the business as a consequence of the provisions of clause 16.1.2 becoming applicable, the date on which this agreement terminates;
- 16.2.5 the business shall be acquired voetstoots;
- 16.2.6 the purchase price of the business shall be the greater of:
  - 16.2.6.1 the fair market value thereof, which for purposes hereof shall be an amount equivalent to the anticipated aggregate base fees payable to the asset manager for the year following the effective date (calculated by multiplying the base fees, calculated in accordance with clause 5 above, payable in the last month prior to the effective date, by 12) and capitalised at a rate equivalent to the forward yield; and
  - 16.2.6.2 an amount of R30 million;
- 16.2.7 the auditors of Fairvest shall be responsible for calculating the purchase price on the basis set out in clause 16.2.6 above. In determining the purchase price, the auditors shall act as expert and not as arbitrator;
- 16.2.8 the purchase price of the business shall be settled in cash unless the asset manager and Fairvest agree that it may be settled partly or wholly in linked units.

- 16.3 Notwithstanding the provisions of clause 16.2.6 above, until the earlier of the expiry of a period of 24 months from the commencement date and the date on which the asset manager has on behalf of Fairvest submitted an offer to purchase on any property, if the asset manager has not successfully raised at least R200 million through the issue of linked units (on terms acceptable to the Fairvest board), the purchase price of the business shall be the anticipated aggregate base fees payable to the asset manager for the remainder of the initial 24 month period (calculated by multiplying the base fees, calculated in accordance with clause 5 above, payable in the last month prior to the effective date by the number of month's remaining until the expiry of the 24 month period).
- 16.4 In circumstances where Fairvest is purchasing the business conducted by the asset manager as a consequence of the provisions of clause 16.1.1 becoming applicable Fairvest shall be entitled to require as a term and condition of the sale of business contemplated in clause 16.2 that the key individuals enter into new fixed term service agreements for a period of 24 months from the effective date on market related terms given the size of the company at the time and the responsibilities of the key individuals, provided that for the first 12 months of such 24 month period the key individuals will not earn salaries but will be remunerated on a performance related basis to be agreed at the time that the fixed term service agreements are entered into.
- 16.5 No right or obligation to purchase the business conducted by the asset manager shall arise in terms of this agreement other than as contemplated in clause 16.1 above.

## 18. TERMINATION

### 18.1 *Events of default*

An event of default shall have occurred if a party:

- 18.1.1 fails to comply with any provision of this agreement and if such failure is not rectified within 20 business days after receipt of a written notice from the other party, provided, however, with respect to any matter where rectifying such failure reasonably requires more than 20 business days, the time period for rectifying shall be extended for up to a total of 60 business days provided that the party who failed, promptly commences to rectify the failure after the effective date of the notice and thereafter pursues such rectification; or
- 18.1.2 enters into a compromise or arrangement with its creditors, otherwise than for a reconstruction, restructuring or amalgamation without insolvency; or
- 18.1.3 is placed under judicial management or a liquidation whether provisional or final; or
- 18.1.4 has a judgement enforced upon or sued out against its property which is not discharged or steps are not taken to set it aside or the judgement is appealed within 14 business days and such steps are not diligently pursued to conclusion; or
- 18.1.5 is unable to pay its debts in the normal course of business; or
- 18.1.6 ceases or threatens to cease wholly or substantially to carry on its business, otherwise than for a reconstruction, restructuring or amalgamation, in solvent circumstances; or
- 18.1.7 is subject to an encumberer taking possession of or a liquidator or trustee is appointed over the whole or material part of its undertaking, property or assets; or
- 18.1.8 is subject to an order or passes a resolution for its winding up or placing under judicial management, whether provisionally or finally and, otherwise than for the purpose of a reconstruction or amalgamation, in solvent circumstances previously approved by the other party, which approval shall not be unreasonably withheld.

### 18.2 *Fairvest's right to cancel or terminate and termination on expiry of the initial period*

- 18.2.1 Fairvest shall have the right, but not be obliged, to terminate this agreement with effect from the 1st day of a calendar month upon at least 30 days' written notice to the asset manager:
- 18.2.1.1 upon the occurrence of an event of default by the asset manager, provided that if the event of default complained of is the event of default contemplated in clause 18.1.1, Fairvest shall only have the right to cancel if such event of default is material, goes to the root of this agreement and cannot be remedied by the payment of monetary compensation; and/or
- 18.2.1.2 in the event of proven fraud or proven wilful misconduct on the part of the asset manager; and/or



- 18.2.1.3 upon a sale or alienation or other disposition of all or substantially all of Fairvest's property portfolio to an entity which is not associated with Fairvest; and/or
  - 18.2.1.4 in the event that following a period of 24 months from the commencement date the asset manager has raised less than R200 million through the issue of linked units (on terms acceptable to the Fairvest board) which capital has been deployed for the acquisition of new properties by Fairvest; and/or
  - 18.2.1.5 upon the performance criteria and written demands set out in Annexure B not being met, subject to the provisions of Annexure B.
- 18.2.2 In the event that the linked unitholders of Fairvest in general meeting pass an ordinary resolution in terms of which they cancel this agreement (as they are entitled to do in terms of the Listing Requirements of the JSE), this agreement shall terminate on the 30<sup>th</sup> day from the date of the passing of such resolution.
- 18.2.3 In the event that the linked unitholders of Fairvest in general meeting do not pass an ordinary resolution in terms of which they renew this agreement prior to the expiry of the initial period (as they are required to do in terms of the Listing Requirements of the JSE), this agreement shall terminate on the 10 (ten) year anniversary of the commencement date.
- 18.3 *The asset manager's right to terminate*
- The asset manager shall have the right, but not be obliged, to terminate this agreement with effect from the 1<sup>st</sup> day of a calendar month upon at least 60 days' written notice to Fairvest
- 18.3.1 upon the occurrence of an event of default by Fairvest or in the event of fraud or wilful misconduct on the part of Fairvest, provided that if the event of default complained is the event of default contemplated in clause 18.1.1, the asset manager shall only have the right to terminate if such event of default is material and goes to the root of the agreement and cannot or is not remedied by the payment of monetary compensation; and/or
  - 18.3.2 upon a sale or alienation or other disposition of all or substantially all of the properties by Fairvest to an entity which is not associated with Fairvest.
- 18.4 *Duties upon termination*
- On the effective date of a termination, the asset manager shall deliver to Fairvest promptly all of Fairvest' materials, supplies, keys, leases, contracts, other documents, insurance policies, plans, specifications, permits, licenses, promotional materials and such other accounting papers and records including general correspondence as pertain to this agreement. The asset manager shall also assign to Fairvest, without recourse to the asset manager, executed contracts, if any, in the asset manager's name relating to the asset management services, provided that such contracts are on market related terms and acceptable to Fairvest. The asset manager shall deliver to Fairvest a final accounting of the portfolio up to and including the effective date of the termination within 60 days after such effective date of termination. No further services shall be performed by the asset manager under this agreement after the effective date of a termination or rely on or represent any association with Fairvest, except that the asset manager shall co-operate fully with Fairvest to accomplish an orderly transfer of the asset management services and operational management of Fairvest to Fairvest itself or an entity designated by Fairvest to succeed the asset manager.
- 18.5 *Remedies and survival*
- 18.5.1 If either party terminates this agreement pursuant to an event of default, the party so terminating may exercise any and all remedies available at law or in terms of this agreement for breach of contract, unless and to the extent limited herein.
  - 18.5.2 Upon expiration or any termination:
    - 18.5.2.1 both parties shall remain liable for all obligations accrued and not fully performed under this agreement during the term of this agreement;
    - 18.5.2.2 the asset manager shall remain entitled to be remunerated until the actual date of expiration or termination;
    - 18.5.2.3 the provisions of clause 13 and clause 17 shall continue to apply and shall survive such expiration or termination.

## **Annexure A1 – Asset management services**

### **1. GENERAL**

- 1.1 Formalise a strategic plan for the property portfolio and make recommendations regarding portfolio re-engineering, streamlining and risk balancing within the portfolio.
- 1.2 Scrutinise the maintenance plan prepared by each property manager and revise the program and budget in terms of affordability, if the asset manager deems it necessary.
- 1.3 Perform quarterly performance analysis of property managers and for the property portfolio as a whole in terms of performance against budgets and relevant industry benchmarks, with a focus on gross revenue growth, expense control and management of a comprehensive utility cost program (i.e. actual recoveries to actual costs).
- 1.4 Risk and exposure analysis on a semi-annual basis and review of the perceived potential and current risks to which each property is or might be exposed and to which Fairvest is or might be exposed and reporting thereon.
- 1.5 Building lifecycle forecasting and revision of the business plan for each property on an annual basis.
- 1.6 Make recommendations regarding improvements to the property portfolio and more specifically regarding upgrades, renovations, developments, selling of assets and acquisitions on a quarterly basis.
- 1.7 Have prepared viability and feasibility studies to appraise upgrades, development and acquisition opportunities.
- 1.8 Have prepared, if required by Fairvest, annual property valuations for multi- and single-tenant buildings.
- 1.9 Manage marketing strategy at property management level to include target market identification, compilation of tenant mix, tenant procurement and selection of objectives.
- 1.10 Make use of market research and available surveys, together with market intelligence to ensure that the property managers implement at property level, a relevant marketing strategy for all rentable premises, including rent reviews with lease renewals.
- 1.11 Advising on long-term loan funding structures, maintaining debt to open market value ratios and implementing approved interest rate hedging strategies.
- 1.12 Managing the appointment process and assessing the performance of property managers against agreed industry benchmarks. Constant reviewing and advising on any contractual issues relating to property managers.
- 1.13 The asset manager shall prepare and deliver to Fairvest prior to the commencement of each financial year a strategic plan for approval by Fairvest. The strategic plan will be reviewed half yearly and the progress in implementation shall be reported upon quarterly to Fairvest within 60 days after the end of each quarter, unless Fairvest agrees otherwise.
- 1.14 The asset manager shall from time to time recommend general strategies to maximise the performance of the property portfolio and strategies with regard to property acquisitions, property disposals, funding the expansion of the property portfolio and interest rate strategies in respect of the liabilities of Fairvest. The asset manager will also recommend such other strategies to Fairvest which it deems to be in the best interests of Fairvest.
- 1.15 The asset manager shall market the group to investors, analysts, bankers, financiers, the press and the investment community generally.
- 1.16 The asset manager shall cause to be conducted or use available research into the state and relative investment merits of the various sectors and geographical localities of the property market. Such research shall be made available to the Fairvest board.

## 2. **NEGOTIATION AND RE-NEGOTIATION OF LEASES**

The asset manager shall, to the exclusion of any property manager, unless the asset manager otherwise agrees in writing, be responsible for the negotiation of leases or re-negotiation of existing leases with anchor tenants (meaning the leading tenant or tenants in a shopping centre, as this term is generally understood) and/or national tenants (meaning tenants who operate retail outlets across the country such as Edcon, Pepkor, Pick n Pay, Shoprite Checkers and the Spar Group) of any property within the property portfolio.

## 3. **ANNUAL BUDGET**

Not later than 30 days before the commencement of each financial year, the asset manager shall cause to be prepared an annual budget for submission to Fairvest for approval for the next financial year. The asset manager shall cause to be revised the income and expenditure forecasts from time to time as is or becomes necessary and shall from time to time submit revised forecasts to Fairvest, in such form and containing such information as may reasonably be required by Fairvest, for approval, provided that any negative revisions to income shall be reported to the next following meeting of Fairvest and any unbudgeted expenditure, save for increases in local authority taxes and charges which were not anticipated, shall likewise be reported to Fairvest. In addition to the above, the business of Fairvest shall be managed in accordance with the annual budget on a continual basis with projections for the next financial year being presented to Fairvest in the annual budget together with the projected earnings for the linked units of Fairvest, on the understanding that the annual budget will be reviewed by Fairvest within 60 days after the end of each half year.

## 4. **FINANCIAL REPORTING**

The asset manager shall manage the budgeted projections in respect of both operating expenditure and operating income and all other related financial controls and cause to be prepared monthly management accounts, quarterly reports and such other reports as may be reasonably required by Fairvest.

## 5. **LETTING POLICY**

The asset manager shall ensure that the letting policies and leasing terms adopted by Fairvest take into account prevailing market conditions from time to time in furtherance of the objectives for the property portfolio.

## 6. **OPERATIONAL RESEARCH**

The asset manager shall cause to be conducted or use available research into prevailing rental rates and leasing terms offered in localities where the property portfolio is represented and comparative localities and research of general market conditions prevailing in such localities. Such research shall be made available to the Fairvest board.

## 7. **OPERATIONAL RESPONSIBILITIES**

The asset manager shall, *inter alia*, cause to be prepared and/or implemented:

- 7.1 valuations of the property portfolio by an independent valuer as directed by Fairvest, or as required by IFRS;
- 7.2 a review of municipal valuations in relation to market value, formulating objections and procuring the attendance by the requisite professionals at any valuation court proceedings as may be required and taking such further actions as may be required as a result thereof;
- 7.3 the inspection of the properties and the improvements thereto at least annually in order to formulate recommendation reports on maintenance and refurbishment required;
- 7.4 any legal, statutory, JSE or any other relevant processes necessary on behalf of Fairvest (but this shall not include the authority to appoint or remove any service providers of Fairvest);
- 7.5 all other responsibilities which could ordinarily comprise operational management responsibilities, save for as specifically excluded in terms of clause 4.1.2 of the agreement.

## **8. OPERATIONAL MANAGEMENT**

- 8.1 Manage the process of risk assessment of tenants, including the taking of any legal action when required.
- 8.2 Appraisal of project definition and design concept.
- 8.3 Manage the function/process of project quality, cost and time control as well as building inspections.
- 8.4 Zoning and Town Planning controls.
- 8.5 Retain responsibility for audits and inspections regarding compliance requirements in respect of national building regulations, including local authority laws and Occupational Health and Safety Act.
- 8.6 Rates and tax objections.
- 8.7 Replacement costing.
- 8.8 Marketing of the group's image.
- 8.9 Preparation of all committee documentation and documentation pertaining to directors of Fairvest.
- 8.10 Manage the approval and authorisation processes to correct levels of authority.

## **9. ACQUISITIONS, DEVELOPMENTS AND DISPOSALS**

The asset manager shall insofar as the approved strategic plan envisages acquisitions and/or disposals of properties, the asset manager shall endeavour to negotiate and conclude such acquisition and/or disposals to the maximum advantage of Fairvest (subject to the instructions and approval of the Fairvest board).

## **10. ADMINISTRATION OF PROPERTIES**

The asset manager shall oversee and monitor the activities of the property manager appointed by Fairvest and endeavour to ensure that the property manager comply with their management and other responsibilities and obligations.

### **Annexure A2 – Excluded services**

## **1. OPERATIONAL MANAGEMENT**

- 1.1 Daily management and supervision of bank statements and reconciliation.
- 1.2 Financial control.
- 1.3 Cash flow management.
- 1.4 Bank accounts.
- 1.5 Bank exposure limits policy.
- 1.6 Overdraft and funding facilities.
- 1.7 System and internal controls review.
- 1.8 Deposits/securities.
- 1.9 Tender documentation.
- 1.10 Annual review of insurance.
- 1.11 Manage the process of insurance claims processing and settling.

- 1.12 Monitoring and reporting on changes to regulatory requirements.
- 1.13 Ensure that the group's requirements as required by regulatory and statutory authorities, are attended to.
- 1.14 Corporate governance controls.
- 1.15 Control professional appointments of auditors, corporate advisors, legal advisors, sponsors (if applicable), insurers, consultants and service providers.
- 1.16 Retain responsibility for communication including communication and announcements, on a regular basis in respect of results, informal press and SENS releases (if applicable) and the annual reports.
- 1.17 Manage the approval and authorisation processes to correct levels of authority.

## 2. SECRETARIAL AND ACCOUNTING

Fairvest shall be responsible for:

- 2.1 investing surplus funds;
- 2.2 maintaining full, accurate and up to date books of account and other records relating to the management of each property in the property portfolio;
- 2.3 maintaining the group's secretarial documentation including minutes and resolutions (provided that the costs of any company secretary shall be borne by Fairvest);
- 2.4 providing all required information to the auditors of Fairvest for the annual audit;
- 2.5 attending to the annual audit and preparation of the annual financial statements;
- 2.6 the preparation and timeous circulation of all agendas, reports, minutes and other documentation required for board meetings of Fairvest including round robin resolutions;
- 2.7 attending to the requirements of the JSE, including without limitation, procuring the preparation and distribution of circulars, payments of distributions and the convening of general meetings of the unitholders, to the extent necessary or requested; and
- 2.8 liaising adequately and properly with Fairvest's sponsors, corporate advisers, legal advisors, auditors and other professional advisors on all relevant matters.

## 3. COMPLIANCE

- 3.1 Fairvest shall be responsible for compliance by the group with all the legal, statutory, JSE and secretarial obligations and the insurance requirements of each property in the property portfolio. The asset manager shall promptly notify Fairvest of, and use its best endeavours to remedy, any violation of any statutory obligations which comes to its attention.
- 3.2 Fairvest shall be responsible for compliance by the group with all insurance, tax and other laws relating to the group.

### **Annexure B – Performance criteria**

1. The parties agree that it is necessary to record as a material term of the agreement the performance criteria against which the performance of the asset manager will be measured.
2. The basis for determining the performance criteria shall lie in a comparison of the annual growth in distribution per linked unit (the "**Fairvest growth**") compared to the average growth in distributions achieved by the property loan stock companies listed on the main board of the JSE over the immediately preceding three year period (including the year of comparison) (the "**Market growth**").

3. Fairvest's performance is affected by the quality of the property portfolio, which quality may in turn be affected by adjustment events or events of *force majeure*. The effects of any adjustment events and/or events of *force majeure* must be taken into account by the independent directors of Fairvest (being directors with no interest (whether direct or indirect) in the asset manager (the "**independent body**")), in determining whether or not the asset manager has breached its obligations in terms of this Annexure.
4. Accordingly, within 45 days after the end of each financial year, the asset manager shall furnish Fairvest with a schedule showing:
  - 4.1 the Fairvest growth;
  - 4.2 the Market growth; and
  - 4.3 the impact of any adjustment event or any event of *force majeure* on the Fairvest growth.
5. If the Fairvest growth, adjusted for any appropriate adjustment event or *force majeure* on the Fairvest growth, is less than 60% of the Market growth where the Market growth is positive or more than 166% of the Market growth where the Market growth is negative, the asset manager shall be in breach of the performance criteria, provided that this provision shall not be of effect until the commencement of the second calendar year following the commencement date.
6. Where the asset manager is in breach of the performance criteria for:
  - 6.1 two consecutive financial years, the independent body shall be entitled (on written notice to the asset manager) to reduce the percentage in 5.1 to 0.25%, provided that such reduction shall only for so long as the asset manager remains in breach of the performance criteria; and
  - 6.2 three consecutive financial years, the independent body shall be entitled (on written notice to the asset manager) to terminate the asset management agreement in terms of clause 18.2.1.5 of the asset management agreement.

## 7. **DISPUTE RESOLUTION**

In the event of a dispute arising between the parties in respect of the performance criteria set out in this Annexure B, the calculation thereof and/or any adjustments to the performance criteria pursuant to any adjustment event or an event of *force majeure*, such dispute shall be referred to an independent person elected by the independent body, who shall, after having called for expert evidence and/or expert assistance, attempt to mediate the dispute with a view to settle the matter, failing which such person shall refer the dispute for arbitration in terms of clause 19 of the agreement.

## **Annexure C – Commission rates**

### 1. **MONTHLY LEASES**

One month's rental x 0.5% provided that the full commission is to be refunded if the tenancy endures for less than six months.

### 2. **LEASE AGREEMENTS**

2.5% of the first two year's rental, 1.25% on the next three year's rental, 0.75% on the following three year's rental and 0.5% on the balance, provided that the commission is to be refunded pro rata if the tenancy is terminated prior to the agreed duration of the lease agreement.

### 3. **RE-NEGOTIATION OF EXISTING LEASES**

Commission on lease renewals will be at 50% of the rates set out in paragraphs 1 and 2 above, as applicable.

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## CURRENT AND PAST DIRECTORSHIPS

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The table below lists the companies and partnerships of which each director of the Company is currently a director or partner as well as the companies and partnerships of which each director of the Company was a director or partner over the five years preceding these revised listing particulars:

### Directors of the Company

<b>Director</b>	<b>Current directorships and partnerships</b>	<b>Directorships and partnerships held in the last five years</b>
Darren Wilder	Erf 4383 Murray House CC, FPP Property Venture 103 Proprietary Limited, Riverside Property Syndication Limited, Fairvest Property Holdings Limited, New Star Asset Management Proprietary Limited, Before The Wind Investments 94 Proprietary Limited	Bara Precinct Proprietary Limited
Jacques Kriel	Qumbu Plaza Proprietary Limited, South View Shopping Centre Proprietary Limited, Libode Shopping Centre Proprietary Limited, Bara Precinct Proprietary Limited, FPP Property Venture 102 Proprietary Limited, FPP Property Venture 103 Proprietary Limited, Parow Valley Centre Proprietary Limited, Macassar Retail Centre Proprietary Limited, Fairvest Property Management Proprietary Limited, Fairvest Properties Two Proprietary Limited, Fairvest Property Holdings Limited, Channelprops 29 Proprietary Limited, Polpoint Share Block Limited, RW Boerdery Proprietary Limited	Mount Frere Shopping Centre Proprietary Limited

Director	Current directorships and partnerships	Directorships and partnerships held in the last five years
Adam Marcus	Bioteen Nutrition SA Proprietary Limited, Palladium Consulting Proprietary Limited, Palladium Real Estate Services Proprietary Limited, Palladium Charter VCC Proprietary Limited, Palladium Student Hospitality VCC Proprietary Limited, Fulcrum Hospitality Fund 3 Proprietary Limited, Palladium Greenglass VCC Proprietary Limited, Palladium VCC 1 Proprietary Limited, Palladium VCC 2 Proprietary Limited, Palladium Alternative Asset Management Proprietary Limited, Palladium Hospitality VCC Proprietary Limited, FPP Property Venture 118 Proprietary Limited, FPP Property Venture 119 Proprietary Limited, Qumbu Plaza Proprietary Limited, FPP Property Venture 122 Proprietary Limited, Palladium Group Proprietary Limited, FPP Property Venture 111 Proprietary Limited, FPP Property Venture 112 Proprietary Limited, FPP Property Venture 113 Proprietary Limited, FPP Property Venture 114 Proprietary Limited, South View Shopping Centre Proprietary Limited, Libode Shopping Centre Proprietary Limited, Bara Precinct Proprietary Limited, FPP Property Venture 106 Proprietary Limited, FPP Property Venture 107 Proprietary Limited, FPP Property Venture 108 Proprietary Limited, FPP Property Venture 110 Proprietary Limited, FPP Property Venture 109 Proprietary Limited, Bright Source Solar Proprietary Limited, FPP Property Venture 102 Proprietary Limited, FPP Property Venture 103 Proprietary Limited, Parow Valley Centre Proprietary Limited, FPP Property Venture 105 Proprietary Limited, Fulcrum Property Partners Proprietary Limited, Teen Active Proprietary Limited, Macassar Retail Centre Proprietary Limited, GPIF One Proprietary Limited, Mallard Property Investments Proprietary Limited, Gateway Private Equity Investments Proprietary Limited, Dala Property Investments Proprietary Limited, Mediascape Outdoor Advertising Proprietary Limited, New Star Asset Management Proprietary Limited, Shake Up Property Investments Proprietary Limited, Fiensburg Property Investments Proprietary Limited, Seven Islands Property Investments Proprietary Limited, Presidency Property Investments Proprietary Limited, Stalagmite Property Investments Proprietary Limited, Functional Nutrition International Proprietary Limited, Mallard Property Investments Proprietary Limited, Kea Property Investments Proprietary Limited, Fairvest Property Holdings Limited, Dala Property Investments Proprietary Limited, Gateway Private Equity Investments Proprietary Limited, Polpoint Share Block Limited	Mount Frere Shopping Centre Proprietary Limited, Qumbu Plaza Proprietary Limited, East London Property One Proprietary Limited
Jacques du Toit	Cohesive Capital Proprietary Limited, New Star Asset Management Proprietary Limited, Fairvest Property Management Proprietary Limited, Cohesive Capital CC, Fairvest Properties Two Proprietary Limited, Eight Roses Properties Proprietary Limited, Fairvest Property Holdings Limited, Charlia Eiendomme CC, Spotprops 48 Proprietary Limited, Syndicate 607 CC, Henren Beleggings Proprietary Limited, Panama Holdings Proprietary Limited	–
Louis Andrag	Scarlet Sun 56 Proprietary Limited, Tygervalley Improvement District NPC, Protolith Properties Proprietary Limited, Bellville Church of the Cross Proprietary Limited, Agrico Machinery Proprietary Limited, Ferreira Broers Proprietary Limited, Darling Cellars Proprietary Limited, Drivequip Proprietary Limited, Spotprops 48 Proprietary Limited, Darling Cellars Holdings Proprietary Limited, Fairvest Property Holdings Limited, Anicol Properties Proprietary Limited, Andlou Trading Proprietary Limited, Green Earth Energy Efficient Lighting Manufacturing Proprietary Limited	Basson Farming Proprietary Limited



<b>Director</b>	<b>Current directorships and partnerships</b>	<b>Directorships and partnerships held in the last five years</b>
Khegu Nkuna	Phyro Business Investments CC, Izintsikelelo Online Marketing CC, Sunlark High Props Proprietary Limited, Masingita Towers Proprietary Limited, Masingita Facilities Management Services Proprietary Limited, Masingita Jacobs Burnard Proprietary Limited, Eris Masingita Proprietary Limited, Amelocel Proprietary Limited, Zoviblox Proprietary Limited, Izintsikelelo Online Marketing Proprietary Limited, Mahahlwa Debt Collectors Proprietary Limited, Reboni Furniture Factory Proprietary Limited, Sindawonye Granulators and Processors Proprietary Limited, Vlaming Proprietary Limited, Fairvest Property Holdings Limited, Italite Investments Proprietary Limited, Xitlati Investments Holdings Proprietary Limited, Masingita Property Investment Holdings Proprietary Limited, Capstone 632 Proprietary Limited, Marble Gold 182 Proprietary Limited, Ama Casa Props 64 Proprietary Limited, Concl-Usive Mining Components Proprietary Limited, Centuria 368 Proprietary Limited, Masingita Properties No 2 Proprietary Limited, Masingita Property Services Proprietary Limited	Spring Lights 1184 CC
Ndabezinhle Mkhize	Fairvest Property Holdings Limited Busamed Proprietary Limited Sire Capital Proprietary Limited IG Markets South Africa Limited (Incorporated in England and Wales)	n/a

Director	Current directorships and partnerships	Directorships and partnerships held in the last five years
Jacob Wiese	<p>Caro Art Proprietary Limited, Southern View Finance SA Holdings Proprietary Limited, Navy Sky Investments 201 Proprietary Limited, Ceta Trading Proprietary Limited, Coala Bear Trading Proprietary Limited, Carbide Resources VC 1 Proprietary Limited, Zenco Investments Proprietary Limited, Fundex Investments Proprietary Limited, JDW Vintage Collection Proprietary Limited, 12 Apostles Properties Proprietary Limited, K2019197451 (South Africa) Proprietary Limited, Shoprite Holdings Limited, VRE Investments Proprietary Limited, Schonegevel Holdings Proprietary Limited, FI Operations Proprietary Limited, Invicta Holdings Limited, Lourensford Fruit Company Proprietary Limited, Dorsland Diamante Proprietary Limited, Titan Share Dealers Proprietary Limited, Wiesfam Trust Proprietary Limited, Tradehold Limited, Toerama Proprietary Limited, Titan Manor Proprietary Limited, Titan Nominees Proprietary Limited, Titan Premier Investments Proprietary Limited, Titan Group Investments Proprietary Limited, Titan Asset Management Proprietary Limited, Worldquest Investment Resources Proprietary Limited, Matrix Development Proprietary Limited, Tomil Holdings Proprietary Limited, Wikalox Investments Proprietary Limited, Titan Global Investments Proprietary Limited, Granadino Investments Proprietary Limited, Cenfund Investments Proprietary Limited, Thibault Square Financial Services Proprietary Limited, Titan Portfolio Proprietary Limited, Titan Financial Services Proprietary Limited, FI Funding And Investments Holdco Proprietary Limited, Brisktrade 113 Proprietary Limited, Fairvest Property Holdings Limited, Lourensford Leasing Proprietary Limited, Lourensford Properties Proprietary Limited, Lourensford Holdings Proprietary Limited, FI Funding And Investments Finance Proprietary Limited, Lourensford Sawmills Proprietary Limited, Radaj 2 Proprietary Limited, Metcap 5 Proprietary Limited, Lourensford Financial Services Proprietary Limited, Lourensford Events Proprietary Limited, Oryx Management Services Proprietary Limited, Oryx Game Farming Proprietary Limited, Luna Group Proprietary Limited, Lourensford Marketing Proprietary Limited, Titan Trademarks Proprietary Limited, Lourensford Winery Proprietary Limited, CWP Wine Brands Proprietary Limited, Xantium Trading 326 Proprietary Limited, Frejen Proprietary Limited, Titan Funding (RF) Proprietary Limited, Seven Seasons Trading 144 Proprietary Limited, Move-On-Up 289 Proprietary Limited, Misty Mountain Trading 86 Proprietary Limited, Afropulse 500 Proprietary Limited, Auburn Avenue Trading 142 Proprietary Limited, Auburn Avenue Trading 144 Proprietary Limited, Alenti 254 Proprietary Limited, Alenti 252 Proprietary Limited, Incaprox Investments Proprietary Limited, Incapart Investments Proprietary Limited, Lavender Sky Investments 38 Proprietary Limited, Lavender Sky Investments 37 Proprietary Limited, Mayborn Investments 143 Proprietary Limited</p>	<p>International Mining and Dredging Holdings Proprietary Limited, Bish Proprietary Limited, Mettle Solar (RF) Proprietary Limited, Amalinde Technologies Proprietary Limited, Steinhoff International Holdings N.V., Cape Town 7 Properties Proprietary Limited, Mettle Solar Investments Proprietary Limited, Tefco Investments Proprietary Limited, Own My Ride Proprietary Limited, Pepkor Holdings Limited, K2019197451 (South Africa) Proprietary Limited, K2020711324 (South Africa) Proprietary Limited, Greenpoint Specialised Lending Proprietary Limited, TTM SA Investments Proprietary Limited, Lourensford Trout Farming Proprietary Limited, Pepkor Holdco Proprietary Limited, Texton Property Fund Limited, Greenpoint Capital Proprietary Limited, Premier Group Proprietary Limited, Auburn Avenue Trading 143 Proprietary Limited, Bon View Trading 164 Proprietary Limited,</p>
Trevor Cohen	<p>Teddy Schneider CC, Heriot REIT Limited, Fairvest Property Holdings Limited</p>	<p>Yeoville Estates Proprietary Limited, J C K Investments Proprietary Limited, O K Bazaars Venda Limited</p>

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## EXTRACTS FROM THE MOI

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The MOI of the Company contains, *inter alia*, provisions with regard to the appointment, qualification, remuneration and borrowing powers of directors, retirement of directors, together with the manner in which dividends will be managed, as set out in the extracts below:

The extracts of the salient provisions in the MOI appearing below, use the definitions as set out in the MOI.

For a full appreciation of the provisions of the MOI, shareholders are referred to the text of the MOI, which is available for inspection as provided for in part 4 – paragraph 11 of these revised listing particulars.

### 6. ISSUE OF SHARES AND VARIATION OF RIGHTS

6.1 The Company is authorised to issue:

6.1.1 3 000 000 000 (three billion) Ordinary Shares, of the same class, each of which ranks *pari passu* in respect of all rights and entitles the holder to:

6.1.1.1 vote on any matter to be decided by the Shareholders of the Company and to 1 (one) vote in the case of a vote by means of a poll;

6.1.1.2 participate proportionally in any distribution made by the Company; and

6.1.1.3 receive proportionally the net assets of the Company upon its liquidation;

6.1.2 such number of each of such further classes of Shares, if any, as are set out in Schedule 1 hereto subject to the preferences, rights, limitations and other terms associated with each such class set out therein.

6.2 For purposes of clause 6.1, *pari passu* shall have the meaning attributed thereto in terms of the JSE Listings Requirements.

6.3 The Board shall not have the power to:

6.3.1 increase or decrease the number of authorised Shares of any class of the Company's Shares;

6.3.2 create any new class or classes of authorised but unissued Shares;

6.3.3 consolidate and reduce the number of the Company's issued and authorised Shares of any class;

6.3.4 subdivide its Shares of any class by increasing the number of its issued and authorised Shares of that class without an increase of its capital;

6.3.5 convert any class of Shares into one or more other classes of Shares;

6.3.6 reclassify any classified Shares that have been authorised but not issued;

6.3.7 classify any unclassified Shares that have been authorised but not issued;

6.3.8 determine the preferences, rights, limitations or other terms of any Shares; or

6.3.9 change the name of the Company,

and such powers shall only be capable of being exercised by the Shareholders by way of a special resolution of the Shareholders.

6.4 All Securities of a class shall rank *pari passu* in all respects.

6.5 The Company has the power, subject to the authority of a special resolution as contemplated in clause 6.3 to subdivide its Shares of any class. Such subdivision may be effected through a mere splitting of, and consequential increase in, the authorised and issued Shares of the relevant class, and without an issue of new shares and an increase of its capital.

- 6.6 Each Share issued by the Company has associated with it an irrevocable right of the Shareholder to vote on any proposal to amend the preferences, rights, limitations and other terms associated with that Share. The variation of any preferences, rights, limitations and other terms associated with any class of Shares as set out in this Memorandum of Incorporation may be enacted only by an amendment of this Memorandum of Incorporation approved by special resolution adopted by the Ordinary Shareholders. If any amendment of the Memorandum of Incorporation relates to the variation of any preferences, rights, limitation or any other terms attaching to any other class of Shares already in issue, that amendment must not be implemented without a special resolution, taken by the holders of Shares of that class at a separate meeting. In such instances, the holders of such Shares will be allowed to vote at the meeting of Ordinary Shareholders subject to clause 22.2. No resolution of Shareholders in respect of such amendment shall be proposed or passed, unless a special resolution of the holders of the Shares of that class approve the amendment.
- 6.7 The authorisation and classification of Shares, the creation of any class of Shares, the conversion of one class of Shares into one or more other classes, the consolidation of Securities, the sub-division of Securities, the change of the name of the Company, the increase of the number of authorised Securities, and, subject to clause 6.6, the variation of any preferences, rights, limitations and other terms associated with each class of Shares as set out in this Memorandum of Incorporation may be changed only by an amendment of this Memorandum of Incorporation by special resolution of the Shareholders and in accordance with the JSE Listings Requirements, to the extent required, save if such an amendment is ordered by a court in terms of sections 16(1)(a) and 16(4) of the Act.
- 6.8 No Shares may be authorised in respect of which the preferences, rights, limitations or any other terms of any class of Shares may be varied and no such resolution may be proposed to Shareholders for rights to include such variation in response to any objectively ascertainable external fact or facts as provided for in sections 37(6) and 37(7) of the Act.
- 6.9 The Company may only issue Shares which are fully paid up and freely transferable and only within the classes and to the extent that those Shares have been authorised by or in terms of this Memorandum of Incorporation.
- 6.10 The Board may, subject to clauses 6.11 and 6.16, issue Shares at any time, but only within the classes and to the extent that those Shares have been authorised by or in terms of this Memorandum of Incorporation.
- 6.11 Subject to clauses 6.10 and 6.17, the Board may not issue unissued Ordinary Shares unless such Ordinary Shares have first been offered to existing Ordinary Shareholders in proportion to their shareholding (on such terms and in accordance with such procedures as the Board may determine), unless the relevant issue of Ordinary Shares –
- 6.11.1 is a capitalisation issue; or
  - 6.11.2 is for the acquisition of assets, is a vendor consideration placing related to an acquisition of assets, or is an issue for the purposes of an amalgamation or merger; or
  - 6.11.3 is an issue pursuant to options or conversion rights; or
  - 6.11.4 is an issue in terms of an approved share incentive scheme; or
  - 6.11.5 is an issue of shares for cash (as contemplated in the JSE Listings Requirements), which has been approved by the Shareholders by ordinary resolution, either by way of a general authority (which may be either conditional or unconditional) to issue Shares in its discretion or a specific authority in respect of any particular issue of Shares, in accordance with the JSE Listings Requirements, provided that, if such approval is in the form of a general authority to the Directors, it shall be valid only until the next annual general meeting of the Company or for 15 months from the date of the passing of the ordinary resolution, whichever is the earlier, and it may be varied or revoked by any general meeting of the Shareholders prior to such annual general meeting; or
  - 6.11.6 otherwise falls within a category in respect of which it is not, in terms of the JSE Listings Requirements, a requirement for the relevant Shares to be so offered to existing Ordinary Shareholders; or
  - 6.11.7 is otherwise undertaken in accordance with an authority approved by Ordinary Shareholders in general meeting,

provided that fractions of Shares will not be issued and that any fractions of Shares will be rounded or otherwise dealt with in accordance with the JSE Listings Requirements. After the expiration of the time within which an offer may be accepted, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the Shares offered, the Directors may, subject to the foregoing provisions, issue such Shares in such manner as they consider most beneficial to the Company.

- 6.12 The Directors may exclude any Shareholders or category of Shareholders from an offer contemplated in clause 6.10 if and to the extent that they consider it necessary or expedient to do so because of legal impediments or compliance with the laws or the requirements of any regulatory body of any territory, outside of South Africa, that may be applicable to the offer.
- 6.13 Alterations of share capital, authorised shares and rights attaching to a class/es of Shares; all issues of Shares for cash and all issues of options and convertible securities granted or issued for cash must, in addition to the foregoing provisions, be undertaken in accordance with the JSE Listings Requirements.
- 6.14 All Securities of the Company for which a listing is sought on the JSE and all Securities of the same class as Securities of the Company which are listed on the JSE must, notwithstanding the provisions of section 40(5) of the Act, but unless otherwise required by the Act, only be issued after the Company has received the consideration approved by the Company for the issuance of such Securities.
- 6.15 Subject to sections 40(5) to 40(7) of the Act, when the Company has received the consideration approved by the Board for the issuance of any Shares:
- 6.15.1 those Shares are fully paid up; and
  - 6.15.2 the Company must issue those Shares and cause the name of the holder to be entered onto the Company's Securities Register in accordance with sections 49 to 56 of the Act.
- 6.16 Notwithstanding anything to the contrary contained in this Memorandum of Incorporation, any issue of Shares, Securities convertible into Shares, or rights exercisable for Shares in a transaction, or a series of integrated transactions shall, if and to the extent that this may be required in terms of section 41(3) of the Act, require the approval of the Shareholders by special resolution if the voting power of the class of Shares that are issued or are issuable as a result of the transaction or series of integrated transactions will be equal to or exceed 30% of the voting power of all the Shares of that class held by Shareholders immediately before that transaction or series of integrated transactions.
- 6.17 Except to the extent that any such right is specifically included as one of the rights, preferences or other terms upon which any class of Shares is issued or as may otherwise be provided in this Memorandum of Incorporation (as is set out in clause 6.11), no Shareholder shall have any pre-emptive or other similar preferential right to be offered or to subscribe for any additional Shares issued by the Company.

### 13. DEBT INSTRUMENTS

The Board may authorise the Company to issue secured or unsecured debt instruments as set out in section 43(2), but no special privileges associated with any such debt instruments as contemplated in section 43(3) may be granted, and the authority of the Board in such regard is accordingly limited by this Memorandum of Incorporation.

### 16. FINANCIAL ASSISTANCE

The Board may authorise the Company to provide financial assistance by way of loan, guarantee, the provision of security or otherwise 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 for the purchase of any such Securities, as set out in (and in accordance with) section 44, and the authority of the Board in this regard is not limited or restricted by this Memorandum of Incorporation.

## 26. COMPOSITION AND POWERS OF THE BOARD OF DIRECTORS

### 26.1 Number of Directors

- 26.1.1 In addition to the minimum number of Directors, if any, that the Company must have to satisfy any requirement in terms of the Act to appoint an audit committee and a social and ethics committee, the Board must comprise at least 4 (four) Directors and the Shareholders shall be entitled, by ordinary resolution, to determine such maximum number of Directors as they from time to time shall consider appropriate.
- 26.1.2 All Directors shall be elected by an ordinary resolution of the Shareholders at a general or annual general meeting of the Company and no appointment of a Director in accordance with a resolution passed in terms of section 60 shall be competent.
- 26.1.3 Every person holding office as a Director, prescribed officer, company secretary or auditor of the Company immediately before the effective date of the Act will, as contemplated in item 7(1) of Schedule 5 to the Act, continue to hold that office.

### 26.2 Election of Directors

- 26.2.1 In any election of Directors:
- 26.2.1.1 the election is to be conducted as a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, with the series of votes continuing until all vacancies on the Board have been filled; and
- 26.2.1.2 in each vote to fill a vacancy:  
each vote entitled to be exercised may be exercised once; and  
the vacancy is filled only if a majority of the votes exercised support the candidate.
- 26.2.2 The Company shall only have elected Directors and there shall be no appointed or *ex officio* Directors as contemplated in section 66(4).

### 26.3 Eligibility, Resignation and Rotation of Directors

- 26.3.1 Apart from satisfying the qualification and eligibility requirements set out in section 69, a person need not satisfy any eligibility requirements or qualifications to become or remain a Director or a prescribed officer of the Company.
- 26.3.2 No Director shall be appointed for life or for an indefinite period and the Directors shall rotate in accordance with the following provisions of this clause 26.3.2:
- 26.3.2.1 at each annual general meeting referred to in clause 20.2.1, 1/3 (one-third) of the non-executive Directors for the time being, or if their number is not 3 (three) or a multiple of 3 (three), the number nearest to 1/3 (one-third), but not less than 1/3 (one-third), shall retire from office, provided that if a Director is appointed as an executive Director or as an employee of the Company in any other capacity, he or she shall not, while he or she continues to hold that position or office, be subject to retirement by rotation and he or she shall not, in such case, be taken into account in determining the rotation or retirement of Directors;
- 26.3.2.2 the Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who were elected as Directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot;
- 26.3.2.3 a retiring Director shall be eligible for re-election;
- 26.3.2.4 the Company, at the general meeting at which a Director retires in the above manner, or at any other general meeting, may fill the vacancy by electing a person thereto, provided that the Company shall not be entitled to fill the vacancy by means of a resolution passed in accordance with clause 25;

26.3.2.5 if at any meeting at which an election of Directors ought to take place the offices of the retiring Directors are not filled, unless it is expressly resolved not to fill such vacancies, the meeting shall stand adjourned and the further provisions of this Memorandum of Incorporation, including clauses 20.4.2 to 20.4.5 (inclusive) will apply, *mutatis mutandis*, to such adjournment, and if at such adjourned meeting the vacancies are not filled, the retiring Directors, or such of them as have not had their offices filled, shall be deemed to have been re-elected at such adjourned meeting.

26.3.3 The Board shall, through its nomination committee if such committee has been constituted in terms of clause 32, provide the Shareholders with a recommendation in the notice of the meeting at which the re-election of a retiring Director is proposed, as to which retiring Directors are eligible for re-election, taking into account that Director's past performance and contribution. Sufficient time shall be allowed between the date of such notice and the date of the general meeting or annual general meeting at which the re-election of the Director is to be proposed to allow nominations to reach the Company's office from any part in the Republic.

#### 26.4 Powers of the Directors

26.4.1 The Board has the power to:

26.4.1.1 fill any vacancy on the Board on a temporary basis, as set out in section 68(3), provided that such appointment must be confirmed by the Shareholders, in accordance with clause 26.1.2, at the next annual general meeting of the Company, as required in terms of section 70(3)(b)(i); and

26.4.1.2 exercise all of the powers and perform any of the functions of the Company, as set out in section 66(1),

and the powers of the Board in this regard are only limited and restricted as contemplated in this clause 26.4.

26.4.2 The Directors may at any time and from time to time by power of attorney appoint any person or persons to be the attorney or attorneys and agent(s) of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors in terms of this Memorandum of Incorporation) and for such period and subject to such conditions as the Directors may from time to time think fit. Any such appointment may, if the Directors think fit, be made in favour of any company, the shareholders, directors, nominees or managers of any company or firm, or otherwise in favour of any fluctuating body of persons, whether nominated directly or indirectly by the Directors. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorneys and agents as the Directors think fit. Any such attorneys or agents as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them. Any reference to a power of attorney herein shall include any other form of delegation including the right to sub-delegate.

26.4.3 Save as otherwise expressly provided herein, all cheques, promissory notes, bills of exchange and other negotiable or transferable instruments, and all documents to be executed by the Company, shall be signed, drawn, accepted, endorsed or executed, as the case may be, in such manner as the Directors shall from time to time determine.

26.4.4 All acts performed by the Directors or by a committee of Directors or by any person acting as a Director or a member of a committee shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of the Directors or persons acting as aforesaid, or that any of them were disqualified from or had vacated office, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of such committee.

26.4.5 If the number of Directors falls below the minimum number fixed in accordance with this Memorandum of Incorporation, the remaining Directors must as soon as possible and in any event not later than 3 (three) months from the date that the number falls below such minimum, fill the vacancy/ies in accordance with clause 26.4.1.1 or convene a general meeting for the purpose of filling the vacancies, and the failure by the Company to have the minimum number of Directors during the said 3 (three) month period does not limit or negate the authority of the board of Directors or invalidate anything done by the board of Directors while their number is below the minimum number fixed in accordance with this Memorandum of Incorporation.

26.4.6 The Directors in office may act notwithstanding any vacancy in their body, but if after the expiry of the 3 (three) month period contemplated in clause 26.4.5, their number remains below the minimum number fixed in accordance with this Memorandum of Incorporation, they may, for as long as their number is reduced below such minimum, act only for the purpose of filling vacancies in their body in terms of section 68(3) or of summoning general meetings of the Company, but not for any other purpose.

## 26.5 Directors' interests

26.5.1 A Director may hold any other office or place of profit under the Company (except that of auditor) or any subsidiary of the Company in conjunction with the office of Director, for such period and on such terms as to remuneration (in addition to the remuneration to which he may be entitled as a Director) and otherwise as a disinterested quorum of the Directors may determine.

26.5.2 A Director of the Company may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as shareholder or otherwise, provided that the appointment and remuneration in respect of such other office must be determined by a disinterested quorum of Directors.

26.5.3 Each Director and each alternate Director, prescribed officer and member of any committee of the Board (whether or not such latter persons are also members of the Board) shall, subject to the exemptions contained in section 75(2) and the qualifications contained in section 75(3), comply with all of the provisions of section 75 in the event that they (or any person who is a related person to them) has a personal financial interest in any matter to be considered by the Board.

26.5.4 Save where the Directors have obtained the prior approval of the JSE to so propose such a resolution, the proposal of any resolution to Shareholders in terms of sections 20(2) and 20(6) to permit or ratify an act of the Directors that is inconsistent with any limitation or restriction imposed by this Memorandum of Incorporation, or the authority of the Directors to perform such an act on behalf of the Company, is prohibited.

## 29. EXECUTIVE DIRECTORS

29.1 The Directors may from time to time appoint:

29.1.1 managing and other executive Directors (with or without specific designation) of the Company;

29.1.2 any Director to any other executive office with the Company,

as the Directors may think fit, for a period as the Directors may think fit, (provided that, for as long as it may be required by the Act or the JSE Listings Requirements, the appointment of a managing or other executive Director in terms of clause 29.1.1, must be confirmed by the Shareholders at the next annual general meeting of the Company) and may from time to time remove or dismiss such persons from office and appoint another or others in his or their place or places.

29.2 Any Director appointed in terms of clause 29.1.1:

29.2.1 shall (subject to the provisions of the contract under which he is appointed) whilst he continues to hold that position or office, not be subject to retirement by rotation; and

29.2.2 shall, subject to the provisions of any contract between himself and the Company, be subject to the same provisions as to disqualification and removal as the other Directors of the Company. If he ceases to hold office as a Director, his appointment to such position or executive office shall *ipso facto* terminate, without prejudice to any claims for damages which may accrue to him as a result of such termination.

29.3 The remuneration of a Director appointed to any position or executive office in terms of clause 29.1.1:

29.3.1 shall be determined by a disinterested quorum of the Directors or a remuneration committee appointed by the Directors;

29.3.2 shall be in addition to or in substitution of any ordinary remuneration as a Director of the Company, as the Directors may determine;

29.3.3 may consist of a salary or a commission on profits or dividends or both, as the Directors may direct.



29.4 The Directors may from time to time entrust to and confer upon an executive Director for the time being such of the powers exercisable in terms of this Memorandum of Incorporation by the Directors as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions, as they think expedient; and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

### 31. BORROWING POWERS

31.1 Subject to the provisions of clause 31.2 the other provisions of this Memorandum of Incorporation, the Directors may from time to time:

31.1.1 borrow for the purposes of the Company such sums as they think fit; and

31.1.2 secure the payment or repayment of any such sums, or any other sum, as they think fit, whether by the creation and issue of Securities, mortgage or charge upon all or any of the property or assets of the Company.

31.2 The Directors shall procure (but as regards subsidiaries of the Company only insofar as by the exercise of voting and other rights or powers of control exercisable by the Company they can so procure) that the aggregate principal amount at any one time outstanding in respect of moneys so borrowed or raised by:

31.2.1 the Company; and

31.2.2 all the subsidiaries for the time being of the Company (excluding moneys borrowed or raised by any of such companies from any other of such companies but including the principal amount secured by any outstanding guarantees or suretyships given by the Company or any of its subsidiaries for the time being for the indebtedness of any other company or companies whatsoever and not already included in the aggregate amount of the moneys so borrowed or raised),

shall not exceed the aggregate amount at that time authorised to be borrowed or secured by the Company or the subsidiaries for the time being of the Company (as the case may be).

### 35. DISTRIBUTIONS

35.1 Subject to the provisions of the Act, and particularly section 46, the Company may make a proposed distribution if such distribution:

35.1.1 is pursuant to an existing legal obligation of the Company, or a court order; or

35.1.2 is authorised by resolution of the Board, in compliance with the JSE Listings Requirements,

provided that if such distribution is a repayment of capital, the Company shall not be entitled to make such distribution on the basis that it may be called up again.

35.2 No distribution shall bear interest against the Company, except as otherwise provided under the conditions of issue of the Shares in respect of which such distribution is payable.

35.3 Distributions may be declared either free of or subject to the deduction of income tax and any other tax or duty in respect of which the Company may be chargeable.

35.4 The Directors may from time to time declare and pay to the Shareholders such interim distributions as the Directors consider to be appropriate.

35.5 All distributions are to be declared by the Directors in accordance with the provisions of the Act.

35.6 All unclaimed distributions (other than monetary distributions) may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed, provided that distributions unclaimed for a period of 3 (three) years (or such longer period as the law may prescribe for the prescription of a claim) from the date on which they were declared may be declared forfeited by the Directors for the benefit of the Company. The Directors may at any time annul such forfeiture upon such conditions (if any) as they think fit. All unclaimed monies due to any Shareholder/s shall be held by the Company in trust until lawfully claimed by such Shareholder/s, provided that such unclaimed monies shall be subject to the laws of prescription.

- 35.7 Any distribution, interest or other sum payable in cash to the holder of a Share may be paid by cheque or warrant sent by post and addressed to:
- 35.7.1 the holder at his registered address; or
  - 35.7.2 in the case of joint holders, the holder whose name appears first in the Securities Register in respect of the share, at his registered address; or
  - 35.7.3 such person and at such address as the holder or joint holders may in writing direct.
- 35.8 Every such cheque or warrant shall:
- 35.8.1 be made payable to the order of the person to whom it is addressed; and
  - 35.8.2 be sent at the risk of the holder or joint holders.
- 35.9 The Company shall not be responsible for the loss in transmission of any cheque or warrant or of any document (whether similar to a cheque or warrant or not) sent by post as aforesaid.
- 35.10 A holder or any one of two or more joint holders, or his or their agent duly appointed in writing, may give valid receipts for any distributions or other moneys paid in respect of a Share held by such holder or joint holders.
- 35.11 When such cheque or warrant is paid, it shall discharge the Company of any further liability in respect of the amount concerned.
- 35.12 A distribution may also be paid in any other way determined by the Directors, and if the directives of the Directors in that regard are complied with, the Company shall not be liable for any loss or damage which a Shareholder may suffer as a result thereof.
- 35.13 Without detracting from the ability of the Company to issue capitalisation Shares, any distribution may be paid wholly or in part:
- 35.13.1 by the distribution of specific assets; or
  - 35.13.2 by the issue of Shares, debentures or securities of the Company or of any other company; or
  - 35.13.3 in cash; or
  - 35.13.4 in any other way which the Directors or the Company in general meeting may at the time of declaring the distribution determine.
- 35.14 Where any difficulty arises in regard to such distribution, the Directors may settle that difficulty as they think expedient, and in particular may fix the value which shall be placed on such specific assets on distribution.
- 35.15 The Directors may:
- 35.15.1 determine that cash payments shall be made to any Shareholder on the basis of the value so fixed in order to secure equality of distribution; and
  - 35.15.2 vest any such assets in trustees upon such trusts for the benefit of the persons entitled to the distribution as the Directors deem expedient.
- 35.16 Any distribution must be made payable to Shareholders registered as at a date subsequent to the date of declaration thereof or the date of confirmation thereof, whichever is the later date.

## DETAILS OF THE PROPERTY PORTFOLIO

The table below sets out the details of the properties within the Fairvest property portfolio as at 30 June 2020:

Property name	Physical address and province	Sector	GLA (m <sup>2</sup> )	Valuation (R'000)	Purchase consideration (R'000)	Effective date of acquisition	Weighted average rental per square metre (R/m <sup>2</sup> )
<b>KwaZulu-Natal</b>							
1. Shoprite Empangeni	Empangeni	Retail	13 660	212 800	172 500	18 July 2017	143.93
2. Westville Junction	Westville	Retail/Office	6 330	105 900	16 500	19 January 2001	197.53
3. Richmond Shopping Centre	Durban	Retail	8 905	85 700	61 538	21 May 2015	89.77
4. CHEP Building	Westville	Office	3 337	84 900	51 076	1 December 2012	#
5. Qualbert Centre	Durban	Retail	4 770	77 300	68 778	30 January 2014	173.35
6. 425 West Street	Durban	Retail	9 559	52 500	54 500	18 January 2013	#
7. Coronation Walk	Queensburgh	Retail/Office	3 047	45 600	9 000	19 November 2001	154.61
8. 210 Church Street	Pietermaritzburg	Retail	1 897	37 800	19 556	18 December 2012	#
9. 212 Church Street	Pietermaritzburg	Retail	1 980	36 600	30 000	14 December 2012	#
10. Mkuze Corner	Mkuze	Retail	1 980	30 700	15 000	13 December 2012	95.48
			<b>56 873</b>	<b>769 800</b>			
<b>Western Cape</b>							
11. Nonqubela Mall	Khayelitsha	Retail	10 774	165 700	162 900	23 August 2019	165.06
12. Nyanga Junction	Nyanga	Retail	10 683	159 100	58 000	16 May 2013	166.12
13. Paddagat	George	Retail	11 001	109 100	44 000	13 December 2012	99.30
14. Macassar Shopping Centre	Macassar	Retail	5 616	81 200	41 500	12 September 2016	138.64
15. Parow Valley Spar	Parow	Retail	3 985	38 100	20 255	10 May 2016	98.46
16. Omniplace	Bellville	Office	2 627	29 900	20 000	13 December 2012	104.37
17. Nyanga Shopping Centre	Nyanga	Retail	1 242	4 200	8 427	24 May 2013	#
			<b>45 928</b>	<b>587 300</b>			

Property name	Physical address and province	Sector	GLA (m <sup>2</sup> )	Valuation (R'000)	Purchase consideration (R'000)	Effective date of acquisition	Weighted average rental per square metre (R/m <sup>2</sup> )
<b>Free State</b>							
18. Middestad Centre	Bloemfontein	Retail	18 743	283 900	190 987	26 August 2015	148.03
19. Megapark	Bloemfontein	Retail	6 288	80 300	52 015	26 August 2015	123.46
20. Zamdela Shopping Centre	Zamdela	Retail	2 247	25 400	13 867	20 February 2013	104.69
21. Bradlows Building	Bloemfontein	Retail	2 563	11 600	4 100	19 November 2001	43.40
			<b>29 841</b>	<b>401 200</b>			
<b>Gauteng</b>							
22. Bara Precinct	Soweto	Retail	24 455	346 400	322 435	18 December 2017	138.65
23. Southview Shopping	Soshanguve	Retail	7 644	103 700	92 914	18 June 2018	110.62
24. Clubview Corner	Centurion	Retail	6 074	76 800	27 000	17 January 2013	115.53
25. Sebokeng Plaza*	Sebokeng	Retail	5 693	74 500	35 298	26 April 2013	113.90
26. The Ridge Shopping Centre	Rooedeport	Retail	4 663	64 700	30 000	12 March 2013	153.02
27. Jan Niemand Spar	Pretoria	Retail	2 139	30 600	20 000	19 February 2015	#
28. Orange Farm	Orange Farm	Retail	2 685	26 400	15 781	15 January 2013	83.14
29. Pick n Pay Vereeniging	Vereeniging	Retail	3 538	26 000	12 934	10 April 2013	86.70
30. The Palms	Midrand	Office	2 501	18 000	10 558	2 March 2007	80.95
31. Score Stretford	Stretford	Retail	1 139	14 100	9 509	19 February 2013	#
32. Score Sharpeville	Sharpeville	Retail	1 508	13 600	6 914	19 February 2013	#
			<b>62 039</b>	<b>794 800</b>			
<b>Limpopo</b>							
33. Mala Plaza	Malamulele	Retail	6 207	90 900	64 766	27 January 2014	144.54
34. Masingita Shopping Centre	Giyani	Retail	5 363	65 600	53 014	27 January 2014	125.31
			<b>11 570</b>	<b>156 500</b>			
<b>Northern Cape</b>							
35. Sibilo Shopping Centre	Postmasburg	Retail	8 476	126 700	96 323	24 August 2015	138.84
36. Kim Park	Kimberley	Retail	8 959	105 600	53 014	8 January 2014	114.61

Property name	Physical address and province	Sector	GLA (m <sup>2</sup> )	Valuation (R'000)	Purchase consideration (R'000)	Effective date of acquisition	Weighted average rental per square metre (R/m <sup>2</sup> )
<b>Eastern Cape</b>							
37. Boxer Elliotdale	Elliotdale	Retail	7 360	78 800	59 830	9 May 2016	109.75
38. Bokleni Plaza	Libode	Retail	4 990	63 900	49 000	3 October 2018	122.02
39. Qumbu Plaza	Qumbu	Retail	5 470	63 800	51 911	1 December 2019	105.30
40. Boxer Mqanduli	Mqanduli	Retail	4 689	48 000	37 600	15 July 2016	108.01
41. Boxer Tabankulu	Tabankulu	Retail	4 117	42 200	32 000	7 July 2016	102.20
			<b>26 626</b>	<b>296 700</b>			
<b>Mpumalanga</b>							
42. Cosmos Centre	Bethal	Retail	4 692	72 900	58 000	5 March 2015	128.61
			<b>4 692</b>	<b>72 900</b>			
43. Fattis Mansions	Johannesburg, Gauteng	Retail	1 921	–	6 520	19 November 2001	–
<b>Total</b>			<b>256 925</b>	<b>3 311 500</b>			

**Notes:**

- In line with the accounting policy of the group, at least a third of the portfolio was valued by independent external valuers. As at 30 June 2020, of the 44<sup>^</sup> properties in the portfolio, 15 properties equating to 37.8% by value, was valued by independent valuers, DDP Valuers, De Leeuw Valuers and Broll Valuers (who are independent external registered professional valuer in terms of the Property Valuers Profession Act, No. 47 of 2000), with the remainder valued by the Directors. All properties are valued by independent external valuers at least once every three years.
- The difference between the valuation amounts and the purchase considerations is due to the fact that the values attributed by the independent property valuer are open market values while the purchase considerations are negotiated values.
- Rentable area is reflected as GLA.
- <sup>^</sup> The disposal of Tokai Junction become unconditional as of 7 September 2020 (see **Annexure 11**).
- <sup>#</sup> Means single tenanted properties. The weighted average rent per m<sup>2</sup> for all single tenanted properties is R114.00 at 30 June 2020

Details of the Arrowhead property portfolio as at 30 September 2020 can be found in Arrowhead's integrated annual report for the year ended 30 September 2020 which can be found at: <https://arrowheadproperties.co.za/annual-reports.php>

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## CAPITAL STRUCTURE

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### 1. SHARE CAPITAL AND AUTHORISATIONS

The authorised share capital of Fairvest comprises 3 000 000 000 ordinary shares of no par value. The issued share capital of Fairvest comprises 1 027 332 675 ordinary shares of no par value including 38 086 599 Fairvest shares held in treasury.

A special resolution to increase Fairvest's authorised share capital from 3 000 000 000 ordinary shares to 6 000 000 000 ordinary shares of no par value is being proposed to shareholders in the category 1 acquisition circular.

Pursuant to the implementation of the transaction and assuming that the offers once implemented are accepted in full the authorised share capital of Fairvest will comprise 6 000 000 000 ordinary shares of no par value and the issued share capital of Fairvest will comprise 3 126 239 836 shares of no par value, including 38 086 599 Fairvest shares held in treasury.

### 2. RIGHTS ATTACHING TO SHARES

2.1 The rights attaching to shares are set out in **Annexure 5**.

2.2 In accordance with the Company's MOI, during any vote at any general meeting every person present and entitled to exercise voting rights shall be entitled to 1 vote on a show of hands, irrespective of the number of voting rights that person would otherwise be entitled to exercise or on a poll any person who is present at the meeting, whether as a shareholder or as proxy for a shareholder, has the number of votes determined in accordance with the voting rights associated with the securities held by that shareholder.

2.3 Shareholders are entitled to participate proportionally in any distribution made by the Company and to receive proportionally the net assets of the Company upon its liquidation.

2.4 Any variation in rights attaching to shares will require the consent of 75% of shareholders in a general meeting in accordance with the Company's MOI.

2.5 Only such members that are registered in the Company's register on the day when a distribution is declared or on such other day as may be determined by the board as the last date for registration for the distribution, will be entitled to receive the distribution so declared.

### 3. ALTERATIONS TO AUTHORISED SHARE CAPITAL

3.1 Fairvest was incorporated on 17 March 1998 under the name Basfour 429 Proprietary Limited. The Company converted to a public company and changed its name to Fairvest Property Holdings Limited on 13 December 2001.

3.2 There have been no sub-divisions or consolidations of shares during the preceding three years.

3.3 There have been no alterations to the authorised share capital of the Company for the period during the preceding three years.

3.4 The entire authorised but unissued share capital of Fairvest is under the control of the board of directors, who are authorised and empowered to issue, allot and dispose of such share capital, subject to the provisions of the JSE Listings Requirements and the Companies Act.

3.5 There is no class of securities other than ordinary shares in issue.

#### 4. ISSUES AND REPURCHASES OF SHARES

4.1 Save as set out in the table below, there have been no issues, repurchases or offers of securities of the Company for the three years preceding the date of these revised listing particulars.

<b>Date</b>	<b>Nature</b>	<b>Counterparty</b>	<b>Number of shares</b>	<b>Price per share</b>	<b>Reason</b>
<b>Issues</b>					
8 October 2018	Dividend reinvestment alternative	Fairvest shareholders	14 919 845	R2,13686	Fairvest shareholders who elected the dividend reinvestment alternative to reinvest the cash dividend of 10.344 cents per share, in return for Fairvest ordinary shares
8 April 2019	Dividend reinvestment alternative	Fairvest shareholders	12 185 043	R2,08868	Fairvest shareholders who elected the dividend reinvestment alternative to reinvest the cash dividend of 10.616 cents per share, in return for Fairvest ordinary shares
12 April 2021	Dividend reinvestment alternative	Fairvest shareholders	9 207 234	R1,85082	Fairvest shareholders who elected the dividend reinvestment alternative to reinvest the cash dividend of 10.59000 cents per share, in return for Fairvest ordinary shares
<b>Repurchases</b>					
5 September 2019	General repurchase	Shares repurchased on the open market	2 377 481	R1,90769	General repurchase
6 September 2019	General repurchase	Shares repurchased on the open market	446 888	R1,98851	General repurchase
9 September 2019	General repurchase	Shares repurchased on the open market	1 411 531	R2,00812	General repurchase
10 September 2019	General repurchase	Shares repurchased on the open market	3 074 660	R2,00808	General repurchase
17 September 2019	General repurchase	Shares repurchased on the open market	3 100 000	R1,95788	General repurchase
17 September 2019	General repurchase	Shares repurchased on the open market	778 917	R2,00817	General repurchase
18 September 2019	General repurchase	Shares repurchased on the open market	2 000 000	R2,00810	General repurchase
27 September 2019	General repurchase	Shares repurchased on the open market	1 599 344	R2,00179	General repurchase
30 September 2019	General repurchase	Shares repurchased on the open market	41 827	R2,00831	General repurchase
3 October 2019	General repurchase	Shares repurchased on the open market	1 937 581	R1,80730	General repurchase
1 November 2019	General repurchase	Shares repurchased on the open market	602 645	R1,85717	General repurchase
4 November 2019	General repurchase	Shares repurchased on the open market	900 000	R1,85755	General repurchase
27 November 2019	General repurchase	Shares repurchased on the open market	1 000 000	R1,87762	General repurchase
28 November 2019	General repurchase	Shares repurchased on the open market	150 000	R1,85757	General repurchase
3 December 2019	General repurchase	Shares repurchased on the open market	1 514 743	R1,83723	General repurchase
5 December 2019	General repurchase	Shares repurchased on the open market	982 659	R1,85755	General repurchase
2 March 2020	General repurchase	Shares repurchased on the open market	372 329	R1,80034	General repurchase

<b>Date</b>	<b>Nature</b>	<b>Counterparty</b>	<b>Number of shares</b>	<b>Price per share</b>	<b>Reason</b>
3 March 2020	General repurchase	Shares repurchased on the open market	224 000	R1,78488	General repurchase
4 March 2020	General repurchase	Shares repurchased on the open market	1 100 000	R1,81417	General repurchase
9 March 2020	General repurchase	Shares repurchased on the open market	805 000	R1,80446	General repurchase
10 March 2020	General repurchase	Shares repurchased on the open market	10 000 000	R1,76710	General repurchase
11 March 2020	General repurchase	Shares repurchased on the open market	3 032	R1,80034	General repurchase
11 March 2020	General repurchase	Shares repurchased on the open market	468 156	R1,78729	General repurchase
12 March 2020	General repurchase	Shares repurchased on the open market	1 000 000	R1,70695	General repurchase
13 March 2020	General repurchase	Shares repurchased on the open market	254 019	R1,70616	General repurchase
17 March 2020	General repurchase	Shares repurchased on the open market	600 000	R1,65675	General repurchase
19 March 2020	General repurchase	Shares repurchased on the open market	1 025 515	R1,37631	General repurchase
20 March 2020	General repurchase	Shares repurchased on the open market	93 997	R1,36477	General repurchase
20 November 2020	General repurchase	Shares repurchased on the open market	212 275	R1,60575	General repurchase
23 November 2020	General repurchase	Shares repurchased on the open market	10 000	R1,60739	General repurchase

4.2 Save as set out in **Annexure 10**, there were no assets acquired or to be acquired out of the proceeds of any issues.

## 5. STATEMENT AS TO LISTING ON STOCK EXCHANGE

All issued Fairvest shares are listed on the JSE as a primary listing and on the A2X as a secondary listing. No other class of securities listed on any other exchange.



## MATERIAL BORROWINGS AND LOANS RECEIVABLE

Set out below are details of all material loans made to Fairvest and/or to any of its subsidiaries, that remain outstanding as at the last practicable date:

### Amounts owing by Fairvest:

Details as to how loan arose	Lender	Description	Facility (R)	Interest Rate	Term of loan	Maturity date	Security	If payable within 12 months how repayment is to be financed
Fund the acquisition of Sibilo Plaza Shopping Centre	ABSA Bank	Term loan	38 000 000	Prime less 1.40%	36 months	10 October 2021	1 covering mortgage bond over Erf 7362 Postmasburg (R75m)	Refinance facility
	ABSA Bank	Term loan	9 500 000	Prime less 1.40%	48 months	10 August 2022	1 covering mortgage bond over Erf 7362 Postmasburg (R75m)	Refinance facility
Fund the acquisition of Mala Plaza Shopping Centre, Masingita Shopping Centre, Qualbert Centre and Kimpark Centre	Nedbank	Term loan	127 584 200	3-month JIBAR plus 1.90%	60 months	1 August 2022	Erf 936 Malamulele-A, Limpopo (R70m). Remainder of Erf 12025 and Portion 1 of Erf 12025 Durban (R70m). Erf 16428 Kimberley (R50m). Portion 1 of Erf 566 Giyani-D, Limpopo (R50m).	Refinance facility
Fund the acquisition of Nonkqubela Shopping Centre	Standard Bank	Term loan	165 000 000	Prime less 1.40%	36 months	30 September 2021	Erven 50261 and 13435 Khayelitsha	Refinance facility
	Standard Bank	Term loan	80 000 000	Prime less 1.40%	36 months	31 March 2023	Erven 50261 and 13435 Khayelitsha	Refinance facility

<b>Details as to how loan arose</b>	<b>Lender</b>	<b>Description</b>	<b>Facility (R)</b>	<b>Interest Rate</b>	<b>Term of loan</b>	<b>Maturity date</b>	<b>Security</b>	<b>If payable within 12 months how repayment is to be financed</b>
Fund the acquisition of 210 and 212 Church Street, 425 West Street, Clubview, St Georges Square, Nyanga Junction, Orange Farm, Vereeniging, The Ridge, Sebokeng Plaza, Mkuze Corner, Sharpville, Stretford, KTC Nyanga, Zamdela	RMB	Facility A	8 807 550	1-month JIBAR plus 2.00%	36 months	31 May 2022	Erf 4000 Zamdela, Erf 1951 George, Erf 13291 Bellville, Portion 527 of Farm 356 Zwartkop, Erf 16145 Stretford, Erven 9189 & 9190 Sharpville, Erf 15800 Orange Farm, Erf 1440 Vereeniging, Erf 65558 Sebokeng (50% of Portion 3/4/7), Erf 12704 Nyanga, Erf 59 Mkuze (Portion 1), Erven 2520 & 2521 Pietermaritzburg (Portion 7 and 18), Erven 1107, 11014, 11016 Durban, The Ridge (Unit 4/6/8 in Sectional Title)	Refinance facility
	RMB	Revolving facility	30 000 000	1-month JIBAR plus 2.00%	36 months	31 May 2022		Revolving credit
	RMB	Facility B	182 250 000	1-month JIBAR plus 2.00%	36 months	31 May 2022		Refinance facility
	RMB	Facility C	122 000 000	1-month JIBAR plus 2.00%	36 months	31 May 2022		Refinance facility
Fund the development of Westville Junction	Investec	Term loan	128 000 000	Prime less 0.75%	36 months	31 December 2023	Erven 971 and 974 Queensburgh, Erven 215, 216 and 217 Halfway House, Erf 814 Bloemfontein, Westville Junction (Sections 2, 3, 4, 5, 6, 7, 8, 9, P1, P2, P3)	Refinance facility

**Amounts owing by FPP102 Property Venture Proprietary Limited:**

<b>Details as to how loan arose</b>	<b>Lender</b>	<b>Description</b>	<b>Facility (R)</b>	<b>Interest Rate</b>	<b>Term of loan</b>	<b>Maturity date</b>	<b>Security</b>	<b>If payable within 12 months how repayment is to be financed</b>
Fund the acquisition of Shoprite Empangeni Shopping Centre	ABSA Bank	Term loan	86 000 000	1-month JIBAR plus 1.85%	36 months	10 August 2023	Erf 3217 Empangeni (R100m)	Refinance facility

**Amounts owing by South View Shopping Centre Proprietary Limited:**

<b>Details as to how loan arose</b>	<b>Lender</b>	<b>Description</b>	<b>Facility (R)</b>	<b>Interest Rate</b>	<b>Term of loan</b>	<b>Maturity date</b>	<b>Security</b>	<b>If payable within 12 months how repayment is to be financed</b>
Fund the acquisition of South View Shopping Centre	ABSA Bank	Term loan	50 000 000	Prime less 1.40%	36 months	1 May 2022	Erf 21188 Soshanguve South Ext 7 (R80m)	Refinance facility

**Amounts owing by Bara Precinct Proprietary Limited and Diepkloof Leaseholder Proprietary Limited:**

<b>Details as to how loan arose</b>	<b>Lender</b>	<b>Description</b>	<b>Facility (R)</b>	<b>Interest Rate</b>	<b>Term of loan</b>	<b>Maturity date</b>	<b>Security</b>	<b>If payable within 12 months how repayment is to be financed</b>
Fund the acquisition of Bara Precinct	Nedbank	Term loan	160 000 000	Prime less 1.681%	24 months	10 December 2022	Erven 24459, 24463, 24464, 24470 and Portion of Erf 25170 Diepkloof (R134.01m). First covering bond over notarial lease over erven 24457 and 24462 Diepkloof (R9.99m). First covering bond by Diepkloof Leaseholder over Portion 55 of Erf 25170 Diepkloof over notarial lease over Erven 24457 and 24462 Diepkloof (R16m).	Refinance facility

**Amounts owing by Parrow Valley Shopping Centre Proprietary Limited:**

<b>Details as to how loan arose</b>	<b>Lender</b>	<b>Description</b>	<b>Facility (R)</b>	<b>Interest Rate</b>	<b>Term of loan</b>	<b>Maturity date</b>	<b>Security</b>	<b>If payable within 12 months how repayment is to be financed</b>
Fund the acquisition of Parrow Valley Shopping Centre	Nedbank	Term loan	21 600 000	3-month JIBAR plus 1.95%	36 months	10 May 2022	Erf 24839 Parow (R30m)	Refinance facility

**Amounts owing by Macassar Shopping Centre Proprietary Limited:**

<b>Details as to how loan arose</b>	<b>Lender</b>	<b>Description</b>	<b>Facility (R)</b>	<b>Interest Rate</b>	<b>Term of loan</b>	<b>Maturity date</b>	<b>Security</b>	<b>If payable within 12 months how repayment is to be financed</b>
Fund the acquisition of Macassar Shopping Centre	Nedbank	Term loan	40 500 000	3-month JIBAR plus 1.95%	36 months	10 June 2022	Erf 7355 Macassar (R60m)	Refinance facility

**Amounts owing by FPP103 Property Venture Proprietary Limited<sup>3</sup>:**

<b>Details as to how loan arose</b>	<b>Lender</b>	<b>Description</b>	<b>Facility (R)</b>	<b>Interest Rate</b>	<b>Term of loan</b>	<b>Maturity date</b>	<b>Security</b>	<b>If payable within 12 months how repayment is to be financed</b>
Fund the acquisition of Tabankulu, Mqanduli and Elliotdale	ABSA Bank	Term loan	75 000 000	1-month JIBAR plus 1.87%	36 months	2 May 2023	Erf 871 Mqanduli (R38m) Erf 93 Elliotdale (R60m) Erf 87 Tabankulu (R32m)	Refinance facility

**Amounts owing by Qumbu Plaza Proprietary Limited<sup>6</sup>:**

<b>Details as to how loan arose</b>	<b>Lender</b>	<b>Description</b>	<b>Facility (R)</b>	<b>Interest Rate</b>	<b>Term of loan</b>	<b>Maturity date</b>	<b>Security</b>	<b>If payable within 12 months how repayment is to be financed</b>
Fund the acquisition of Qumbu Plaza	ABSA Bank	Term loan	29 000 000	1-month JIBAR plus 2.15%	36 months	26 July 2024	Erf 30 Qumbu (R45m)	N/A

## Notes

1. Fairvest has provided a limited guarantee of R86 million.
2. Fairvest has provided a limited guarantee of R50 million.
3. Fairvest has provided a limited guarantee of R75 million.
4. None of the above material loans are the subject of any conversion or redemption rights. There are no interest and/or capital redemption payments in arrears.
5. The material loans made to Fairvest and/or to any of its subsidiaries as set out above will remain outstanding following implementation of the transaction.
6. Fairvest has provided a limited guarantee of R29 million.

## LOANS RECEIVABLE BY THE FAIRVEST GROUP AS AT THE LAST PRACTICABLE DATE

Set out below are the material loans receivable that were made by Fairvest as at the last practical date:

1. The Urban Growth Developments Proprietary Limited (“**UGD**”) loan of R22 149 082 advanced on 5 May 2016 relates to the acquisition of the Parow Valley Spar and Macassar Shoprite properties. UGD is the non-controlling shareholder in Parow Valley Centre Proprietary Limited and Macassar Retail Centre Proprietary Limited. The loan bears interest at prime + 2.00%. For Parow Valley the repayment date is 1 January 2022, and for Macassar 1 July 2021. Security over the loan includes a cession and pledge of UGD’s shares in Parow Valley Centre Proprietary Limited and Macassar Retail Centre Proprietary Limited and personal suretyships by the shareholders of UGD. As at the last practicable date, no interest was in arrears. The directors of UGD are Colin Stephen Young and Gregory Ross and their address is Unit 14, Urban Growth Park, 15 Jan Van Riebeeck Drive, Paarl, 7646.
2. The East London Property One Proprietary Limited (“**ELP**”) loan of R64 471 815 relates to the disposal of the SASSA House property and bears interest at variable rates of interest linked to prime. The loan is repayable by 31 May 2024. Security over the loan includes a first covering mortgage bond over the property and a cession and pledge of the shares held in ELP. As at the last practicable date, no interest was in arrears. The director of ELP is Mthetheleli Lancelot Buya and his address is 8<sup>th</sup> Floor, The Terraces, 34 Bree Street, Cape Town, 8001.
3. The GGP Investments Proprietary Limited (“**GGP**”) loan of R9 033 174 relates to the development of the Southview Shopping Centre. GGP is the non-controlling shareholder in Southview Shopping Centre Proprietary Limited. The loan bears interest at prime + 1.50%. The loan is repayable on 18 June 2023. Security over the loan includes a cession and pledge of GGP’s shares in Southview Shopping Centre Proprietary Limited. As at the last practicable date, no interest was in arrears. The directors of GGP are David Stanley Savage, Jurgens Johannes Petrus Prinsloo, John Neill Snell and Christiaan Johannes de Wet and their address is 52 Grosvenor Road, Fairway Office Park, Bryanston, 2021.
4. The Propsky 31 Properties Proprietary Limited (“**Propsky**”) loan of R49 770 985 relates to the acquisition of the Shoprite Empangeni asset. Propsky is the non-controlling shareholder in FPP 102 Property Venture Proprietary Limited. The loan bears interest at prime + 4.50%. The loan is repayable by 19 July 2022. Security over the loan includes a cession and pledge of Propsky’s shares in FPP 102 Property Venture Proprietary Limited and suretyships by the shareholders of Propsky. As at the last practicable date, no interest was in arrears. The director of Propsky is Kent Reginald Ellis and his address is 4<sup>th</sup> Floor, 54 Melrose Boulevard, Melrose Arch, 2196.
5. The Buffshelfco 17 Proprietary Limited (“**Buffshelfco 17**”) loan of R92 809 797 relates to the subscription of shares in Bara Precinct Proprietary Limited. Buffshelfco 17 is the non-controlling shareholder in Bara Precinct Proprietary Limited. The loan bears interest at prime + 4.50%. The loan is repayable by 19 December 2022. Security over the loan includes a cession and pledge of Buffshelfco 17’s shares in Bara Precinct Proprietary Limited and suretyships by the shareholders of Buffshelfco 17. As at the last practicable date, no interest was in arrears. The director of Buffshelfco 17 is Peter Eric Toich and his address is The Manor House, 14 Nuttall Gardens, Morningside, Durban, 4001.
6. Lonisign Proprietary Limited (“**Lonisign**”) loan of R28 916 757 relates to the acquisition of the Libode Shopping Centre. Lonisign is the non-controlling shareholder in Libode Shopping Centre Proprietary Limited. The loan bears interest at prime + 2.00%. The loan is repayable by 31 August 2023. Security over the loan includes a cession and pledge of Lonisign’s shares in Libode Shopping Centre Proprietary Limited and suretyships by the shareholders of Lonisign. As at the last practicable date, no interest was in arrears. The directors of Lonisign are Mangaliso Bokleni, Johannes Albert Gerhardus Lourens and Jacobus Johannes Odendaal and their address is 793 King Cetshwayo Highway, Sherwood, Durban, 4000.
7. Stilopro Proprietary Limited (“**Stilopro**”) loan of R28 916 757 relates to the development of the Qumbu Plaza Centre. Stilopro is the non-controlling shareholder in Qumbu Plaza Proprietary Limited. The loan bears interest at prime + 2.00%. The loan is repayable by 1 December 2024. Security over the loan includes a cession and pledge of Stilopro’s shares in Qumbu Plaza Proprietary Limited and suretyships by the shareholders of Stilopro. As at the last practicable date, no interest was in arrears. The directors are Armand Barend Abraham Fritz and Mathilda Shari Fritz and their address is 1128 Waggrave Road, Henley on Klip, Meyerton, 1961.
8. There have been no loans furnished to or for the benefit of any director or manager or any associate of any director of manager of the group.

## DETAILS OF ACQUISITIONS, DISPOSALS AND VENDORS

The material immovable properties, subsidiaries and investments acquired or disposed of by the group in the three years preceding the date of these revised listing particulars are detailed in the table below, together with the names and addresses of the vendors of the immovable properties and/or securities purchased by Fairvest and/or its subsidiaries and the consideration received or paid to the vendors:

No.	Name and nature of the asset	Entity which acquired the asset	Name of vendor/s	Address of vendor/s	Names of beneficial shareholders of vendor/s	Date of acquisition	Issue of securities	Consideration Cash portion (R)	Other	Loans incurred to finance acquisition	Valuation at 30 June 2020	Goodwill/ Intangible assets paid and manner in which accounted for	Cost of asset to vendor (if purchased within preceding 3 years) by vendor	Amount paid for goodwill by vendor
<b>Acquisitions</b>														
1.	Libode Shopping Centre – Retail	Libode Shopping Centre (Pty) Ltd	Lonisign (Pty) Ltd	793 King Ceshwayo Highway, Sherwood, 4000	Stilopro (Pty) Ltd (90%) and Bokleni & Sons Family Trust (10%)	3 October 2018	n/a	49 000 000	–	Funded through shareholder loans in Libode Shopping Centre (Pty) Ltd	68 800 000	n/a	Unavailable, as this information is in relation to a vendor which is a private company and is not legally obliged to provide the information	–
2.	Qumbu Shopping Centre – Retail	Qumbu Plaza (Pty) Ltd	Lease concluded with various owners of the property.	–	Stilopro (Pty) Ltd	15 August 2019	n/a	none	none	Funded through shareholder loans in Qumbu Plaza (Pty) Ltd	69 100 000	n/a	Unavailable, as this information is in relation to a vendor which is a private company and is not legally obliged to provide the information	–
3.	Nonkqubela Plaza – Retail	Fairvest Property Holdings Limited	Investec Property Fund Limited	100 Grayston Drive, Sandown, Sandton, 2196	Public company	23 August 2019	n/a	82 876 181	–	80 000 000	180 100 000	n/a	150 000 000	–

No.	Name and nature of the asset	Entity which acquired the asset	Name of purchaser/s	Address of purchaser/s	Names of beneficial shareholders of purchaser/s	Date of disposal	Issue of securities	Consideration Cash portion (R)	Other	Loans incurred to finance acquisition	Valuation at 30 June 2020	Goodwill/ Intangible assets paid and manner in which accounted for	Cost of asset to vendor (if purchased within preceding 3 years)	Amount paid for goodwill by vendor
<b>Disposals</b>														
1.	Tokai Junction	-	FPG Holdings (Pty) Ltd	FPG Holdings 2nd Floor, FPG House, Fairways Close, N1 City	Unknown, no director of Fairvest has any interest, directly or indirectly in the purchaser	1 October 2020	n/a	180 000 000	n/a	n/a	179 300 000	n/a	n/a	n/a

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**FINANCIAL INFORMATION REQUIRED IN TERMS OF REGULATION 78 OF THE COMPANIES ACT**

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**EXTRACTED FROM THE AUDITED RESULTS OF ARROWHEAD FOR THE YEARS ENDED 30 SEPTEMBER 2020, 2019 AND 2018**

A complete set of the Arrowhead financial statements are available on the Arrowhead website

<http://www.arrowheadproperties.co.za/>.

**Statement of profit or loss and other comprehensive income**

<b>R'000</b>	<b>Audited for the year ended 30 September 2020</b>	<b>Audited for the year ended 30 September 2019</b>	<b>Audited for the year ended 30 September 2018</b>
<b>Property portfolio income</b>			
Contractual rental income	2 189 341	2 419 948	2 283 158
Straight-line rental income accrual	14 519	4 536	16 466
Dividend received	18 325	–	–
Listed securities income	–	81 775	210 018
<b>Total income</b>	<b>2 222 086</b>	<b>2 506 259</b>	<b>2 509 642</b>
Operating costs	(954 869)	(967 079)	(851 812)
Administration costs	(104 052)	(89 424)	(59 760)
<b>Net operating profit</b>	<b>–</b>	<b>1 449 755</b>	<b>1 598 070</b>
Changes in fair values	(1 500 977)	(1 753 058)	(844 035)
<b>(Loss)/profit from operations</b>	<b>(337 813)</b>	<b>(303 302)</b>	<b>754 035</b>
Net finance charges	(528 331)	(553 957)	(475 894)
Finance charges	(574 345)	(627 848)	(560 156)
Finance income	46 014	73 891	84 262
<b>(Loss)/profit after net finance and before capital terms</b>	<b>–</b>	<b>(857 260)</b>	<b>278 141</b>
Impairments	–	–	(337 449)
<b>(Loss)/profit before taxation</b>	<b>(866 149)</b>	<b>(857 256)</b>	<b>(59 308)</b>
Taxation	21 645	–	(2 011)
<b>(Loss)/profit for the year</b>	<b>(844 504)</b>	<b>(857 256)</b>	<b>–</b>
Other comprehensive income	–	–	–
<b>Total comprehensive loss)/income for the year</b>	<b>(844 504)</b>	<b>(857 260)</b>	<b>(61 319)</b>
<b>(Loss)/profit for the year attributable to:</b>			
Equity shareholders of Arrowhead Properties Limited	(733 284)	(843 294)	(193 594)
Non-controlling interests	(111 220)	(13 966)	132 275
	<b>(844 504)</b>	<b>(857 260)</b>	<b>(61 319)</b>
Weighted average number of shares			
– Arrowhead shares in issue	–	–	1 016 346 954
– Arrowhead A shares	62 718 658	62 718 658	–
– Arrowhead B shares	975 150 972	1 017 278 238	–
Basic and diluted loss per share (cents)			
– Arrowhead shares	(70.66)	(169.67)	(19.08)



## Statement of cash flows

R'000	Audited for the year ended 30 September 2020	Audited for the year ended 30 September 2019	Audited for the year ended 30 September 2018
<b>Cash flows from operating activities</b>			
Cash generated from operations	1 311 302	1 429 138	1 335 703
Finance charges	(574 350)	(627 848)	(560 156)
Finance income	46 014	73 891	84 262
Dividends received	18 325	81 775	210 018
Dividends paid – non-controlling interest	(52 518)	(292 092)	(218 199)
Dividends paid	(366 834)	(643 880)	(632 254)
<b>Net cash from operating activities</b>	<b>381 939</b>	<b>20 984</b>	<b>219 375</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	(530)	(373)	(477)
Sale of property, plant and equipment	47	-	7
Acquisition of and improvements to investment property	(229 853)	(849 088)	(1 998 738)
Proceeds from disposal of investment property (including held for sale)	872 903	559 804	175 701
Loans to Group companies repaid	-	-	-
Loans advanced to Group companies	-	-	-
Investment in financial assets	(5 799)	(600)	-
Sale of financial assets	8 000	-	-
Proceeds from disposal of/acquisition of investments in listed securities	-	-	8 958
<b>Net cash from investing activities</b>	<b>644 768</b>	<b>(290 257)</b>	<b>(1 814 549)</b>
<b>Cash flows from financing activities</b>			
Cost incurred in buy back of share capital	(97 521)	(28 719)	(15 770)
Repayment of borrowings	(912 723)	-	-
Payment on lease liabilities	(750)	-	-
Acquisition of additional interest in subsidiary	(6 623)	-	-
Proceeds from issue of shares – non-controlling interest	-	-	130 005
Advancement of loans to/from subsidiaries	-	-	-
Net proceeds from financial liabilities	-	418 846	1 415 495
<b>Net cash from financing activities</b>	<b>(1 017 617)</b>	<b>390 128</b>	<b>1 529 730</b>
<b>Total cash movement for the year</b>	<b>9 090</b>	<b>120 855</b>	<b>(65 444)</b>
Cash at the beginning of the year	160 998	40 144	105 588
<b>Total cash at end of the year</b>	<b>170 089</b>	<b>160 998</b>	<b>40 144</b>

## Statement of financial position

R'000	Audited for the year ended 30 September 2020	Audited for the year ended 30 September 2019	Audited for the year ended 30 September 2018
<b>Assets</b>			
<b>Non-current assets</b>			
Investment property – Fair value of property portfolio	11 946 285	14 323 464	14 290 024
Investment property – Straight-line rental income accrual	165 227	134 497	130 022
Deferred tax	58 100	-	-
Property, plant and equipment	631	1 043	1 403
Loans to participants of Group share purchase option schemes	132 183	384 122	732 501
Financial assets	97 832	210 069	1 185 204
Investments in subsidiaries	-	-	-
Loans to subsidiaries	-	-	-
Derivatives	-	2 713	31 884
	<b>12 400 257</b>	<b>15 055 908</b>	<b>16 371 038</b>
<b>Current assets</b>			
Loans to participants of Group share purchase and option schemes	48 263	-	3 718
Loans to subsidiaries	-	-	-
Trade and other receivables	387 550	532 850	334 330
Cash and cash equivalents	170 089	160 998	40 144
	<b>605 902</b>	<b>693 849</b>	<b>378 192</b>
Non-current assets held for sale	1 427 948	476 344	327 337
<b>Total assets</b>	<b>14 434 107</b>	<b>16 226 101</b>	<b>17 076 567</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity attributable to Equity Holders of Parent			
Stated capital	7 206 556	7 295 523	6 556 986
Share-based payments reserve	3 059	-	1 104 757
Retained (loss)/income	(590 390)	500 241	
	<b>6 619 225</b>	<b>7 795 764</b>	<b>7 661 743</b>
Non-controlling interest	992 364	1 210 368	2 934 758
	<b>7 611 589</b>	<b>9 006 132</b>	<b>10 596 501</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred tax	-	10 040	-
Borrowings	3 531 578	5 855 025	5 005 229
Lease liabilities	23 128	-	-
Derivatives	458 213	76 334	5 154
	<b>4 012 920</b>	<b>5 941 399</b>	<b>5 010 383</b>
<b>Current liabilities</b>			
Loans from subsidiaries	-	-	
Borrowings	2 086 919	672 020	1 096 707
Lease liabilities	1 471	-	
Trade and other payables	674 713	606 550	369 407
Current tax payable	46 495	-	-
Derivative instruments	-	-	3 569
	<b>2 809 598</b>	<b>1 278 570</b>	<b>1 469 683</b>
<b>Total liabilities</b>	<b>6 822 518</b>	<b>7 219 969</b>	
<b>Total equity and liabilities</b>	<b>14 434 107</b>	<b>16 226 101</b>	<b>17 076 567</b>

## Consolidated statement of changes in equity

R'000	Stated capital	Share-based payments reserve	Retained (loss) /income	Total attributable to equity holders of the Group	Non- controlling interests	Total equity
<b>Balance at 1 October 2018</b>	<b>6 556 986</b>	–	<b>1 104 757</b>	<b>7 661 743</b>	<b>2 934 758</b>	<b>10 596 501</b>
Loss for the year	–	–	(843 294)	(843 294)	(13 966)	(857 260)
Other comprehensive income	–	–	–	–	–	–
<b>Total comprehensive income</b>	<b>–</b>	<b>–</b>	<b>(843 294)</b>	<b>(843 294)</b>	<b>(13 966)</b>	<b>(857 260)</b>
Issue of shares	738 537	–	–	738 537	188 486	927 023
Acquisition of NCI as part of reverse take over	–	–	1 189 291	1 189 291	(1 913 451)	(724 160)
Transfers between equity holders	–	–	(306 632)	(306 632)	306 632	–
Dividends paid	–	–	(643 880)	(643 880)	(292 092)	(935 972)
<b>Total contributions by and distributions to owners of Group recognised directly in equity</b>	<b>738 537</b>	<b>–</b>	<b>238 779</b>	<b>977 315</b>	<b>(1 710 425)</b>	<b>(733 110)</b>
<b>Balance at 1 October 2019</b>	<b>7 295 523</b>	<b>–</b>	<b>500 241</b>	<b>7 295 523</b>	<b>1 210 368</b>	<b>9 006 132</b>
Loss for the year	–	–	(733 284)	(733 284)	(111 220)	(844 504)
Other comprehensive income	–	–	–	–	–	–
<b>Total comprehensive (loss)/income for the year</b>	<b>–</b>	<b>–</b>	<b>(733 284)</b>	<b>(733 284)</b>	<b>(111 220)</b>	<b>(844 504)</b>
Share buy-backs	(88 967)	–	5 680	(83 287)	(14 157)	(97 444)
Changes in ownership interest – Moolgem	–	–	3 807	3 807	(40 430)	(36 623)
Employee share schemes – value of employee services	–	3 059	–	3 059	320 935	3 380
Dividends paid	–	–	(366 834)	(366 834)	(52 518)	(419 352)
<b>Total contributions by and distributions to owners of Group recognised directly in equity</b>	<b>(88 967)</b>	<b>3 059</b>	<b>(357 347)</b>	<b>(443 255)</b>	<b>(106 784)</b>	<b>(550 039)</b>
<b>Balance at 30 September 2020</b>	<b>7 206 556</b>	<b>3 059</b>	<b>(590 390)</b>	<b>6 619 225</b>	<b>(992 364)</b>	<b>(7 611 589)</b>

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**FINANCIAL INFORMATION REQUIRED IN TERMS OF REGULATION 79 OF THE COMPANIES ACT**

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**EXTRACTED FROM THE AUDITED RESULTS OF FAIRVEST FOR THE YEARS ENDED 30 JUNE 2020, 2019 AND 2018**

A complete set of the Fairvest financial statements are available on the Fairvest [website https://fairvest.co.za/news/results](https://fairvest.co.za/news/results)

**Statement of profit or loss and other comprehensive income**

R'000	Audited for the year ended 30 June 2020	Audited for the year ended 30 June 2019	Audited for the year ended 30 June 2018
<b>Property revenue</b>	<b>532 106</b>	<b>489 653</b>	<b>404 257</b>
Sundry income	5 696	1 946	3 780
Property expenses	(207 675)	(175 872)	(143 293)
<b>Net property income</b>	<b>330 127</b>	<b>315 727</b>	<b>264 744</b>
Corporate administrative expenses	(29 974)	(30 174)	(25 046)
<b>Operating profit</b>	<b>300 153</b>	<b>285 553</b>	<b>239 698</b>
Fair value adjustments	(42 572)	21 993	110 585
Finance costs	(108 559)	(89 486)	(77 876)
Finance and other investment income	40 810	40 823	27 175
Impairment of loan receivable	(44 004)	–	–
<b>Profit before capital expenses</b>	<b>145 828</b>	<b>258 883</b>	<b>299 562</b>
Capital expenses	(2 158)	(1 205)	(5 605)
<b>Profit before tax</b>	<b>143 670</b>	<b>257 678</b>	<b>293 957</b>
Income tax expenses	(313)	(735)	(198)
<b>Profit for the period</b>	<b>143 357</b>	<b>256 943</b>	<b>293 759</b>
Other comprehensive income	–	–	–
<b>Total comprehensive income for the period</b>	<b>143 357</b>	<b>256 943</b>	<b>293 759</b>
<b>Profit and total comprehensive income attributable to:</b>			
– Owners of the parent	124 224	230 440	273 289
– Non-controlling interest	19 133	26 503	20 470
	<b>143 357</b>	<b>256 943</b>	<b>293 759</b>
Basic and diluted earnings per share	12.46	22.94	31.69

## Statement of cash flows

R'000	Audited for the year ended 30 June 2020	Audited for the year ended 30 June 2019	Audited for the year ended 30 June 2018
<b>Cash outflows from operating activities</b>	<b>(36 782)</b>	<b>(20 348)</b>	<b>(12 379)</b>
Cash generated from operations	290 270	270 903	213 511
Finance costs	(97 581)	(79 983)	(69 873)
Finance and other investment income	2 201	2 570	2 500
Dividends paid	(231 672)	(213 838)	(158 517)
<b>Cash outflow from operating activities</b>	<b>(284 199)</b>	<b>(152 234)</b>	<b>(411 979)</b>
Acquisitions of and improvements to investment property	(233 327)	(138 772)	(249 662)
Development of investment property	(50 897)	(13 360)	(78 037)
Acquisition of office equipment	-	(102)	(69)
Disposal of investment	25	-	-
Acquisition of investment	-	-	(2 625)
Acquisition of subsidiary	-	-	(81 586)
<b>Cash inflow from financing activities</b>	<b>319 382</b>	<b>177 995</b>	<b>421 667</b>
Proceeds from interest-bearing borrowings	922 657	798 072	1 350 733
Repayment of interest-bearing borrowings	(538 762)	(666 886)	(1 252 964)
Amounts owing to non-controlling interests raised	48 762	39 569	97 400
Repayment of amounts owing to non-controlling interests	(29 393)	(52 851)	(21 486)
Advances paid to loans receivable	(47 886)	(59 707)	(197 721)
Proceeds from repayments of loans receivable	35 791	62 970	26 970
Repayment of lease liability	(1 656)	-	419 375
Proceeds from issue of share capital	-	56 828	(2)
Repurchase of treasury shares	(70 131)	-	30
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(1 599)</b>	<b>5 413</b>	<b>(2 691)</b>
Cash and cash equivalents at beginning of period	15 356	9 943	12 634
<b>Cash and cash equivalents at the end of the period</b>	<b>13 757</b>	<b>15 356</b>	<b>9 943</b>

## Statement of financial position

R'000	Audited for the year ended 30 June 2020	Audited for the year ended 30 June 2019	Audited for the year ended 30 June 2018
<b>ASSETS</b>			
<b>Non-current assets</b>	<b>3 621 615</b>	<b>3 452 025</b>	<b>3 242 160</b>
Investment property	3 233 390	3 092 382	2 928 514
Right-of-use assets	137	–	–
Loans receivable	315 023	297 933	258 008
Investments	4 766	4 816	4 772
Office equipment	155	258	311
Investment in subsidiaries	–	–	–
Amounts owing by group companies	–	–	–
Operating lease and other receivables	5 739	–	–
Operating lease asset	62 405	56 636	50 555
<b>Current assets</b>	<b>90 458</b>	<b>98 042</b>	<b>82 812</b>
Loan receivable	–	10 699	4 900
Amounts owing by group companies	–	–	–
Amounts owing by non-controlling interests	12 370	10 594	5 980
Operating lease and other receivables	64 331	61 393	61 989
Cash and cash equivalents	13 757	15 356	9 943
Non-current asset held for sale	179 300	–	–
<b>Total assets</b>	<b>3 891 373</b>	<b>3 550 067</b>	<b>3 324 972</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>	<b>2 168 158</b>	<b>2 335 351</b>	<b>2 257 385</b>
Stated capital	734 046	804 177	747 349
Retained earnings	1 434 112	1 531 174	1 510 036
Non-controlling interest	135 916	127 816	106 469
<b>Total equity</b>	<b>2 304 074</b>	<b>2 463 167</b>	<b>2 363 854</b>
<b>Non-current liabilities</b>	<b>1 432 407</b>	<b>937 910</b>	<b>469 212</b>
Interest-bearing borrowings	1 190 494	810 829	342 845
Amounts owing to non-controlling interests	146 052	106 001	112 788
Lease liability	15 522	–	–
Derivative financial instrument	67 578	7 963	2 073
Deposits received	11 043	11 712	10 836
Deferred tax liability	1 718	1 405	670
<b>Current liabilities</b>	<b>154 892</b>	<b>148 990</b>	<b>491 906</b>
Interest-bearing borrowings	80 154	74 549	411 931
Lease liability	1 002	–	–
Amount owing to non-controlling interests	–	8 206	–
Amounts owing to group companies	–	–	–
Trade and other payables	73 736	66 235	79 975
<b>Total equity and liabilities</b>	<b>3 891 373</b>	<b>3 550 067</b>	<b>3 324 972</b>

**Statement of changes in equity**

	Share capital R'000	Retained earnings R'000	Equity attributable to owners of the company R'000	Non- controlling interest R'000	Total R'000
<b>Balance at 30 June 2018</b>	<b>747 349</b>	<b>1 510 036</b>	<b>2 257 385</b>	<b>106 469</b>	<b>2 363 854</b>
Shares issued	57 333	–	57 333	–	57 333
Share issue expenses	(505)	–	(505)	–	(505)
Dividends paid	–	(209 302)	(209 302)	(5 156)	(214 458)
Total comprehensive income for the period	–	230 440	230 440	26 503	256 943
<b>Balance at 30 June 2019</b>	<b>804 177</b>	<b>1 531 174</b>	<b>2 335 351</b>	<b>127 816</b>	<b>2 463 167</b>
Treasury shares acquired	(70 131)	–	(42 426)	–	(70 131)
Dividends paid	–	(221 286)	(221 286)	(11 033)	(232 319)
Total comprehensive income for the period	–	124 224	124 224	19 133	143 357
<b>Balance at 30 June 2020</b>	<b>734 046</b>	<b>1 434 112</b>	<b>2 168 158</b>	<b>135 916</b>	<b>2 304 074</b>

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**REPORT BY THE AUDITOR IN TERMS OF REGULATION 78 OF THE COMPANIES ACT**

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The Directors  
 Fairvest Property Holdings Limited  
 8<sup>th</sup> Floor, The Terraces,  
 34 Bree Street,  
 Cape Town  
 8001

30 July 2021

Dear Sirs/Mesdames

**REPORT OF THE FACTUAL FINDINGS BY THE AUDITOR IN TERMS OF REGULATION 78 OF THE COMPANIES ACT, NO. 71 OF 2008, AS AMENDED TO THE DIRECTORS OF FAIRVEST PROPERTY HOLDINGS LIMITED**

**Introduction**

BDO South Africa Inc. (“**BDO Inc.**” or “**we**”) is the appointed auditor of Arrowhead Properties Limited (“**Arrowhead**”). Fairvest Property Holdings Limited (“**Fairvest**”) are issuing revised listing particulars prepared in compliance with the JSE Listings Requirements and prepared in compliance with the Companies Act, No. 71 of 2008 as amended (“**Companies Act**”) as a prospectus (“**Prospectus**”). Regulation 78 to the Companies Act requires a report by the auditor of the Company to be included in the Prospectus, and for such report to address matters set out in Regulation 78 of the Companies Act.

Consequently, we have been requested to provide this report on the following historical financial information, extracted from the statutory annual financial statements of Arrowhead for the three years ended 30 September 2020, 2019, 2018.

BDO Inc. has performed the procedures agreed with you and enumerated below as required in terms of Regulation 78 of the Companies Act.

Our engagement was undertaken in accordance with the International Standard on Related Services 4400, Engagements to Perform Agreed-Upon Procedures Regarding Financial Information. The procedures were performed solely to assist you in complying with the requirements of Regulation 78 of the Companies Act with regards to the financial information of Arrowhead.

**Procedures performed**

1. Agreed the profit before tax and the profit after tax of Arrowhead in respect of the three years ended 30 September 2020, 2019, 2018 as set out in the Historical Financial Information included as **Annexure 10** to the Prospectus, to the Statutory Financial Information for those years.
2. Agreed the asset and liability balances in respect of the years ended 30 September 2020, 2019, 2018 of Arrowhead, as set out in the Historical Financial Information included as **Annexure 10** to the Prospectus, to the Statutory Financial Statements for the years ended 30 September 2020, 2019, 2018.

The above procedures were completed without exceptions.

Because the above procedures do not constitute either an audit, review or other assurance engagement made in accordance with International Standards on Auditing, International Standards on Review Engagements or International Standards on Assurance Engagements, we do not express any assurance on the financial information of Arrowhead required in terms of Regulation 78 of the Companies Act.

Had we performed additional procedures or had we performed an audit or review of, or other assurance engagement on the financial information Arrowhead required in terms of Regulation 78 of the Companies Act in accordance with International Standards on Auditing, International Standards on Review Engagements or International Standards on Assurance Engagements, other matters might have come to our attention that would have been reported to you.



Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose. This report relates only to the items specified above and does not extend to any financial statements of Arrowhead taken as a whole.

Yours faithfully

**BDO South Africa Incorporated**

Chartered Accountants (SA)

Registered Auditors

***per B van der Walt***

*Chartered Accountant (SA)*

*Registered Auditor*

*JSE Reporting Accountant Specialist*

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## REPORT BY THE AUDITOR IN TERMS OF REGULATION 79 OF THE COMPANIES ACT

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The Directors  
 Fairvest Property Holdings Limited  
 8<sup>th</sup> Floor, The Terraces,  
 34 Bree Street,  
 Cape Town  
 8001

30 July 2021

Dear Sirs/Mesdames

### INDEPENDENT AUDITORS' REPORT IN TERMS OF REGULATION 79 OF THE COMPANIES ACT, NO. 71 OF 2008, AS AMENDED

#### Introduction

BDO South Africa Incorporated are the appointed auditors of Fairvest Property Holdings Limited ("**Fairvest**" or the "**Company**"). Regulation 79 of the Companies Act, No 71 of 2008, as amended ("**Companies Act**") requires us to:

- report on the following financial information, which is included in the revised listing particulars prepared in compliance with the JSE Listings Requirements and prepared in compliance with the Companies Act, No.71 of 2008 as amended ("**Companies Act**") as a prospectus to be issued on or about 10 August 2021 ("**the Prospectus**"):
  - The consolidated and separate profits or losses of the Company in respect of the periods ended 30 June 2020, 2019 and 2018, as set out in **Annexure 11** of the Prospectus;
  - The consolidated and separate assets and liabilities of the Company as at 30 June 2020, 2019 and 2018 as set out in **Annexure 11** of the Prospectus;
  - The dividends paid by the Company in respect of each class of securities for the financial periods 30 June 2020, 2019 and 2018, including particulars of each class of share on which dividends were paid and cases where no dividends were paid in respect of a particular class of shares (collectively "**the regulation 79 financial information**"); and
- provide a statement in our report, as to whether there have been any material changes in the assets and liabilities of the Company since the date of the latest available financial information.

#### Extraction of the Regulation 79 financial information

The regulation 79 financial information has been extracted from the audited financial statements of the Company for the years ended 30 June 2020, 2019 and 2018, which were prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act of South Africa. We expressed unqualified audit opinions on those financial statements in our reports dated 3 September 2018, 4 September 2019 and 23 September 2020, respectively, based on our audits which were conducted in accordance with the International Standards on Auditing.

This financial information does not reflect the effects of events that may have occurred subsequent to the date of our audit report on those audited consolidated and separate annual financial statements. Furthermore, the financial information does not contain all the disclosures required by the International Financial Reporting Standards and the requirements of the Companies Act and therefore reading the financial information is not a substitute for reading the audited consolidated and separate annual financial statements of the Company.

As a result of the regulation 79 financial information being extracted from the audited consolidated and separate annual financial statements, we can report that in the context of the audit performed on these annual financial statements:

- The financial information is not materially misstated and is prepared on a basis consistent with the Companies Act;
- The debtors and creditors included in the financial information did not include any material amounts that were not trade accounts;
- The Company adequately provided for doubtful debts in respect of trade receivables at 30 June 2020, 2019 and 2018 in the financial information;
- The Company do not hold any inventory and as such there is no provision for inventory obsolescence;
- In respect of the consolidated and separate financial information, the intercompany profits have been eliminated; and
- The Company has declared dividends on all classes of securities for the financial period ended 30 June 2020, 2019 and 2018 as set out in **Annexure 11**.

## **Responsibility of the directors for financial information**

The directors are responsible for the audited consolidated and separate annual financial statements, the extraction of the financial information therefrom, and the presentation of the financial information in accordance with the requirements of the Companies Act.

## **Report of factual findings on the material changes in the assets and liabilities**

In accordance with regulation 79(4)(b)(v) of the Companies Act we are required to include a statement in our report, as to whether there have been any material changes in the assets and liabilities of the Company and its subsidiaries since the consolidated and separate annual financial statements dated 30 June 2020.

As a result, we have performed the following procedures which were agreed with you:

- We reviewed the latest management accounts, dated 30 April 2021 including the consolidated and separate management accounts of the Company and compared the categories of assets and liabilities to the consolidated and separate statement of financial position dated 30 June 2020. Where movements in the assets and liabilities were material these have been reported in the findings below.
- Reviewed minutes of meetings of the board of directors of the Company and its subsidiaries since 30 June 2020 to identify any matters regarding material changes in the assets and liabilities, such as the sale or purchase of a significant asset.
- Obtained a letter of representation from management confirming that besides for the material changes listed below, no other material changes in the assets and liabilities of the Company and its subsidiaries have occurred since 31 December 2020. Our engagement was undertaken in accordance with the International Standard on Related Services 4400 Engagements to Perform Agreed-Upon Procedures Regarding Financial Information. The procedures were performed solely to assist you in complying with Regulation 79(4)(b)(v) of the Act.

Our engagement was undertaken in accordance with the International Standard on Related Services (ISRS) 4400, Engagements to Perform Agreed-Upon Procedures Regarding Financial Information. The procedures were performed solely to assist you in complying with regulation 79(4)(b)(v) of the Companies Act.

## **Responsibilities of the directors**

The directors have the responsibility for the accuracy and completeness of the records, documents, explanations and other information provided to us for the purpose of performing the procedures and for determining whether the nature and scope of our work specified in this factual findings report is sufficient for the purposes of evaluating the material changes in the assets and liabilities of the Company and its subsidiaries.

## **Responsibilities of the auditor**

An agreed upon procedure engagement involves applying our expertise to perform procedures as agreed by us and the directors and reporting the factual findings from the procedures performed. We have complied with relevant ethical requirements, including the principles of integrity, objectivity, professional competence and due care.

Since an agreed upon procedure engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information management has provided to us to complete the agreed upon procedure engagement. Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the material changes in the assets and liabilities of the Company and its subsidiaries. Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters might have come to our attention that would have been reported.

## **Findings**

We report our findings as follows:

On 8 June 2021, we compared the below categories of assets and liabilities per the management accounts for the ten month period ended 30 April 2021 to the consolidated and separate statement of financial position for the year ended 30 June 2020.

- Non-current assets;
- Current assets;
- Non-current liabilities; and
- Current liabilities.

Save for the material changes noted below, there have been no other material changes in the categories of assets and liabilities of the Company and its subsidiaries since the 30 June 2020 audited financial statements, included in **Annexure 11**.

**Material changes**

During the period Fairvest disposed of Tokai Junction for R180 million. The proceeds were mainly used to reduce debt.

Our findings relate only to the accounts and items specified above and do not extend to any financial statements of the Company and its subsidiaries taken as a whole.

**Consent**

We consent to the inclusion of this report, which will form part of the Prospectus to the shareholders of Fairvest, to be issued on or about 10 August 2021, in the form and context in which it appears. Our report should not be used for any other purpose or be distributed to any other parties.

Yours faithfully

**BDO South Africa Incorporated**

Chartered Accountants (SA)

Registered Auditors

***per B van der Walt***

*Chartered Accountant (SA)*

*Registered Auditor*

*JSE Reporting Accountant Specialist*

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## CONSOLIDATED *PRO FORMA* FINANCIAL STATEMENTS OF THE FAIRVEST GROUP

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The definitions and interpretations commencing on page 3 of these revised listing particulars have been used throughout this Annexure. The *pro forma* financial information should be read in conjunction with paragraph 8 of these revised listing particulars.

### **Basis of preparation**

The *pro forma* financial information has been prepared using the most recent financial period of Fairvest, in terms of the JSE Listings Requirements and guidelines issued by the South African Institute of Chartered Accountants.

The published numbers have been extracted, without adjustment, from Fairvest's unaudited interim results for the six month period ended 31 December 2020 as published on SENS on 4 March 2021, which can be accessed on Fairvest's website at [www.fairvest.co.za](http://www.fairvest.co.za), and will be available for inspection at the registered office of Fairvest as set out in paragraph 21 of these revised listing particulars.

The consolidated *pro forma* financial information, including the assumptions on which it is based and the financial information from which it has been prepared, is the responsibility of the Board. The consolidated *pro forma* financial information has been prepared using accounting policies that comply with IFRS and that are consistent with those applied in the unaudited interim consolidated results of Fairvest for the six month period ended 31 December 2020 (the "**Consolidated *Pro forma* Financial Information**").

The Consolidated *Pro forma* Financial Information has been prepared for illustrative purposes only, based on current information available to management of Fairvest, in order to provide information about the financial results and position of Fairvest. Due to its nature, the Consolidated *Pro forma* Financial Information may not fairly present Fairvest's financial position, changes in equity and results of operations or cash flows after the New Star and Arrowhead acquisitions and consolidations, and are based on the assumptions that:

- i. the acquisition date of New Star and the acquisition date of Arrowhead are assumed to be 1 July 2020 for the purposes of the statement of profit and loss and other comprehensive income and 31 December 2020 for the purposes of the statement of financial position.
- ii. for the purpose of calculating basic earnings per share, diluted earnings per share, headline earnings per share and diluted headline earnings per share, the New Star and Arrowhead acquisitions were implemented on 1 July 2020; and
- iii. for the purpose of calculating net asset value per share and net tangible asset value per share, the New Star and Arrowhead acquisitions were implemented on 31 December 2020.

The accounting policies of Fairvest that were applied in the unaudited interim consolidated results for the six month period ended 31 December 2020 have been used in calculating the *pro forma* financial effects.

The independent reporting accountant's report on the consolidated *pro forma* statement of financial position is set out in **Annexure 15**.

Fairvest Property Holdings Limited

Pro forma Statement of Financial Position as at 31 December 2020

	Fairvest as at 31 December 2020	New Star contract cancellation	Pro forma after the New Star contract cancellation	Controlling stake of Arrowhead acquired	Arrowhead acquisition transaction fees	Arrowhead consolidated as at 31 March 2021	Consolidation adjustment – gain on bargain purchase and minority movement	Pro forma position after Arrowhead consolidation
	<i>Note 1</i>	<i>Note 2</i>	<i>Note 3</i>	<i>Note 4</i>	<i>Note 5</i>	<i>Note 6</i>		
<b>ASSETS</b>								
<b>Non-current assets</b>	<b>3 701 084</b>	<b>109</b>	<b>3 701 193</b>	<b>3 672 920</b>	<b>–</b>	<b>12 737 004</b>	<b>(3 672 920)</b>	<b>16 438 197</b>
Investment property (including straight-line accrual)	3 337 725	–	3 337 725	–	–	12 413 572	–	15 751 297
Property related loans receivable	284 898	–	284 898	–	–	–	–	284 898
Share scheme loans receivable	–	–	–	–	–	177 556	–	177 556
Property, plant and equipment	223	109	332	–	–	3 677	–	4 009
Goodwill/intangible assets	–	–	–	–	–	–	–	–
Deferred tax	–	–	–	–	–	33 314	–	33 314
Operating lease asset	69 651	–	69 651	–	–	–	–	69 651
Financial assets	–	–	–	–	–	108 885	–	108 885
Investment in subsidiary	–	–	–	3 672 920	–	–	(3 672 920)	–
Other	8 587	–	8 587	–	–	–	–	8 587
<b>Current assets</b>	<b>142 466</b>	<b>3 629</b>	<b>146 095</b>	<b>–</b>	<b>–</b>	<b>391 070</b>	<b>–</b>	<b>537 165</b>
Share scheme loans receivable	–	–	–	–	–	34 131	–	34 131
Loans receivable from minorities	34 311	–	34 311	–	–	–	–	34 311
Cash and cash equivalents	18 395	2 621	21 016	–	–	41 972	–	62 988
Trade and other receivables	89 760	1 008	90 768	–	–	314 967	–	405 735
Non-current assets held for sale	–	–	–	–	–	738 394	–	738 394
<b>Total assets</b>	<b>3 843 550</b>	<b>3 738</b>	<b>3 847 288</b>	<b>3 672 920</b>	<b>–</b>	<b>13 866 468</b>	<b>(3 672 920)</b>	<b>17 713 756</b>

	<i>Note 1</i>	<i>Note 2</i>	<i>Note 3</i>	<i>Note 4</i>	<i>Note 5</i>	<i>Note 6</i>	
<i>R000</i>							
	<i>Note 1</i>	<i>Note 2</i>	<i>Note 3</i>	<i>Note 4</i>	<i>Note 5</i>	<i>Note 6</i>	
<b>Fairvest as at 31 December 2020</b>							
	<i>Note 1</i>	<i>Note 2</i>	<i>Note 3</i>	<i>Note 4</i>	<i>Note 5</i>	<i>Note 6</i>	
<b>Pro forma after the New Star contract cancellation</b>							
<b>Consolidation adjustment – gain on bargain purchase and minority movement</b>							
<b>Arrowhead consolidated as at 31 March 2021</b>							
<b>Pro forma position after Arrowhead consolidation</b>							
<b>2 391 988</b>	<b>(132 076)</b>	<b>2 259 912</b>	<b>3 672 920</b>	<b>(38 404)</b>	<b>7 591 099</b>	<b>(3 672 920)</b>	<b>9 812 608</b>
Stated capital	733 689	–	733 689	3 672 920	(15 995)	(7 160 868)	4 390 614
Retained earnings	1 513 748	(132 076)	1 381 672	–	(550 194)	550 194	1 359 264
Share-based payments	–	–	–	–	6 019	(6 019)	–
Non-controlling interest	144 551	–	144 551	–	974 406	–	1 118 957
Gain on bargain purchase	–	–	–	–	–	2 943 773	2 943 773
<b>Liabilities</b>							
<b>Non-current liabilities</b>	<b>1 170 621</b>	<b>–</b>	<b>1 170 621</b>	<b>–</b>	<b>38 404</b>	<b>–</b>	<b>6 366 464</b>
Interest-bearing borrowings	939 170	–	939 170	–	38 404	–	5 903 662
Amounts owing to minorities	129 001	–	129 001	–	–	–	129 001
Financial liabilities	71 247	–	71 247	–	–	–	280 136
Other non-current liabilities	31 203	–	31 203	–	–	–	53 665
<b>Current liabilities</b>	<b>280 941</b>	<b>135 814</b>	<b>416 755</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1 534 685</b>
Interest-bearing borrowings	167 729	133 663	301 392	–	–	–	799 579
Tax payable	–	–	–	–	–	–	5 404
Trade and other payables	112 592	2 151	114 743	–	–	–	727 456
Lease liabilities	620	–	620	–	–	–	2 246
<b>Total equities and liabilities</b>	<b>3 843 550</b>	<b>3 738</b>	<b>3 847 288</b>	<b>3 672 920</b>	<b>–</b>	<b>(3 672 920)</b>	<b>17 713 756</b>
<b>Number of shares in issue (Note 7)</b>	980 038 942	–	980 038 942	2 098 811 506	–	–	3 078 850 348
<b>Net asset value per share (R)</b>	2.29	–	–	–	–	–	2.82
<b>Tangible net asset value per share (R)</b>	2.29	–	–	–	–	–	2.81

## Notes and assumptions:

1. Presents the consolidated statement of financial position extracted, without adjustment, from Fairvest's interim unaudited published results for the period ended 31 December 2020.
2. Fairvest acquires 100% of New Star shares in issue for a cash consideration of R133 million ("**Cancellation Price**"), of which R1.6 million is specifically for the acquisition of New Star's NAV and the remainder of R131.4 million is for the cancellation of the management contract. In assessing the accounting treatment of the acquisition, management have concluded that IFRS 3 should not be applied as the payment is in substance a payment for the cancellation of a contract, and even if IFRS 3 was to be applied this would only be an acquisition of a single asset being the management contract and not the acquisition of a business.

The Cancellation Price has been calculated on the basis that the cancellation will be neutral to forecast forward distributable earnings. The Cancellation Price will be fully funded with debt bearing interest at JIBAR plus 215 basis points, assumed to be 5.83% for the purpose of preparing the *pro forma*. The net *pro forma* results from the acquisition of New Star (in substance cancellation of contract) is accounted for as follows:

  - 2.1. Net assets of New Star of R1.6 million are brought into Fairvest's statement of financial position at their carrying value as at 28 February 2021.
  - 2.2. Retained earnings is adjusted for transaction costs of R662 500 and cancellation expense of R131.4 million being the difference between the Cancellation Price and the carrying value of New Stars net assets as at 28 February 2021.
  - 2.3. Short-term interest-bearing debt raised equal to the Cancellation Price and transaction costs expensed of R662 500.
3. Fairvest acquires 951 422 029 Arrowhead ordinary B shares, representing 100% of Arrowhead B ordinary shares in issue and 62 718 658 Arrowhead ordinary A shares, representing 100% of Arrowhead A ordinary shares in issue, 100% of the total shares in issue and voting rights, through the issue of 1.85 new Fairvest ordinary shares for every 1 Arrowhead B ordinary share and 5.4 new Fairvest ordinary shares for every 1 Arrowhead A ordinary share. This is an aggregate consideration of 2 098 811 506 new Fairvest shares. The acquisition has been accounted for as follows:
  - 3.1. An investment in Arrowhead is recognised at the fair value of the consideration paid of R3.673 billion ("**Consideration**") calculated as 2 098 811 506 new Fairvest shares issued to Arrowhead shareholders multiplied by the R1.75 Fairvest ordinary closing share spot price on the Last Practicable Date.
  - 3.2. A corresponding increase in stated capital has been recognised as the acquisition is implemented by way of issue of Fairvest ordinary shares.
4. Transaction and share issue costs of R38.4 million, funded by interest bearing debt, are treated as follows:
  - 4.1. Transaction costs of R16 million that are directly attributable to the issuing of Fairvest shares have been recognised as a deduction from equity (stated capital) in accordance with IAS 32 Financial Instruments: Presentation.
  - 4.2. Transaction costs of R22.4 million directly attributable to the acquisition of Arrowhead have been recognised as an expense in the statement of comprehensive income.
5. Presents the consolidated statement of financial position extracted, without adjustment, from Arrowhead's interim unaudited results for the period ended 31 March 2021.
6. In terms of IFRS 3 – Business Combinations, the following consolidation adjustments in respect of the acquisition of Arrowhead ordinary B and ordinary A shares are passed:
  - 6.1. Elimination of the investment in subsidiary of R3.673 billion.
  - 6.2. No adjustment applied to bring the NAV of Arrowhead to fair value as the assets and liabilities already approximate fair value in the statement of financial position.
  - 6.3. Elimination of Fairvest's share of the remaining retained earnings and stated capital.
  - 6.4. Recognition of R2.944 billion gain on bargain purchase being the difference between the Consideration and Arrowhead's retained earnings and stated capital attributable to parent shareholders.
7. Fairvest ordinary shares in issue of 980 038 842, excluding shares held in treasury plus 2 098 811 506 Fairvest ordinary shares issued in consideration for Arrowhead ordinary A and B shares, resulting in total Fairvest ordinary shares in issue of 3 078 850 348 used in calculating the NAV and tangible NAV per Fairvest share.
8. There are no material subsequent events that require adjustments to the *pro forma* financial information.
9. All adjustments, except for transaction costs, are expected to have a continuing effect.
10. For illustration purposes, in the event that Fairvest acquires a 50.1% interest in Arrowhead only, the following would replace notes 3 and 6 above:
  - 10.1. Fairvest acquires 507 778 681 Arrowhead ordinary B shares, representing 53.4% of Arrowhead B ordinary shares in issue and 50.1% of the total shares in issue and voting rights, through the issue of 1.85 new Fairvest ordinary shares for every 1 Arrowhead B ordinary share. This is an aggregate consideration of 939 390 559 new Fairvest shares. The acquisition has been accounted for as follows:
    - 10.1.1. An investment in Arrowhead is recognised at the fair value of the consideration paid of R1.644 billion ("**Consideration**") calculated as 939 390 559 new Fairvest shares issued to Arrowhead B shareholders multiplied by the R1.75 Fairvest ordinary closing share spot price on the last practicable date.
    - 10.1.2. A corresponding increase in stated capital has been recognised as the acquisition is implemented by way of issue of Fairvest ordinary shares.
  - 10.2. In terms of IFRS 3 – Business Combinations, the following consolidation adjustments in respect of the acquisition of Arrowhead ordinary B shares are passed:
    - 10.2.1. Elimination of the investment in subsidiary of R1.644 billion.
    - 10.2.2. Recognition of additional non-controlling interest ("**NCI**") share in the Arrowhead residual retained earnings of R3.394 billion. This consists of 62 718 658 Arrowhead A shareholders who, in terms of the Arrowhead MOI, have a preferential claim on the residual NAV equal to the Arrowhead A shares' 60-day VWAP. The Arrowhead A shares NCI of R578.9 million is calculated using the 31 March 2021 60-day VWAP of R9.23 multiplied by 62 718 658 shares in issue. The remaining R2.815 billion is the 46.63% NCI share of NAV after the Arrowhead A shareholders' preferential claim.
    - 10.2.3. No adjustment applied to bring the NAV of Arrowhead to fair value as the assets and liabilities already approximate fair value in the statement of financial position.
    - 10.2.4. Elimination of Fairvest's share of the remaining retained earnings and stated capital.
    - 10.2.5. Recognition of R1.578 billion gain on bargain purchase being the difference between the Consideration, the existing and additional NCI, and Arrowhead's retained earnings and stated capital.



**Fairvest Property Holdings Limited**
**Pro forma Statement of profit or loss and other comprehensive income for the six months ended 31 December 2020**

<i>R'000</i>	Fairvest as at 31 December 2020	New Star contract cancellation	<i>Pro forma</i> after the New Star contract cancellation	Arrowhead as at 31 March 2021	Consolidation adjustment	Adjustments for transaction fees and finance costs	<i>Pro forma</i> position after Arrowhead consolidation
	<i>Note 1</i>	<i>Note 2</i>		<i>Note 3</i>	<i>Note 4</i>	<i>Note 5</i>	
<b>Property revenue</b>	<b>274 208</b>	–	<b>274 208</b>	<b>976 061</b>	–	–	<b>1 250 269</b>
Rental income – contractual and tenant recoveries/revenue	265 043	–	265 043	989 091	–	–	<b>1 254 134</b>
Straight-line adjustment	9 165	–	9 165	(13 030)	–	–	<b>(3 865)</b>
Sundry income	3 123	1 980	5 103	–	–	–	<b>5 103</b>
Property expenses	(100 877)	165	(100 712)	(432 090)	–	–	<b>(532 802)</b>
<b>Net property income</b>	<b>176 454</b>	<b>2 145</b>	<b>178 599</b>	<b>543 971</b>	–	–	<b>722 570</b>
Corporate administrative expenses	(15 123)	(3 883)	(19 006)	(53 352)	–	(22 409)	<b>(94 766)</b>
<b>Operating profit</b>	<b>161 331</b>	<b>(1 738)</b>	<b>159 593</b>	<b>490 619</b>	–	<b>(22 409)</b>	<b>627 804</b>
Fair value adjustment to investment property	75 583	2 396	77 979	–	–	–	<b>77 979</b>
Fair value adjustment to derivative financial instruments	(3 669)	–	(3 669)	–	–	–	<b>(3 669)</b>
Fair value adjustment to investments	(222)	–	(222)	255 715	–	–	<b>255 493</b>
Gain on bargain purchase	–	–	–	–	2 943 773	–	<b>2 943 773</b>
Finance costs	(50 871)	(3 898)	(54 769)	(249 458)	–	(1 120)	<b>(305 347)</b>
Contract cancellation fees	–	(131 413)	(131 413)	–	–	–	<b>(131 413)</b>
Finance and other investment income	13 757	1	13 758	2 740	–	–	<b>16 498</b>
<b>Profit before capital expenses</b>	<b>195 909</b>	<b>(134 653)</b>	<b>61 256</b>	<b>499 616</b>	<b>2 943 773</b>	<b>(23 529)</b>	<b>3 481 117</b>
Capital expenses	(23)	–	(23)	–	–	–	<b>(23)</b>
<b>Profit before taxation</b>	<b>195 886</b>	<b>(134 653)</b>	<b>61 233</b>	<b>499 616</b>	<b>2 943 773</b>	<b>(23 529)</b>	<b>3 481 094</b>
Income tax expense	237	(38)	199	(30 190)	–	–	<b>(29 991)</b>
<b>Total comprehensive profit/(loss) for the period</b>	<b>196 123</b>	<b>(134 691)</b>	<b>61 432</b>	<b>469 426</b>	<b>2 943 773</b>	<b>(23 529)</b>	<b>3 451 103</b>
<i>Profit and total comprehensive income attributable to:</i>							
Owners of the parent	174 846	(134 691)	40 155	432 395	2 943 773	(23 529)	<b>3 392 759</b>
Non-controlling interests	21 277	–	21 277	37 031	–	–	<b>58 308</b>
<b>Total comprehensive profit/(loss) for the period</b>	<b>196 123</b>	<b>(134 691)</b>	<b>61 432</b>	<b>469 426</b>	<b>2 943 773</b>	<b>(23 529)</b>	<b>3 451 103</b>
<b>Weighted average number of shares (excluding treasury shares)</b>	<b>980 210 543</b>						<b>3 079 022 049</b>
<b>Basic earnings per share (cents)</b>	<b>17.84</b>		<b>4.10</b>				<b>110.19</b>
<b>Diluted earnings per share (cents) (Note 6)</b>	<b>17.84</b>		<b>4.10</b>				<b>110.06</b>
<b>Headline earnings per share (cents) (Notes 6 and 7)</b>	<b>10.84</b>						<b>12.38</b>
<b>Diluted headline earnings per share (cents)</b>	<b>10.84</b>						<b>12.25</b>
<b>Distribution per share (cents) (Note 8)</b>	<b>10.59</b>						<b>11.14</b>

## Notes and assumptions

1. Presents the consolidated statement of profit and loss and other comprehensive income extracted, without adjustment, from Fairvest's published interim unaudited results for the six month period ended 31 December 2020.
2. Per note 2 in the *pro forma* statement of financial position Fairvest management have accounted for the acquisition of New Star as a payment for the cancellation of the asset management agreement. The accounting to give effect to this in the statement of profit and loss and other comprehensive income is as follows:
  - 2.1. The income and expenses have been extracted, without adjustment, from New Star's unaudited results for the six months ended 28 February 2021.
  - 2.2. Additional income of R2 million accruing to Fairvest in respect of third party fees earned by New Star.
  - 2.3. Reversal of R165 000 letting commission previously capitalised and amortised.
  - 2.4. Assumption of additional corporate administrative costs of R3.9 million calculated as follows:
    - 2.4.1. New Star's total expenses of R10.9 million less corporate expense savings of R7.7 million attributable to Fairvest; and
    - 2.4.2. recognition of transaction costs of R662 500 directly attributable to the acquisition of New Star.
  - 2.5. Fair value adjustments of R2.4 million to investment property in respect of expenses capitalised.
  - 2.6. Additional finance cost at an assumed interest rate of 5.83% (JIBAR plus 215 basis points) on debt of R133.7 million utilised to fund the New Star acquisition and associated transaction costs.
  - 2.7. Cancellation cost of R131.4 million equal to the difference between the Cancellation Price and the carrying value of New Star's net assets as at 28 February 2021.
3. Presents the consolidated statement of profit and loss and other comprehensive income extracted, without adjustment, from Arrowhead's interim unaudited results for the six month period ended 31 March 2021.
4. Recognition of bargain purchase on acquiring a controlling interest in Arrowhead. Details provided in note 6 to the *pro forma* statement of financial position.
5. R22.4 million of transaction costs and R1.1 million of finance costs on debt utilised to fund transaction costs associated with the Arrowhead acquisition and Fairvest share issue.
6. Dilution in earnings attributable to Fairvest from Arrowhead B ordinary shares due to the assumed exercise of 10 310 863 options in Arrowhead B shares on 1 July 2020. The reduction of R4.1 million is calculated as the earnings per Arrowhead B ordinary share assuming the current number of shares in issue multiplied by the total number of Arrowhead B shares held by Fairvest less the earnings per Arrowhead B ordinary share assuming the current number of shares in issued plus an additional 10 310 863 issued, multiplied by the total number of Arrowhead B ordinary shares held by Fairvest.
7. Reconciliation between profit attributable to shareholders and headline earnings per share:

	<b>R'000</b>
Comprehensive income attributable to owners of the parent	3 392 795
Adjusted for:	
Fair value adjustment to investment property	(74 817)
Non-controlling interest portion of the fair value adjustment to investment property	7 001
Gain on bargain purchase	(2 943 773)
<b>Headline profit attributable to shareholders</b>	<b>381 206</b>
Headline earnings per share (cents)	12.38
Diluted headline earnings per share (cents)	12.25

See note 6 on impact of share options in Arrowhead

8. Distributable earnings calculation:

	<b>R'000</b>
Net property income	722 570
Straight-line rental income adjustment	3 865
Corporate administrative expenses	(72 358)
Finance costs	(305 095)
Finance and other investment income	16 498
Dividend adjustments	20 557
Adjustment for income expected to be retained and not distributed	(7 112)
IFRS 16 adjustments	41
Depreciation	137
Finance costs	762
Lease payments	(858)
Non-controlling interest share of distribution	(35 880)
<b>Distributable earnings</b>	<b>343 086</b>
Distributable earnings per share	11.14

9. All adjustments, except for transaction costs, are expected to have a continuing effect.
10. For illustration purposes, in the event that Fairvest acquires a 50.1% interest in Arrowhead only, the following would replace notes 6, 7 and 8 above:
- 10.1. Dilution in earnings attributable to Fairvest from Arrowhead B ordinary shares due to the assumed exercise of 10 310 863 options in Arrowhead B shares on 1 July 2020. The reduction of R2.2 million is calculated as the earnings per Arrowhead B ordinary share assuming the current number of shares in issue multiplied by the total number of Arrowhead B shares held by Fairvest less the earnings per Arrowhead B ordinary share assuming the current number of shares in issue plus an additional 10 310 863 issued, multiplied by the total number of Arrowhead B ordinary shares held by Fairvest.
- 10.2. Reconciliation between profit attributable to shareholders and headline earnings per share:

	<b>R'000</b>
Comprehensive income attributable to owners of the parent	1 806 224
Adjusted for:	
Fair value adjustment to investment property	(74 817)
Non-controlling interest portion of the fair value adjustment to investment property	5 423
Gain on bargain purchase	(1 578 440)
<b>Headline profit attributable to shareholders</b>	<b>158 390</b>
Headline earnings per share (cents)	8.25
Diluted headline earnings per share (cents)	8.14

- 10.3. Distributable earnings calculation:

	<b>R'000</b>
Net property income	722 570
Straight-line rental income adjustment	3 865
Corporate administrative expenses	(72 358)
Finance costs	(305 095)
Finance and other investment income	16 498
Dividend adjustments	20 557
Adjustment for income expected to be retained and not distributed	(7 112)
IFRS 16 adjustments	41
Depreciation	137
Finance costs	762
Lease payments	(858)
Non-controlling interest share of distribution	(170 229)
<b>Distributable earnings</b>	<b>208 737</b>
Distributable earnings per share	10.87

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**INDEPENDENT REPORTING ACCOUNTANT’S REPORT ON THE CONSOLIDATED  
PRO FORMA STATEMENTS OF THE FAIRVEST GROUP**

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The Directors  
Fairvest Property Holdings Limited  
8<sup>th</sup> Floor, The Terraces,  
34 Bree Street,  
Cape Town  
8001

30 July 2021

Dear Sirs/Mesdames

**INDEPENDENT REPORTING ACCOUNTANTS’ ASSURANCE REPORT ON THE COMPILATION OF THE  
PRO FORMA FINANCIAL INFORMATION OF FAIRVEST PROPERTY HOLDINGS LIMITED (“FAIRVEST”  
OR “THE COMPANY”)**

We have completed our assurance engagement to report on the compilation of the *pro forma* financial information of Fairvest by the directors (the “**Directors**”). The *pro forma* financial information, as set out in **Annexure 14** of the circular to be issued on or about 10 August 2021 (“**the Circular**”), consists of the *pro forma* statement of financial position, the *pro forma* statement of comprehensive income and related notes. The applicable criteria on the basis of which the directors have compiled the *pro forma* financial information are specified in the JSE Listings Requirements and described in **Annexure 14**.

The *pro forma* financial information has been compiled by the directors to illustrate the impact of the corporate actions or events, described in Part 1 and 2 of the Circular, on the company’s financial position and performance as at 31 December 2020, as if the corporate action or event had taken place at 31 December 2020 for statement of financial position and 1 July 2020 for statement of comprehensive income purposes. As part of this process, information about the company’s financial position and performance has been extracted by the directors from the company’s published unaudited interim financial information for the period ended 31 December 2020.

**Directors’ responsibility for the *pro forma* financial information**

The Directors are responsible for compiling the *pro forma* financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in **Annexure 14** of the Circular and as described in the notes to the consolidated *pro forma* statement of financial position and *pro forma* statement of comprehensive income.

**Our independence and quality control**

We have complied with the independence and other ethical requirements of Sections 290 and 291 of the Independent Regulatory Board for Auditors’ Code of Professional Conduct for Registered Auditors (Revised January 2018) and parts 1 and 3 of the Independent Regulatory Board for Auditors’ Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the “**IRBA Codes**”), which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Codes are consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B).

The firm applies the International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Reporting accountants’ responsibility**

Our responsibility is to express an opinion about whether the *pro forma* financial information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listings Requirements based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of *Pro Forma* Financial Information included in a Prospectus issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the *pro forma* financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *pro forma* financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *pro forma* financial information.

As the purpose of *pro forma* financial information included in the Circular is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the *pro forma* financial information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- the related *pro forma* adjustments give appropriate effect to those criteria; and
- the *pro forma* financial information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgment, having regard to our understanding of the nature of the Company, the corporate action or event in respect of which the *pro forma* financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *pro forma* financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Opinion**

In our opinion, the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in **Annexure 14** of the Circular.

### **Consent**

This report on the *pro forma* statement of financial position and *pro forma* statement of comprehensive income is included solely for the information of the shareholders of the Company. We consent to the inclusion of our report on the *pro forma* statement of financial position, *pro forma* statement of comprehensive income and the references thereto, in the form and context in which they appear.

Yours faithfully

### **BDO South Africa Incorporated**

Chartered Accountants (SA)

Registered Auditors

***per B van der Walt***

*Chartered Accountant (SA)*

*Registered Auditor*

*JSE Reporting Accountant Specialist*

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## CORPORATE GOVERNANCE STATEMENT

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Fairvest is committed to the promotion of good corporate governance and to following the principles of fairness, accountability, responsibility and transparency as advocated in King IV. The board recognises the need to conduct the business of the group with integrity and in accordance with generally accepted corporate practices. The board confirms that the Company complies with the provisions of King IV in all material respects.

The board is collectively responsible for the overall strategic direction and leadership of Fairvest towards the achievement of an ethical culture, good performance, effective control and legitimacy and to ensure the sustainability of the business and to contribute to long-term value creation for stakeholders.

### BOARD OF DIRECTORS

The board currently comprises eight directors of which six are non-executives (five of whom are independent), two executive directors and one alternate director to the chief executive officer. The roles of chairman and CEO are clearly defined to ensure a balance of power. The board is led by a non-executive chairman, Jacques du Toit. As the chairman of the board is not independent a lead independent non-executive director, Louis Andrag, has been appointed.

The board has adopted a charter that sets out the practices and processes it follows to discharge its responsibilities. The charter specifically details a description of roles, functions, responsibilities and powers of the board. Each of the board committees have duly adopted terms of reference which clearly sets out the membership requirements, key responsibilities, practices and processes of each committee. The board charter and the board committees' terms of reference have been reviewed and aligned to the principles of King IV.

The board exercises control through a governance framework that includes the detailed reporting presented to the board and its committees, a system of internal controls and a delegation of authority through an approval framework.

The board charter requires a clear division of responsibilities between the chairman, lead independent director and the chief executive officer ("CEO") to ensure a balance of power and authority, so that no one individual has unfettered powers of decision-making.

The Company's executive directors, Darren Wilder (CEO), Jacques Kriel (CFO) are involved in the day-to-day operations of the business and assess strategy, performance, risks and opportunities and key performance areas and report to the board at least quarterly.

The Company's independent non-executive directors are appointed to provide an independent perspective with the relevant industry experience and to complement the skills and experience of the executive directors, assessing strategy, performance, risk, key performance areas and conduct. The independent non-executive directors are fully independent of management and are free to make their own decisions. They are free from any business or other relationship which could be seen to materially interfere with the individual's capacity to act in an independent manner. The independence of directors are assessed at least annually through the Remuneration and Nomination Committee and deliberated on at board level.

The board charter requires there to be a sufficient number of directors with the appropriate mix and balance of skills, qualifications and experience to ensure that the board is able to carry out its duties and responsibilities.

Appointments to the board are formal and transparent and are a matter for the board as a whole, through recommendations from the Remuneration and Nomination Committee. Input from material stakeholders and external references, combined with experience levels, qualifications and skill sets are considered given the board's requirements at the time, before a candidate is submitted for nomination and appointment.

A Broad Board Diversity Policy has been adopted with an aim of at least 25% of the board consisting of "black people" as defined by the Broad-Based Black Economic Empowerment Act, 2003, as amended and at least one female director, amongst other broad diversity targets. The board promotes transformation at a board level and will consider the promotion of diversity attributes of gender, race, culture, age, field of knowledge, skills and experience for any new Board appointments, to create a more diverse board. The broad diversity of directors on the Fairvest Board enables robust debate and ensures that the Board considers the interests of its diverse stakeholders.

All new appointees to the board are required to undergo the induction programme approved by the board and managed by the Company Secretary. Directors are provided with all the necessary information and documentation to familiarise themselves with the Company and issues typically facing the board. Ongoing training and development include sponsor updates on the JSE Listings Requirements, site visits, and attendance at investor presentations, workshops, as well as formal training and reading material circulated by the Company Secretary.

The board assesses its performance and that of its individual directors, as well as their independence, on an ongoing basis. The outcomes of evaluations are considered by the board as a whole and actions are identified to enhance the effectiveness of the board and its committees, including directors' development needs. The directors are entitled to seek independent professional advice at the group's expense concerning group affairs and have unrestricted access to group information that they may require in discharging their duties as directors. They also have unrestricted access to the services of the Company Secretary.

No Board appointments were made or considered during the 2020 financial year. Should any changes to the Board be considered, the Board will duly consider the Broad Board Diversity Policy in order to improve diversity on the Board. The board confirms that the group has established an effective framework and processes for compliance with laws, codes, rules and standards.

The Board confirms that, to the best of their knowledge, Fairvest (i) complied with the provisions of the Companies Act, and, (ii) operates in accordance with its Memorandum of Incorporation.

### **Board committees**

The board is assisted in the performance of its duties by four committees, an Audit and Risk Committee, a Remuneration and Nomination Committee, an Investment Committee and a Social and Ethics Committee. The board acknowledges that such delegation of duties is not an abdication of the board members' responsibilities. The various committees' terms of reference are reviewed annually and have been aligned to the key principles of King IV. Each of the board committees' terms of reference clearly regulates membership and key responsibilities of the respective committees.

The board has constituted the following committees:

#### **1. AUDIT AND RISK COMMITTEE**

Composition: Ndabezinhle Mkhize (Chair), Jacob Wiese, Khegu Nkuna

Invitees: The external auditor, CEO and CFO attend the meetings by invitation.

The Audit and Risk Committee comprises independent non-executive directors and the members are annually nominated by the board and elected by shareholders at the annual general meeting. All members satisfied the requirements of section 94(4) of the Companies Act and have the appropriate financial and related qualifications, skills, financial expertise and experience required to discharge their responsibilities.

The committee is an independent statutory committee and, in addition to having specific statutory responsibilities to the shareholders in terms of the Companies Act, also assists the board through advising and making recommendations on financial reporting, risk management and internal financial controls, the external and internal audit functions as well as the statutory and regulatory compliance of the group.

Responsibilities of the committee include:

- reviewing the effectiveness of the group's system of internal financial controls;
- assisting the board by providing an objective and independent view on the organisation's finance, accounting and control mechanisms and reporting procedures;
- providing additional assurance regarding the efficiency and reliability of the financial information used by the directors in the discharge of their duties;
- reviewing and recommending the integrated report and annual financial statements and any other financial information presented to shareholders and ensuring compliance with International Financial Reporting Standards, the JSE Listings Requirements and the requirements of the Companies Act;
- monitoring the risk management framework adopted by the group;
- reviewing management's assessment of the group's and the group's ability to continue as a going concern;
- satisfying itself that the CFO, Jacques Kriel, and the finance function, have the requisite qualifications, expertise and experience to carry out the duties as required by the Companies Act and the JSE Listings Requirements;
- assessing the independence, expertise and objectivity of the external auditor and recommending the appointment/reappointment of the external auditor to shareholders at the annual general meeting, following at the AGM.

The committee has adopted formal terms of reference, delegated to it by the board of its scope and responsibilities. The committee follows an annual work plan to ensure all its duties and responsibilities as set out in its terms of reference are dealt with.

## 2. REMUNERATION AND NOMINATION COMMITTEE

Composition: Louis Andrag (Chair), Jacques du Toit, Jacob Wiese

Invitees: The CEO and CFO attend the meetings by invitation.

Due to the size and nature of the business and the board, the Remuneration and Nomination Committee is a combined committee. As Fairvest is an externally managed REIT, the asset management function of Fairvest is largely outsourced to an external asset manager, New Star Asset Management Proprietary Limited (“**New Star**”), with limited employees directly employed and paid for by Fairvest. From a remuneration governance perspective the remuneration policy of Fairvest is therefore only applicable to those staff members directly employed by Fairvest. The CFO, Jacques Kriel, is the only executive director that is employed directly by Fairvest. The CEO, Darren Wilder, and alternate director to the CEO, Adam Marcus, are both employed and remunerated by New Star.

The committee reviews the non-executive directors’ remuneration annually and makes a formal recommendation to the board for implementation, subject to shareholder approval at the annual general meeting.

The committee is appointed by the board and has delegated authority, in accordance with its terms of reference, to review and make decisions regarding the group’s remuneration policies and the implementation thereof.

The remuneration approach of the Company is to remunerate fairly, responsibly and transparently to promote the achievement of strategic objectives and positive outcomes in the short, medium, and long term. The Company has conducted an independent benchmark exercise to ensure that the Company remunerates fairly and responsibly. Remuneration is steered with the remuneration policy and the responsibility of monitoring remuneration has been delegated to the committee. The current remuneration structure in the Company is regarded as fit for purpose and the Company remains committed to remunerate in a manner that encourages growth and sustainability of the business.

In respect of the nomination of directors, the committee adopted and approved a Broad Board Diversity Policy. In identifying suitable candidates for appointment to the board, the committee will consider candidates on merit against objective criteria and with due regard for the potential benefits of broad diversity at board level. The committee annually agrees all measurable targets for achieving higher levels of diversity at the board, with the aim of improving diversity on the board should any new Board appointments be considered.

The evaluation of the performance of the board, committees, chairman of the board and the board’s individual members is managed through the committee. The board is committed to continuous improvement with a focus on performance and effectiveness and have identified areas of enhancement to further strengthen the board. The independence of directors are considered by the committee.

## 3. SOCIAL AND ETHICS COMMITTEE

Composition: Louis Andrag (Chair), Trevor Cohen, Adam Marcus

The statutory duties of the committee are discharged in terms of sections 72(4) and (5) of the Companies Act, read with regulation 43 of the Companies Regulations 2011, which states that all listed companies must establish a Social and Ethics Committee. The committee has adopted a formal terms of reference which has been approved by the board and is reviewed on an annual basis. Oversight of ethics, responsible corporate citizenship, sustainable development and stakeholder relationships have been delegated to the committee.

The committee acts on behalf of the board and is responsible for evaluating social and ethical responsibilities and making recommendations to the board. Fairvest is committed to incorporating social and environmental considerations in its decision-making at both Company level and at property level. Fairvest is committed to being a good corporate citizen and to operate a sustainable business for all stakeholders, with financial, social and environmental aspects being the focus areas. We continue with various initiatives to reduce energy consumption at our properties.

The committee continuously evaluates initiatives to ensure that contributions are made to the development of the communities in the areas in which Fairvest owns its retail centres. These include:

- engaging with service providers to hire staff from the area in which the property is situated;
- the provision of vacant space to community organisations for training and skills development; and
- contributing towards charitable organisations that operate in the communities where our properties are located.

The committee has fulfilled its mandate as prescribed by the Companies Regulations and there are no instances of material non-compliance.



#### 4. INVESTMENT COMMITTEE

Composition: Jacques du Toit (Chair), Jacob Wiese, Ndabezihle Mkhize, Trevor Cohen, Darren Wilder, Jacques Kriel, Adam Marcus

Invitees: Members of the board may join by invitation

The committee meets when decisions are required to acquire, dispose of or significantly redevelop property assets. Given the role played by the committee, it is acknowledged that the committee does not have a majority of independent non-executive directors. A full due diligence is undertaken before any property is considered for acquisition, and is circulated to all members of the committee and board of in advance of meetings. Decisions of the committee and board require consensus.

##### **Rotation of directors**

In line with the current provisions of the MOI, one-third of all directors are required to retire annually at the Company's annual general meeting and, if eligible, may be re-elected.

##### **Directors' dealings**

Dealing in company securities by directors, their associates, and company officials is regulated and monitored in accordance with the JSE Listings Requirements and the requirements of any other stock exchange on which the company is listed from time to time. Fairvest will maintain a closed period from the end of a financial period until the publication of the financial results.

##### **Insider trading**

All directors and designated employees are required to obtain clearance prior to trading in the Company's securities. Such clearance must be obtained from the chairman or, in his absence, from the lead independent non-executive director. Directors and designated employees are required to inform their portfolio/investment managers not to trade in the securities of the Company unless they have specific written instructions from that director to do so. Directors and designated employees also may not trade in their shares during closed periods. Directors and designated employees are further prohibited from dealing in their shares at any time when they are in possession of unpublished price sensitive information in relation to those securities, or otherwise where clearance to deal is not given. The Company has a policy regulating trading in the Company's securities.

##### **Conflicts of interest**

As legally required, members of the board must make full and timely disclosures of their other business interests, and particularly those that conflict or might conflict with those of the group. Potential conflicts of interest are appropriately managed in that directors confirm these disclosures annually to the Company Secretary and the board and, in addition, individual declarations are made at every meeting. Directors adhere to the conflict of interest policy as adopted by the board and are required to annually confirm that they have read and understood the contents of the policy.

##### **Employees**

The group's employees are essential to its success and the Company is committed to treating them with dignity, trust and respect, and to building long-term relationships based on enforceable employment legislation and respect for human rights.

##### **Tenants**

Tenant satisfaction is an overriding concern for the group, and plays a vital role in property management. In the current highly competitive environment, the group's success depends on meeting tenants' needs.

##### **Government**

The group seeks to build and manage a sound relationship with governmental authorities on an arm's-length basis. No attempts to improperly influence governmental decisions by offering, paying, soliciting, or accepting bribes, in any shape or form, are tolerated.

### **Voting on remuneration and shareholder engagement**

Fairvest encourages engagement with shareholders on remuneration-related matters to promote fair and transparent remuneration policies, implementation and reporting. The remuneration policy as well as the remuneration implementation report is proposed as separate non-binding advisory votes for consideration by shareholders at the AGM each year.

In the event that 25% or more of shareholders vote against either the remuneration policy or the implementation report, or both, at the annual general meeting, Fairvest will engage with shareholders through dialogue, requesting written submissions or otherwise, in order to address shareholder concerns, always with due regard to meeting Fairvest's stated business objectives while being fair and responsible toward both the employees and shareholders.

### **Principles King IV and the application of King IV**

The board fully subscribes to the principles of good corporate governance set out in King IV and regards these as fundamentally important to the business success and sustainability of Fairvest. The directors confirm that the Fairvest group has in all material respects applied the principles of King IV and disclosed regarding the application register of the King IV principles can be found at <https://fairvest.co.za/img/pdf/Fairvest-King-IV-Application-Register.pdf>.

## FAIRVEST GROUP RISK FACTORS

Fairvest is committed to proactive risk management, with the board, assisted by the Audit and Risk Committee, being responsible for the risk management of the Company. Management is responsible for establishing, monitoring and communicating the appropriate risk and control policies. Risk management is regarded as a key business process which ensures that Fairvest is protected against uncertain events which could prevent the Company from achieving its objectives. Fairvest is committed to developing, implementing and maintaining strategies to minimise risk and to ensure the growth of the Company for the best benefit of all stakeholders.

Fairvest employs a risk management framework to (i) identify risks, (ii) Assess the likelihood and impact on the group of the risk, (iii) formulate a mitigating response to the risk, and (iv) review and revise identified risks on an ongoing basis.

A summarised risk matrix which includes significant risks, the impact of these risks, and the mitigating response of the Company, is set out below:

	<b>Risk</b>	<b>Severity of key risks</b>	<b>Impact on performance</b>	<b>Mitigating response</b>
1.	Macroeconomic Outlook	Major	Slow consumer spending and a lasting effect of the COVID-19 lockdown affecting lease negotiations and tenant retentions negatively, resulting in increased arrears and vacancies.	<ul style="list-style-type: none"> <li>• Monthly performance reporting.</li> <li>• Monthly leasing meetings with the executive team.</li> <li>• Monthly arrears meetings with the executive team.</li> <li>• Executive consideration and direction on high risk tenants.</li> </ul>
2.	Overreliance on strong performance of external service providers	Major	<ul style="list-style-type: none"> <li>• Inaccurate information and risk of misstatements in relation to financial reporting.</li> <li>• Reputational risk associated with tenant dissatisfaction.</li> <li>• Volatility of earnings.</li> </ul>	<ul style="list-style-type: none"> <li>• Annual external audit by BDO.</li> <li>• Formal report on the outcome external audit to the Audit and Risk Committee.</li> <li>• Monthly performance reporting.</li> </ul>
3.	Rising cost of occupancy for tenants from increased rates, taxes and utilities	Serious	<ul style="list-style-type: none"> <li>• Inability of tenants to absorb the costs.</li> <li>• Increase in our net cost to income.</li> <li>• Increase in rental reversions on renewals, or vacancies.</li> </ul>	<ul style="list-style-type: none"> <li>• Energy Management Assessments.</li> <li>• Internalised annual review of increases in rates and taxes and the need for municipal valuation objections</li> </ul>
4.	Volatility in interest rate risk	Serious	<ul style="list-style-type: none"> <li>• Increase or volatility of funding cost reducing distributable earnings and limiting the ability to fund acquisitions growth.</li> </ul>	<ul style="list-style-type: none"> <li>• Reporting on treasury management to the board.</li> </ul>
5.	Increased competition and tenant retention	Serious	<ul style="list-style-type: none"> <li>• Discounted rental to retain tenants.</li> <li>• Increased vacancies.</li> <li>• Loss of revenue and distributable earnings</li> </ul>	<ul style="list-style-type: none"> <li>• Monthly leasing meetings with the executive team.</li> <li>• Monthly performance reporting.</li> </ul>
6.	Sub-optimal investments/ acquisitions	Moderate	<ul style="list-style-type: none"> <li>• Increased potential of diminished returns with sub-optimal investments/ acquisitions.</li> </ul>	<ul style="list-style-type: none"> <li>• Acquisitions approved by the Investment Committee and presented to the board for approval.</li> </ul>
7.	Increased cost of funding	Major	<ul style="list-style-type: none"> <li>• Higher cost of funding and a decrease in distributable earnings.</li> <li>• Disruption in operations and reputational damage.</li> </ul>	<ul style="list-style-type: none"> <li>• Reporting on treasury management to the board.</li> </ul>
8.	Non-compliance with statutory laws and regulations	Major	<ul style="list-style-type: none"> <li>• Reputational risk and possible penalties.</li> </ul>	<ul style="list-style-type: none"> <li>• Regular interaction with independent sponsor, PSG Capital, and oversight from Audit and Risk Committee and Company Secretary.</li> <li>• King IV application register.</li> </ul>

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**FAIRVEST SHARE PRICE AND TRADING HISTORY**


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<b>Period</b>	<b>High (cents)</b>	<b>Low (cents)</b>	<b>Close (cents)</b>	<b>Volume</b>	<b>Value (R)</b>
<b>Monthly</b>					
<b>2020</b>					
June	166	125	150	10 323 496	14 910 521
July	166	144	156	24 038 790	38 348 768
August	160	150	160	4 857 145	7 518 618
September	169	150	157	12 735 811	20 031 556
October	200	155	170	34 481 713	60 381 402
November	175	155	166	14 654 111	24 144 665
December	185	165	177	7 233 016	12 414 223
<b>2021</b>					
January	210	167	180	3 129 520	5 653 224
February	190	170	175	9 881 638	17 334 492
March	205	171	199	12 582 939	23 435 829
April	200	176	182	12 808 545	23 886 947
May	201	180	188	61 617 486	111 686 489
<b>Daily</b>					
01/06/2021	200	187	187	454 525	865 692
02/06/2021	187	187	201	636 422	1 190 109
03/06/2021	190	185	185	13 791	192 598
04/06/2021	186	186	186	2 822	5 248
07/06/2021	191	186	186	699 130	1 320 375
08/06/2021	190	187	190	23 701	44 379
09/06/2021	190	185	185	203 94	384 547
10/06/2021	190	185	185	267 758	496 837
11/06/2021	190	185	190	118 049	219 797
14/06/2021	186	180	185	27 281 897	49 124 247
15/06/2021	190	185	185	163 289	306 021
17/06/2021	188	180	180	342 575	620 264
18/06/2021	195	185	195	65 000	120 449
21/06/2021	190	176	190	92 714	163 890
22/06/2021	190	185	188	23 044	43 773
23/06/2021	188	182	185	172 934	321 151
24/06/2021	186	185	185	13 400	24 864
25/06/2021	189	185	185	3 648 771	6 754 968
28/06/2021	185	183	185	1 739 724	3 217 082
29/06/2021	187	183	187	112 664	210 383
30/06/2021	189	186	189	122 572	230 324
01/07/2021	191	184	190	127 380	242 337
02/07/2021	190	186	190	641 772	1 218 686
05/07/2021	190	179	190	189 601	344 331
06/07/2021	190	190	190	15 880	30 172
07/07/2021	193	187	193	1 337 084	2 572 947
08/07/2021	195	195	195	1 275 915	2 488 034

<b>Period</b>	<b>High (cents)</b>	<b>Low (cents)</b>	<b>Close (cents)</b>	<b>Volume</b>	<b>Value (R)</b>
13/07/2021	189	180	181	3 055 368	5 623 332
14/07/2021	183	141	165	506 576	849 875
15/07/2021	169	151	165	1 015 263	1 680 375
16/07/2021	184	167	175	173 185	300 029
19/07/2021	175	168	170	109 430	185 936
20/07/2021	175	168	175	552 076	949 144
21/07/2021	172	170	172	115 911	198 868
22/07/2021	175	175	175	776 871	1 359 524
23/07/2021	175	170	175	324 935	567 499
26/07/2021	175	172	175	71 000	124 005
27/07/2021	176	170	175	3 562 371	6 180 489
28/07/2021	175	175	175	662 070	1 158 622
29/07/2021	176	172	175	196 419	342 313

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## DETAILS OF PROPERTY MANAGERS

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The property managers of the Fairvest property portfolio are set out hereunder:

**Name:** Broll Property Group Proprietary Limited (Registration number: 2008/027519/07)

**Directors:** Jonathan David Broll, Malcolm Jeffrey Horne, Elscke Badenhorst, Fariyal Mukaddam, Royden David Du Plooy

**Address:** 61 Katherine Street, Sandton, Gauteng, 2196

**Shareholders:** Malcolm Horne (4%), BPG Seventy Four Proprietary Limited (76%), K2019597625 (South Africa) (RF) Proprietary Limited (20%)

**Functions performed:**

To oversee, report on and manage the following processes and procedures:

- Strategies, Management and Mandates
- Control Procedures
- Leasing Management and Strategy
- Deposits
- Leases
- Tenant Installations
- Invoices and Monthly Statements
- Local Authorities, Electricity, Water, Refuse and Sanitation
- Expenses and Disbursements
- Credit Control
- Inspections, Building Works, Maintenance, Repairs and Supervision
- Compliance with Laws and Regulations
- Arrears and Legal Matters
- Records, Financial Reports, Reporting and Budgets
- Receipting
- Books of Account
- Tenants, Tenants Association, Rules and Promotions

Broll Property Group Proprietary Limited does not have any interest, direct or indirect, in any shares to be issued by Fairvest in order to finance the acquisition of any properties.

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**Name:** AJ Property Holdings Proprietary Limited (Registration number: 2017/168593/07)

**Directors:** Jaco Odendaal, Shaun Welgemoed, Albert Lourens

**Address:** Suite 2, Block B, Albert Lourens Park, 793 King Cetshwayo Highway Sherwood, Durban, 4000

**Shareholders:** Ibex Property Holdings Proprietary Limited (50%), Yakov Yehohanan (50%)

**Functions performed:**

To oversee, report on and manage the following processes and procedures:

- Strategies, Management and Mandates
- Control Procedures
- Leasing Management and Strategy
- Deposits
- Leases
- Tenant Installations

- Invoices and Monthly Statements
- Local Authorities, Electricity, Water, Refuse and Sanitation
- Expenses and Disbursements
- Credit Control
- Inspections, Building Works, Maintenance, Repairs and Supervision
- Compliance with Laws and Regulations
- Arrears and Legal Matters
- Records, Financial Reports, Reporting and Budgets
- Receipting
- Books of Account
- Tenants, Tenants Association, Rules and Promotions

AJ Property Holdings Proprietary Limited does not have any interest, direct or indirect, in any shares to be issued by Fairvest in order to finance the acquisition of any properties.

**Name:** Mainstream Property Group Proprietary Limited (Registration number: 2006/002364/07)

**Directors:** David Thurston, Lee-Ann Reid, Ivan Henry Morris, Cornelia Nokanyiso Mthethwa

**Address:** 73 Richefond Circle, Ridgeside, Umhlanga, 4319

**Shareholders:** David Button (30%), Ivan Morris (30%), Lee-Ann Reid (30%), Khanyi Mthethwa (10%)

**Functions performed:**

To oversee, report on and manage the following processes and procedures:

- Strategies, Management and Mandates
- Control Procedures
- Leasing Management and Strategy
- Deposits
- Leases
- Tenant Installations
- Invoices and Monthly Statements
- Local Authorities, Electricity, Water, Refuse and Sanitation
- Expenses and Disbursements
- Credit Control
- Inspections, Building Works, Maintenance, Repairs and Supervision
- Compliance with Laws and Regulations
- Arrears and Legal Matters
- Records, Financial Reports, Reporting and Budgets
- Receipting
- Books of Account
- Tenants, Tenants Association, Rules and Promotions

Mainstream Property Group Proprietary Limited does not have any interest, direct or indirect, in any shares to be issued by Fairvest in order to finance the acquisition of any properties.

**Name:** Abreal Proprietary Limited (Registration number: 1991/004365/07)

**Directors:** Christiaan Johannes De Wet, David Stanley Savage

**Address:** Abcon House Fairway Office Park, 52 Grosvenor Road, Bryanston, 2021

**Shareholders:** Abman Proprietary Limited (100%)

**Functions performed:**

To oversee, report on and manage the following processes and procedures:

- Strategies, Management and Mandates
- Control Procedures
- Leasing Management and Strategy
- Deposits
- Leases
- Tenant Installations
- Invoices and Monthly Statements
- Local Authorities, Electricity, Water, Refuse and Sanitation
- Expenses and Disbursements
- Credit Control
- Inspections, Building Works, Maintenance, Repairs and Supervision
- Compliance with Laws and Regulations
- Arrears and Legal Matters
- Records, Financial Reports, Reporting and Budgets
- Receipting
- Books of Account
- Tenants, Tenants Association, Rules and Promotions

Abreal Proprietary Limited does not have any interest, direct or indirect, in any shares to be issued by Fairvest in order to finance the acquisition of any properties.

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**Name:** Axis Asset Management Proprietary Limited (Registration number 2011/142963/07)

**Directors:** Gregor Klotz

**Address:** 125 Buitengracht Street, Cape Town, 8000

**Shareholders:** Gregor Klotz (50%), Ronen Mazor (50%)

**Functions performed:**

To oversee, report on and manage the following processes and procedures:

- Strategies, Management and Mandates
- Control Procedures
- Leasing Management and Strategy
- Deposits
- Leases
- Tenant Installations
- Invoices and Monthly Statements
- Local Authorities, Electricity, Water, Refuse and Sanitation
- Expenses and Disbursements
- Credit Control
- Inspections, Building Works, Maintenance, Repairs and Supervision
- Compliance with Laws and Regulations
- Arrears and Legal Matters
- Records, Financial Reports, Reporting and Budgets
- Receipting
- Books of Account
- Tenants, Tenants Association, Rules and Promotions

Axis Asset Management Proprietary Limited does not have any interest, direct or indirect, in any shares to be issued by Fairvest in order to finance the acquisition of any properties.





