

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The interpretations and definitions commencing on page 9 of this circular have, where appropriate, been used on this cover page.

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

Action required

If you have disposed of all your Resilient linked units, this circular should be handed to the purchaser of such linked units or to the broker, CSDP, banker or other agent through whom the disposal was effected.

Beneficial linked unitholders who have dematerialised their linked units through a CSDP or broker who wish to attend the debenture holders scheme meeting and shareholders general meeting must request their CSDP or broker to provide them with the necessary letter of representation to attend the debenture holders scheme meeting and shareholders general meeting or must instruct their CSDP or broker to vote on their behalf in terms of their respective agreements with their CSDP or broker.

Resilient unitholders are referred to page 3 of this circular, which sets out the detailed action required of them in respect of the transactions set out in this circular.

Resilient does not accept responsibility and will not be held liable for any failure on the part of the CSDP or broker of any holder of dematerialised linked units to notify such linked unitholder of the contents of this circular.



RESILIENT PROPERTY INCOME FUND LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 2002/016851/06)

JSE share code: RES ISIN: ZAE000043642

(Approved as a REIT by the JSE)

("Resilient" or "the company")

CIRCULAR TO RESILIENT LINKED UNITHOLDERS

relating to:

- the conversion of Resilient's authorised and issued ordinary par value shares to authorised and issued ordinary shares of no par value;
- the increase of Resilient's authorised share capital;
- subsequent to the par value conversion and the authorised share capital increase, the conversion of the company's current linked unit capital structure to an all share structure by:
 - (i) the delinking of each Resilient ordinary share from a Resilient debenture so as to no longer constitute a linked unit;
 - (ii) the cancellation of each debenture and concomitant waiver, for no consideration, by the debenture holders of their right to be repaid the debt reflected in each debenture or to receive any other form of compensation;
 - (iii) the capitalisation of the value allocated to each debenture in the books of account of the company, equating to the issue price of each debenture (which will, pursuant to the waiver by each of the debenture holders of the right to be repaid the debt reflected in each debenture, constitute a profit and be available for capitalisation for no consideration), to Resilient's stated capital account; and
 - (iv) termination of the trust deed,to be effected by way of a scheme of arrangement in terms of section 114 of the Companies Act, which scheme is being proposed by the company between the company and its debenture holders;
- the amendment of Resilient's Memorandum of Incorporation to enable the change in Resilient's capital structure;
- the amendment of Resilient's Debenture Trust Deed to enable the scheme;
- the adoption of a new Memorandum of Incorporation to give effect to the change in Resilient's capital structure; and
- the subsequent termination of Resilient's Debenture Trust Deed,

and enclosing:

- a report prepared by the independent expert in terms of section 114(3) of the Companies Act and the Takeover Regulations;
- an extract of section 115 of the Companies Act;
- a notice convening a Resilient debenture holders scheme meeting (*pink*);
- a notice convening a general meeting of Resilient shareholders (*green*);
- a form of proxy to vote at the Resilient debenture holders scheme meeting for use by certificated debenture holders and dematerialised debenture holders who have elected “own-name” registration only (*yellow*);
- a form of proxy to vote at the Resilient shareholders general meeting for use by certificated shareholders and dematerialised shareholders who have elected “own-name” registration only (*orange*); and
- a form of surrender in respect of the conversion of certificated linked units to certificated shares of no par value for use by certificated linked unitholders only (*blue*).

Corporate advisor, legal advisor and sponsor

JAVACAPITAL

Independent expert

 Grant Thornton
An instinct for growth™

Date of issue: 29 May 2014

This circular is only available in English and is available on the company's website at www.resilient.co.za. Copies of this circular may also be obtained at the company's registered office, 4th Floor, Rivonia Village, Rivonia Boulevard, Rivonia, 2191 during normal business hours from 08:00 until 16:00 from the date of issue of this circular up to and including the date of the debenture holders scheme meeting and the shareholders general meeting.

CORPORATE INFORMATION

Company secretary and registered office

Rajeshree Sookdeyu
4th Floor
Rivonia Village
Rivonia Boulevard
Rivonia, 2191
(PO Box 2555, Rivonia, 2128)

Sponsor

Java Capital Trustees and Sponsors Proprietary Limited
(Registration number 2006/005780/07)
2 Arnold Road
Rosebank, 2196
(PO Box 2087, Parklands, 2121)

Trustee for debenture holders

Edward Nathan Sonnenbergs Inc
(Registration number 2006/018200/21)
150 West Street
Sandown, 2196
(PO Box 783347, Sandton, 2146)

Date and place of incorporation of the company

Incorporated in the Republic of South Africa on 15 July 2002

Corporate advisor and legal advisor to Resilient

Java Capital Proprietary Limited
(Registration number 2002/031862/07)
2 Arnold Road
Rosebank, 2196
(PO Box 2087, Parklands, 2121)

Independent expert

Grant Thornton Advisory Services Proprietary Limited
(Registration number 2002/0226635/07)
42 Wierda Road West
Wierda Valley, 2196
(Private Bag X10046, Sandton, 2146)

Transfer secretaries

Link Market Services South Africa Proprietary Limited
(Registration number 2000/007239/07)
13th Floor Rennie House
19 Ameshoff Street
Braamfontein, 2001
(PO Box 4844, Johannesburg, 2000)

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ACTION REQUIRED BY LINKED UNITHOLDERS

The interpretations and definitions commencing on page 9 of this circular apply *mutatis mutandis* to this section.

If you have disposed of all your Resilient linked units, then this circular, together with the accompanying notices convening the debenture holders scheme meeting and the shareholders general meeting, forms of proxy and a form of surrender (*blue*), should be forwarded to the purchaser to whom, or the broker, agent, CSDP or banker through whom, you disposed of your Resilient linked units.

Please take careful note of the following provisions regarding the action to be taken by Resilient linked unitholders.

A debenture holders scheme meeting will be held at 10:00 on Monday, 30 June 2014 at the registered office of Resilient at 4th Floor, Rivonia Village, Rivonia Boulevard, Rivonia, 2191, for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions required to approve the transactions including the scheme. A notice convening such debenture holders scheme meeting is attached hereto, and forms part of this circular.

The shareholders general meeting will be held at the later of 10:30 or 10 minutes after the completion of the debenture holders scheme meeting on Monday, 30 June 2014 at the registered office of Resilient (as detailed above) for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions required to approve the transactions. A notice convening such shareholders general meeting is attached hereto, and forms part of this circular.

1. DEMATERIALIZED LINKED UNITHOLDERS WHO DO NOT HAVE OWN-NAME REGISTRATION

1.1 Voting at the debenture holders scheme meeting

- 1.1.1 If you wish to attend the debenture holders scheme meeting, you should instruct your CSDP or broker to issue you with the necessary letter of representation to attend the debenture holders scheme meeting in person, in the manner stipulated in the custody agreement governing the relationship between you and your CSDP or broker. These instructions must be provided to the CSDP or broker by the cut-off time and date advised by the CSDP or broker for instructions of this nature.
- 1.1.2 If you do not wish to or are unable to attend the debenture holders scheme meeting, but wish to vote thereat, you should provide your CSDP or broker with your voting instructions in the manner stipulated in the custody agreement governing the relationship between you and your broker. These instructions must be provided to the CSDP or broker by the cut-off time and date advised by the CSDP or broker for instructions of this nature. If your CSDP or broker does not obtain voting instructions from you, it will be obliged to vote in accordance with the instructions contained in the custody agreement concluded between you and your CSDP or broker.
- 1.1.3 You must **not** complete the attached form of proxy.

1.2 Voting at the shareholders general meeting

- 1.2.1 If you wish to attend the shareholders general meeting, you should instruct your CSDP or broker to issue you with the necessary letter of representation to attend the shareholders general meeting in person, in the manner stipulated in the custody agreement governing the relationship between you and your CSDP or broker. These instructions must be provided to the CSDP or broker by the cut-off time and date advised by the CSDP or broker for instructions of this nature.
- 1.2.2 If you do not wish to or are unable to attend the shareholders general meeting, but wish to vote thereat, you should provide your CSDP or broker with your voting instructions in the manner stipulated in the custody agreement governing the relationship between you and your broker. These instructions must be provided to the CSDP or broker by the cut-off time and date advised by the CSDP or broker for instructions of this nature. If your CSDP or broker does not obtain voting instructions from you, it will be obliged to vote in accordance with the instructions contained in the custody agreement concluded between you and your CSDP or broker.
- 1.2.3 You must **not** complete the attached form of proxy.

1.3 Form of surrender

- 1.3.1 Your account at your CSDP or broker will be updated automatically.
- 1.3.2 You must **not** complete the attached form of surrender (*blue*).

1.4 **Surrender of documents of title**

You do not have to surrender any documents of title. This will be done by your CSDP or broker.

2. **DEMATERIALIZED LINKED UNITHOLDERS WHO HAVE OWN-NAME REGISTRATION**

2.1 **Voting at the debenture holders scheme meeting**

2.1.1 You may attend, speak and vote at the debenture holders scheme meeting in person subject to sections 57 and 58 of the Companies Act.

2.1.2 If you do not wish to or are unable to attend the debenture holders scheme meeting but wish to be represented thereat, you must complete the attached form of proxy for the debenture holders scheme meeting in accordance with the instructions contained therein. and please ensure that it is received by the transfer secretaries, Link Market Services South Africa Proprietary Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, 2001 (PO Box 4844, Johannesburg, 2000) by no later than 10:00 on Thursday, 26 June 2014.

2.2 **Voting at the shareholders general meeting**

2.2.1 You may attend, speak and vote at the shareholders general meeting in person subject to sections 57 and 58 of the Companies Act.

2.2.2 If you do not wish to or are unable to attend the shareholders general meeting but wish to be represented thereat, you must complete the attached form of proxy for the shareholders general meeting in accordance with the instructions contained therein and please ensure that it is received by the transfer secretaries, Link Market Services South Africa Proprietary Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, 2001 (PO Box 4844, Johannesburg, 2000) by no later than 10:30 on Thursday, 26 June 2014.

2.3 **Form of surrender**

2.3.1 Your account at your CSDP or broker will be updated automatically.

2.3.2 You must **not** complete the attached form of surrender (*blue*).

2.4 **Surrender of documents of title**

You do not have to surrender any documents of title. This will be done by your CSDP or broker.

3. **CERTIFICATED LINKED UNITHOLDERS**

3.1 **Voting at the debenture holders scheme meeting**

3.1.1 You may attend the debenture holders scheme meeting and speak and vote thereat subject to sections 57 and 58 of the Companies Act.

3.1.2 If you do not wish to or are unable to attend the debenture holders scheme meeting but wish to be represented thereat, you must complete the attached form of proxy for the debenture holders scheme meeting in accordance with the instructions contained therein and please ensure that it is received by the transfer secretaries, Link Market Services South Africa Proprietary Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, 2001 (PO Box 4844, Johannesburg, 2000) by no later than 10:00 on Thursday, 26 June 2014.

3.2 **Voting at the shareholders general meeting**

3.2.1 You may attend the shareholders general meeting and speak and vote thereat subject to sections 57 and 58 of the Companies Act.

3.2.2 If you do not wish to or are unable to attend the shareholders general meeting but wish to be represented thereat, you must complete the attached form of proxy for the shareholders general meeting in accordance with the instructions contained therein and please ensure that it is received by the transfer secretaries, Link Market Services South Africa Proprietary Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, 2001 (PO Box 4844, Johannesburg, 2000) by no later than 10:30 on Thursday, 26 June 2014.

3.3 **Surrender of documents of title**

3.3.1 If the scheme becomes operative, you will be required to surrender your documents of title in respect of all your linked units.

- 3.3.2 If you wish to expedite receipt of the new documents of title in respect of your Resilient linked units and surrender your documents of title in anticipation of the scheme becoming operative, you should complete the attached form of surrender (*blue*) and return it, together with the relevant documents of title relating to all your linked units, in accordance with the instructions contained therein, to the transfer secretaries, Link Market Services South Africa Proprietary Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, 2001 (PO Box 4844, Johannesburg, 2000) to be received by 12:00 on the scheme implementation record date.
- 3.3.3 If documents of title relating to any linked units to be surrendered are lost or destroyed, Resilient may dispense with the surrender of such documents of title upon production of evidence satisfactory to the company that the documents of title to the linked units in question have been lost or destroyed and upon provision of a suitable indemnity on terms satisfactory to them. Accordingly, if the documents of title in respect of any of your linked units have been destroyed, you should nevertheless return the attached form of surrender (*blue*), duly signed and completed, together with a duly signed and completed indemnity form which is obtainable from the transfer secretaries.

4. GENERAL

4.1 Approval of the scheme and other resolutions at the debenture holders scheme meeting

- 4.1.1 In order to be approved, each of the special resolutions to be proposed at the debenture holders scheme meeting must be passed upon a show of hands by a majority consisting of not less than 75% of the debenture holders present in person or represented by proxy and voting thereat, or, if a poll is duly demanded, by a majority consisting of not less than 75% of the votes cast at such poll by debenture holders present in person or represented by proxy.
- 4.1.2 A quorum for the purposes of considering the special resolutions proposed at the debenture holders scheme meeting shall consist of debenture holders present in person or represented by proxy and holding in aggregate at least 25% of the debentures then in issue.
- 4.1.3 Additionally, the resolution in respect of the scheme must be approved by special resolution of the debenture holders in accordance with section 115 of the Companies Act, at the debenture holders scheme meeting.
- 4.1.4 In order to be approved, each of the ordinary resolutions to be proposed at the debenture holders scheme meeting must be passed, upon a show of hands, by a majority of debenture holders present in person and voting thereat, or, if a poll is duly demanded, by a majority of votes cast at such poll by debenture holders' present in person or represented by proxy.
- 4.1.5 A quorum for the purposes of considering the ordinary resolutions proposed at the debenture holders scheme meeting shall consist of debenture holders present in person or represented by proxy and holding in aggregate at least one-tenth of the debentures then in issue.

4.2 Electronic participation at the debenture holders scheme meeting

Debenture holders or their proxies may participate in the debenture holders scheme meeting by way of a teleconference call and, if they wish to do so:

- must contact the company secretary (by email at the address sookdeyur@resilient.co.za) no later than 10:00 on Thursday, 26 June 2014 in order to obtain a pin number and dial-in details for that conference call;
- will be required to provide reasonably satisfactory identification; and
- will be billed separately by their own telephone service providers for their telephone call to participate in the debenture holders scheme meeting,

provided that debenture holders and their proxies will not be able to vote telephonically at the debenture holders scheme meeting and will still need to appoint a proxy to vote on their behalf at the debenture holders scheme meeting.

4.3 Court approval

- 4.3.1 Debenture holders are advised that, in terms of section 115(3) of the Companies Act, Resilient may in certain circumstances not proceed to implement the special resolution required to approve the scheme, despite the fact that it has been adopted at the debenture holders scheme meeting, without the approval of the Court.

4.3.2 A copy of section 115 of the Companies Act pertaining to the required approval for the scheme is attached to **Annexure 1**, being the independent expert's report, as **Appendix A** and forms part of this circular.

4.4 **Approval of the special and ordinary resolutions at the shareholders general meeting**

4.4.1 In order to be approved, each of the special resolutions to be proposed at the shareholders general meeting must be supported by at least 75% of voting rights exercised on the resolution.

4.4.2 In order to be approved, each of the ordinary resolutions to be proposed at the shareholders general meeting must be supported by at least 50% of the voting rights exercised thereon at the shareholders general meeting, present in person or represented by proxy.

4.4.3 A quorum for the purposes of considering the shareholder resolutions proposed at the general meeting shall consist of three shareholders of the company personally present (and if the shareholder is a body corporate, it must be represented) and entitled to vote at the shareholders general meeting. In addition, a quorum shall comprise 25% of all the voting rights that are entitled to be exercised by shareholders in respect of each matter to be decided at the shareholders general meeting.

4.5 **Electronic participation at the shareholders general meeting**

Shareholders and debenture holders or their proxies may participate in the shareholders general meeting by way of a teleconference call and, if they wish to do so:

- must contact the company secretary (by email at the address sookdeyur@resilient.co.za) no later than 10:30 on Thursday, 26 June 2014 in order to obtain a pin number and dial-in details for that conference call;
- will be required to provide reasonably satisfactory identification; and
- will be billed separately by their own telephone service providers for their telephone call to participate in the shareholders general meeting,

provided that shareholders and their proxies will not be able to vote telephonically at the shareholders general meeting and will still need to appoint a proxy to vote on their behalf at the shareholders general meeting.

4.6 **Dematerialisation**

If you wish to dematerialise your linked units, please contact your broker. Linked unitholders are advised that no dematerialisation or rematerialisation of linked units may take place after Friday, 1 August 2014.

The company does not accept responsibility and will not be held liable for any failure on the part of the CSDP or broker of a dematerialised linked unitholder to notify such linked unitholder of the debenture holders scheme meeting and/or the shareholders general meeting or any business to be conducted thereat.

SALIENT DATES AND TIMES

2014

Record date in order to receive circular (together with the notices convening the debenture holders scheme meeting and the shareholders general meeting)	Friday, 23 May
Circular (together with the notices convening the debenture holders scheme meeting and the shareholders general meeting) posted	Thursday, 29 May
Announcement relating to the issue of the circular (together with notices convening the debenture holders scheme meeting and the shareholders general meeting) released on SENS	Thursday, 29 May
Announcement relating to the issue of the circular (together with the notices convening the debenture holders scheme meeting and the shareholders general meeting) published in the press	Friday, 30 May
Last day to trade in order to be eligible to vote at the debenture holders scheme meeting and the shareholders general meeting	Thursday, 12 June
Voting record date	Friday, 20 June
Last day to lodge forms of proxy for the debenture holders scheme meeting (by 10:00)	Thursday, 26 June
Last day to lodge forms of proxy for the shareholders general meeting (by 10:30)	Thursday, 26 June
Debenture holders scheme meeting held at 10:00	Monday, 30 June
Shareholders general meeting held at the later of 10:30 or 10 minutes after the completion of the debenture holders scheme meeting	Monday, 30 June
Results of the debenture holders scheme meeting and the shareholders general meeting released on SENS	Monday, 30 June
Special resolutions submitted to CIPC for filing	Tuesday, 1 July
Results of the debenture holders scheme meeting and the shareholders general meeting published in the press	Tuesday, 1 July
Last date on which debenture holders can make application to court in terms of section 115(3)(a) of the Companies Act if the scheme is approved by debenture holders at the debenture holders scheme meeting but with sufficient opposing votes that debenture holders may require the company to obtain court approval for the scheme as contemplated in section 115(3)(a)	Wednesday, 9 July
<i>If no debenture holders exercise their rights in terms of section 115(3)(a) of the Companies Act</i>	
Special resolutions expected to be registered by CIPC	Wednesday, 23 July
Finalisation date expected to be	Friday, 25 July
Finalisation date announcement expected to be released on SENS	Friday, 25 July
Finalisation date announcement expected to be published in the press	Monday, 28 July
Expected last day to trade in existing linked units on the JSE prior to the delinking of the linked units and the capitalisation of the debentures	Friday, 1 August
Trading in delinked ordinary shares of no par value under the new ISIN: ZAE000190807 and the existing code of "RES" commences	Monday, 4 August
Expected suspension of listing of linked units on the JSE	Monday, 4 August
Expected scheme implementation record date for the delinking of the linked units and the capitalisation of the debentures at the close of business	Friday, 8 August

Expected scheme operative date	Monday, 11 August
Expected date dematerialised shareholders will have their accounts updated at their CSDP or broker	Monday, 11 August
Expected date of issue of new replacement share certificates provided that the old linked unit certificates have been surrendered by 12:00 on Friday, 8 August 2014 (any certificated linked units surrendered after this date will be replaced within five business days after receipt by the transfer secretaries)	Monday, 11 August
Expected termination of listing of linked units	Monday, 11 August

Notes:

1. All dates and times may be changed by the company. Any change will be released on SENS and published in the South African press.
2. Linked unitholders should note that as transactions in Resilient linked units are settled in the electronic settlement system used by Strate, settlement of trades takes place five business days after such trade. Therefore, unitholders who acquire Resilient linked units after Thursday, 12 June 2014 will not be eligible to vote at the debenture holders scheme meeting or the shareholders general meeting.
3. All times given in this circular are local times in South Africa.
4. If the debenture holders scheme meeting and/or the shareholders general meeting are adjourned or postponed, forms of proxy submitted for the initial debenture holders scheme meeting and/or shareholders general meeting, as the case may be, will remain valid in respect of any adjournment or postponement of the debenture holders scheme meeting and/or the shareholders general meeting, as the case may be.
5. No dematerialisation of linked unit certificates may take place after Friday, 1 August 2014.

INTERPRETATIONS AND DEFINITIONS

In this circular and its annexures, unless otherwise stated or the context indicates otherwise, the words and expressions in the first column shall have the meanings stated opposite them in the second column, and words and expressions in the singular shall include the plural and *vice versa*, words importing natural persons shall include juristic persons and unincorporated associations of persons and *vice versa*, and any reference to one gender shall include the other genders.

“authorised share capital increase”	the increase of the company’s authorised share capital, as detailed in paragraph 5 of this circular;
“board” or “directors”	the board of directors of the company, as set out on page 13 hereto;
“business day”	any day other than a Saturday, Sunday or official public holiday in South Africa;
“certificated linked units”	linked units that have not yet been dematerialised, title to which is represented by documents of title;
“certificated linked unitholders”	linked unitholders who hold certificated linked units;
“CIPC”	the Companies and Intellectual Property Commission;
“circular” or “document”	this circular to linked unitholders dated 29 May 2014, incorporating the notices convening the debenture holders scheme meeting and the shareholders general meeting, the forms of proxy and the form of surrender;
“Common Monetary Area”	South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
“Companies Act” or “the Act”	the Companies Act, 2008 (Act 71 of 2008), as amended;
“company” or “Resilient”	Resilient Property Income Fund Limited (Registration number 2002/016851/06), a public company duly incorporated in accordance with the laws of South Africa and listed on the JSE;
“conditions precedent”	the conditions precedent to which the scheme is subject, as set out in paragraph 6.2;
“court”	a court of competent jurisdiction in South Africa;
“CSDP”	Central Securities Depository Participant;
“debenture” or “Resilient debenture”	an unsecured, subordinated, variable rate debenture with a nominal value of R4.80;
“debenture holders” or “Resilient debenture holders”	the registered holders of Resilient debentures;
“debenture holders scheme meeting”	the meeting of debenture holders convened in terms of section 115(2)(a) of the Companies Act (including any adjournment or postponement thereof) to be held at 10:00 on Monday, 30 June 2014 at the registered office of the company (4 th Floor, Rivonia Village, Rivonia Boulevard, Rivonia, 2191) for the purpose of passing, with or without modification the resolutions required to approve and implement the Debenture Trust Deed amendment and the scheme (including, <i>inter alia</i> , the termination of the Debenture Trust Deed, without payment or other compensation to debenture holders);
“Debenture Trust Deed”	the debenture trust deed entered into between Resilient and the trustee for the Resilient debenture holders, and the supplemental trust deeds thereto;
“Debenture Trust Deed amendment”	the proposed amendment to the Debenture Trust Deed, which amendment will facilitate the scheme, the details of which are set out in paragraph 7 of this circular;

“debenture trustee” or “trustee for debenture holders”	Edward Nathan Sonnenbergs Inc. (Registration number 2006/018200/21), a personal liability company duly incorporated in accordance with the laws of South Africa, the details of which are set out in the “Corporate Information” section of this circular;
“delinked ordinary share”	an ordinary share of the company of no par value which share is to be listed under the new ISIN ZAE000190807 in consequence of the implementation of the scheme;
“delinking”	subsequent to the par value conversion and the authorised share capital increase, the delinking of each of the company’s existing linked units (then comprising one ordinary no par value share indivisibly linked to a debenture with a nominal value of R4.80) into one share and one debenture, so as to no longer constitute a linked unit;
“dematerialised linked unitholders”	linked unitholders who hold dematerialised linked units;
“dematerialised linked units”	linked units which have been incorporated into the Strate system, title to which is not represented by linked unit certificates or other physical documents of title;
“dividend”	a dividend as defined in section 1 of the Income Tax Act;
“documents of title”	linked unit certificates, certified transfer deeds, balance receipts and any other documents of title to linked units acceptable to the board;
“Exchange Control Regulations”	the Exchange Control Regulations, promulgated in terms of section 9 of the Currency and Exchanges Act, 1933 (Act 9 of 1933), as amended;
“finalisation date”	the date on which all of the conditions precedent shall have been fulfilled or waived, as the case may be;
“gross income”	gross income as defined in section 1 of the Income Tax Act;
“group”	the company and its subsidiaries;
“IFRS”	the International Financial Reporting Standards as adopted from time to time by the board of the International Accounting Standards Committee;
“Income Tax Act”	Income Tax Act, No. 58 of 1962, as amended;
“independent expert”	Grant Thornton Advisory Services Proprietary Limited (Registration number 2002/022635/07), a private company duly incorporated in accordance with the laws of South Africa, the details of which are set out in the “Corporate Information” section, and appointed to provide external advice to the board in relation to the scheme in terms of section 114 of the Companies Act and Regulation 110(1);
“independent expert’s report”	the report to the board prepared by the independent expert in compliance with section 114(3) of the Companies Act, which report is set out in Annexure 1 of this circular;
“issue price”	the value attributed by the company to a debenture upon the allotment and issue of such debenture, being the nominal value of R4.80 per debenture;
“JSE”	JSE Limited (Registration number 2005/022939/06), a public company duly incorporated in accordance with the laws of South Africa and licensed as an exchange under the Financial Markets Act, No. 19 of 2012, as amended;
“JSE Listings Requirements” or “Listings Requirements”	the JSE Listings Requirements, as amended from time to time;
“last practicable date”	the last trading date before the practical finalisation of this circular, being Friday, 16 May 2014;
“linked unitholders” or “Resilient linked unitholders” or “unitholders”	the registered holders of Resilient linked units;

“linked units” or “Resilient linked units”	Resilient linked units listed on the JSE, each comprising one Resilient ordinary share indivisibly linked to one Resilient debenture;
“MoI” or “Memorandum of Incorporation”	the memorandum of incorporation of the company;
“MoI amendments”	the proposed amendments to the company’s MoI required to enable a special resolution to be proposed to shareholders for their authorisation and approval of the delinking as set out in paragraph 8 of this circular;
“new MoI”	the new Memorandum of Incorporation, the salient features of which are annexed as Annexure 6 to this circular which is proposed as the new Memorandum of Incorporation of the company to be adopted by the ordinary shareholders as detailed in paragraph 9 of this circular at the shareholders general meeting;
“own-name registration”	dematerialised linked unitholders who have instructed their CSDP to hold their linked units in their own name on the dematerialised securities register;
“par value conversion”	the conversion of the company’s authorised and issued ordinary shares with a par value of R0.01 to ordinary shares of no par value, as detailed in paragraph 4 of this circular;
“PLS”	Property Loan Stock;
“press”	the Business Day newspaper;
“qualifying distribution”	a qualifying distribution as defined in section 25BB of the Income Tax Act;
“R” or “Rand”	South African Rand, the official currency of South Africa;
“Resilient Unit Purchase Trust”	The Resilient Unit Purchase Trust, constituted by the rules of The Resilient Unit Purchase Trust, as amended from time to time, adopted by the company on 2 June 2004;
“register”	the company’s linked unit register, including all sub-registers;
“Regulations” or “Takeover Regulations”	the Companies Regulations, 2011, published in terms of the Companies Act;
“REIT”	Real Estate Investment Trust, as contemplated in the JSE Listings Requirements;
“resolutions”	the special and ordinary resolutions to be proposed at the debenture holders scheme meeting and the shareholders general meeting;
“SARB”	the South African Reserve Bank;
“SENS”	the Stock Exchange News Service, the news service operated by the JSE;
“scheme” or “proposed scheme”	<p>the scheme of arrangement in terms of section 114 of the Companies Act proposed by the company between the company and its debenture holders, in terms of which the board proposes converting the company’s current linked unit capital structure to an all share structure by:</p> <ul style="list-style-type: none"> – the delinking of each ordinary share from a debenture so as to no longer constitute a linked unit; – the cancellation of each debenture and concomitant waiver, for no consideration, by the debenture holders of their right to be repaid the debt reflected in each debenture (being the issue price of each debenture) or to receive any other form of compensation; – the capitalisation of the value allocated to each debenture in the books of account of the company, equating to the issue price of each debenture (which will, pursuant to the waiver by each of the debenture holders of the right to be repaid the debt reflected in each debenture, constitute a profit and be available for capitalisation for no consideration), to Resilient’s stated capital account; and – the termination of the Debenture Trust Deed, without payment or other compensation to debenture holders;

“scheme implementation record date”	the date on which linked unitholders must be recorded in the register in order to participate in the scheme and receive delinked ordinary shares, which date is expected to be on or about Friday, 8 August 2014;
“scheme operative date”	the business day on which the scheme is implemented, being the first business day following the scheme implementation record date, which is expected to be Monday, 11 August 2014;
“share” or “ordinary share” or “Resilient ordinary share”	an ordinary share of the company which, as at the last practicable date, comprise ordinary shares with a par value of R0.01 and which, pursuant to the par value conversion, will be converted from ordinary shares of par value to ordinary shares of no par value;
“shareholders general meeting”	the general meeting of shareholders to be held at the later of 10:30 or 10 minutes after the completion of the debenture holders scheme meeting on Monday, 30 June 2014 at the registered office of the company (4 th Floor, Rivonia Village, Rivonia Boulevard, Rivonia, 2191) for the purpose of passing, with or without modification, the resolutions required to approve and implement the par value conversion, the authorised share capital increase, the delinking of each ordinary share from a debenture so as to no longer constitute a linked unit, the MoI amendments, the adoption of a new MoI and the provision of financial assistance for the purchase of securities;
“South Africa”	the Republic of South Africa;
“Strate”	Strate Limited (Registration number 1998/022242/06), a public company duly incorporated in accordance with the laws of South Africa, which is a registered central securities depository and which is responsible for the electronic settlement system used by the JSE;
“Taxation Laws Amendment Act”	Taxation Laws Amendment Act, No. 31 of 2013;
“transactions”	collectively: <ul style="list-style-type: none"> – the scheme; – the Debenture Trust Deed amendment; – the MoI amendments;
“transfer secretaries” or “Link Market Services”	Link Market Services South Africa Proprietary Limited (Registration number 2000/007239/07), a private company duly incorporated in accordance with the laws of South Africa, the details of which are set out in the “Corporate Information” section;
“TRP”	the Takeover Regulation Panel, established in terms of section 196 of the Companies Act;
“uncertificated securities register”	the record of dematerialised linked unitholders administered and maintained by a CSDP; and
“voting record date”	the date, and the time at which: <ul style="list-style-type: none"> – a debenture holder must be recorded in the register in order to vote at the debenture holders scheme meeting; and – a shareholder must be recorded in the register in order to vote at the shareholders general meeting, being the close of business on the Friday of the week immediately preceding the date of the debenture holders scheme meeting and the shareholders general meeting, or such other date or time as the JSE may direct.



RESILIENT PROPERTY INCOME FUND LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 2002/016851/06)
JSE share code: RES ISIN: ZAE000043642
(Approved as a REIT by the JSE)
("Resilient" or "the company")

Directors

JJ Njeke* (*Chairman*)
Des de Beer (*Managing Director And Chief Executive Officer*)^
Nick Hanekom (*Financial Director*)^
Andries de Lange (*Chief Operating Officer*)^
Johann Kriek^
Thembi Chagonda#
Marthin Greyling*
Bryan Hopkins*
Spiro Noussis*
Umsha Reddy*
Barry van Wyk*

* Independent non-executive

^ Executive

Non-independent non-executive

CIRCULAR TO LINKED UNITHOLDERS

1. INTRODUCTION

- 1.1 As announced on SENS on 21 June 2013 Resilient's application for REIT status was approved by the JSE with effect from 1 July 2013. The JSE REIT approval process included confirmations and undertakings by the board that the company will comply with section 13 of the Listings Requirements in order for the company to secure and retain its REIT status.
- 1.2 The board proposes converting the company's current linked unit capital structure to an all share structure so as to:
 - 1.2.1 ensure compliance with section 13 of the Listings Requirements;
 - 1.2.2 align the company's capital structure with the internationally recognised all equity REIT capital structures;
 - 1.2.3 simplify the administration and accounting treatment of the company's capital structure; and
 - 1.2.4 remove the cost structure associated with debentures.
- 1.3 The conversion of the company's current linked unit capital structure to an all share structure will be implemented by:
 - 1.3.1 the delinking of each of the ordinary shares from a debenture so as to no longer constitute a linked unit;
 - 1.3.2 the cancellation of each debenture and concomitant waiver, for no consideration, by the debenture holders of their right to be repaid the debt reflected in each debenture (being the issue price of each debenture) or to receive any other form of compensation;

- 1.3.3 the capitalisation of the value allocated to each debenture in the books of account of the company, equating to the issue price of each debenture (which will, pursuant to the waiver by each of the debenture holders of the right to be repaid the debt reflected in each debenture, constitute a profit and be available for capitalisation for no consideration), to Resilient's stated capital account; and
- 1.3.4 termination of the Debenture Trust Deed, without payment or other compensation to debenture holders, to be effected by way of a scheme of arrangement in terms of section 114 of the Companies Act, which scheme is being proposed by the company between the company and its debenture holders which scheme shall, subject to the passing of the special resolution by the requisite majority of debenture holders, be binding on all debenture holders.
- 1.4 In order to enable the scheme to be proposed by the company between the company and its debenture holders, certain amendments to the MoI and the Debenture Trust Deed are to be executed. Accordingly, under:
 - 1.4.1 the notice of debenture holders scheme meeting, debenture holders will be requested to authorise and approve the amendments to the Debenture Trust Deed; and
 - 1.4.2 the notice of shareholders general meeting, shareholders will be requested to authorise and approve the amendment to the MoI enabling a special resolution to be proposed to shareholders for their authorisation and approval of the delinking.
- 1.5 In terms of clause 20.4.2 of the company's Debenture Trust Deed, the power to agree to any variation or modification of any of the rights of the debenture holders, subject to the consent or concurrence of the company, may only be exercised by the debenture holders by special resolution.
- 1.6 Accordingly, the delinking of each ordinary share from a debenture requires:
 - 1.6.1 the passing of a special resolution by debenture holders approving such delinking;
 - 1.6.2 the passing of a special resolution by shareholders amending the MoI so as to enable a special resolution to be proposed to shareholders for their authorisation and approval of the delinking; and
 - 1.6.3 the passing of a special resolution by shareholders approving such delinking.
- 1.7 In addition, debenture holders will be requested to authorise and approve, upon implementation of the scheme, the subsequent termination of the Debenture Trust Deed.
- 1.8 The passing of the requisite resolutions authorising and approving the delinking and the scheme will further necessitate the authorisation and approval of shareholders (by way of a special resolution) of consequential amendments to the company's MoI as well as the adoption of a new MoI.
- 1.9 The purpose of this circular is to provide linked unitholders with the necessary information to enable them to make an informed decision as to whether or not they should vote in favour of the resolutions required to enable, give effect to and implement the transactions, which resolutions are set out in the notice convening the debenture holders scheme meeting and the notice convening the shareholders general meeting, as the case may be, which notices are attached to and form part of this circular.

2. TAXATION OF REITS

- 2.1 The introduction of REIT tax legislation in South Africa (as provided for in terms of section 25BB of the Income Tax Act):
 - 2.1.1 is in line with international best practice;
 - 2.1.2 affords tax certainty to REIT structures; provides for a tax structure which allows a "flow through" on a pre tax basis of the income of a REIT that is distributed to REIT investors, on the basis more fully described in paragraph 2.2 below;
 - 2.1.3 provides that shareholders of a REIT will not be liable for securities transfer tax when buying or selling REIT securities;
 - 2.1.4 exempts REITs from paying capital gains tax on any profit from the sale of property; and
 - 2.1.5 may simplify the accounting treatment of REIT capital structures.
- 2.2 Provided that distributions made by the company to its shareholders meet the requirements of a qualifying distribution (which will be the case for so long as more than 75% of the company's gross income constitutes rental income, as defined in the Income Tax Act) the distributions will constitute qualifying distributions for the purposes of section 25BB of the Income Tax Act ("**qualifying distributions**") with the result that:

- 2.2.1 the amount of the qualifying distributions must be deducted from the company's gross income, with the effect that the company is not taxed on any income distributed to its shareholders;
 - 2.2.2 any qualifying distributions received by or accrued to shareholders (other than non-residents) must be included in the gross income of those shareholders (as a non-exempt dividend in terms of section 10(1)(k)(aa) of the Income Tax Act), with the effect that the qualifying distributions are taxable as income in the hands of shareholders but are exempt from dividends tax; and
 - 2.2.3 any qualifying distributions received by or accrued to non-resident shareholders are not taxable as income and instead are treated as ordinary dividends that, from 1 January 2014, are subject to dividends tax. Until 31 December 2013 qualifying distributions to non-resident were not subject to dividends tax.
- 2.3 Furthermore, in terms of paragraph 8 of section 25BB of the Income Tax Act:
- "If a REIT or controlled company, cancels the debenture part of a linked unit and capitalises the issue price of the debenture to stated capital for the purposes of financial reporting in accordance with IFRS:*
- (a) the cancellation of the debenture must be disregarded in determining the taxable income of the holder of the debenture and of the REIT or controlled company;*
 - (b) expenditure incurred by the shareholder of the REIT or controlled company in respect of shares is deemed to be equal to the amount of the expenditure incurred in respect of the acquisition of that linked unit; and*
 - (c) the issue price of the cancelled debenture must be added to the contributed tax capital of the class of shares that forms part of the linked unit."*
- 2.4 It is the company's opinion that the implementation of the scheme is tax neutral to the company and its linked unitholders.
- 2.5 If linked unitholders are in any doubt as to the tax implications to them of the receipt of qualifying distributions from the company and/or tax implications applicable to the transactions generally, they should consult their tax advisors.

3. RATIONALE

- 3.1 In terms of the revised section 13 of the JSE Listings Requirements (which have been amended to cater for REIT legislation), specifically paragraph 13.46(g), the total consolidated IFRS liabilities of a REIT may not exceed 60% of its total consolidated IFRS assets. As the Listings Requirements makes use of the IFRS definition of a liability a company is required to include in such calculation any debentures it has issued. In the company's case this would require the company to include its variable rate, subordinated debentures which form part of its linked unit capital structure, including any debenture premium, to be included in the calculation for the determination of such 60% threshold.
- 3.2 By converting its capital structure, the company will further reduce the ratio of its total consolidated liabilities (excluding subordinated debentures, as these will no longer exist subsequent to the passing of the requisite resolutions) to total consolidated assets, calculated as at the last practicable date with reference to the company's reviewed interim results for the six months ended 31 December 2013, to 39.48% and will thereby ensure that the company's consolidated liabilities remain below the aforementioned 60% threshold requirement and will also provide the company with greater flexibility to take on additional debt should the need arise, and thus allow the company to pursue an acquisitive growth strategy whilst limiting potential shareholder dilution, should the need arise.
- 3.3 Pursuant to the implementation of the scheme, R1 408 027 536, being the value allocated to the debentures in the books of account of the company, equating to the issue price of the debentures (which will, pursuant to the waiver by each of the debenture holders of the right to be repaid the debt reflected in each debenture, constitute a profit and be available for capitalisation for no consideration), will be capitalised to Resilient's stated capital account.
- 3.4 Additional benefits in converting the company's current linked unit capital structure to an all share structure are to:
- 3.4.1 align the company's capital structure with the internationally recognised all equity REIT capital structures;
 - 3.4.2 simplify the administration and accounting treatment of the company's capital structure; and
 - 3.4.3 remove the cost structure associated with debentures.
- 3.5 **Pursuant to the implementation of the scheme erstwhile linked unitholders will no longer enjoy the rights attaching to the debentures, however the shares will still be held and the inherent rights of the shares remain unchanged, save that the shares will be capable of being traded without the debenture and that the shares will be backed by a larger pool of stated capital.**

4. THE PAR VALUE CONVERSION

- 4.1 The company proposes aligning its capital structure (comprising par value shares) with the capital structure contemplated in the Companies Act which came into effect in 2011, by converting its par value shares to shares of no par value.
- 4.2 The new MoI reflects the conversion of the Resilient ordinary shares, which currently comprise par value shares of R0.01 each, to shares of no par value. Following the conversion, the no par value shares shall have the same rights and privileges as those currently attaching to the par value shares.
- 4.3 As required in terms of Regulation 31(7) of the Regulations, the board has prepared a report in respect of the conversion of the company's shares from par value shares to shares of no par value. The Report is attached as **Annexure 5** to this circular.
- 4.4 As required in terms of clause 22.1.6 of the Debenture Trust Deed, Resilient debenture holders are hereby notified of the par value conversion.

5. INCREASE OF THE AUTHORISED SHARE CAPITAL OF THE COMPANY

- 5.1 In order for the company to issue further shares as consideration for potential acquisitions and for possible capital raisings in the future, subject to the necessary consents and approvals of the shareholders, the JSE and any other relevant regulatory authorities being in place, it is necessary to increase the authorised share capital of the company. Accordingly, shareholders will be requested to approve the special resolution necessary to implement an increase in the authorised ordinary share capital of the company from 400 000 000 ordinary shares of no par value to 1 000 000 000 ordinary shares of no par value by the creation of an additional 600 000 000 ordinary shares of no par value.
- 5.2 Shareholders will be requested to approve the special resolution necessary to approve the increase at the shareholders general meeting. In order for the special resolution to be adopted, the support of at least 75% of the total votes exercisable by shareholders present, in person or by proxy, is required.
- 5.3 Upon their issue, all shares issued pursuant to the increase in the authorised share capital of the company will be listed and will rank *pari passu* in all respects with the existing shares in issue.
- 5.4 The increase will take effect from the scheme operative date.
- 5.5 The company's linked unit capital structure before and after the par value conversion and the authorised share capital increase (but before the proposed scheme) is set out below.

Before the par value conversion and authorised share capital increase*	R
Share capital	
<i>Authorised share capital</i>	
400 000 000 ordinary par value shares of R0.01 each	4 000 000
<i>Issued share capital</i>	
293 339 070 ordinary par value shares of R0.01 each	2 933 390
Share premium	3 209 930 174
	3 212 863 564
Debenture capital	
293 339 070 debentures of R4.80 each	1 408 027 536
No linked units are held in treasury.	
After the par value conversion and authorised share capital increase*	R
Share capital	
<i>Authorised share capital</i>	
1 000 000 000 ordinary shares of no par value	–
<i>Issued share capital</i>	
293 339 070 ordinary shares of no par value	–
Stated capital	3 212 863 564
Debenture capital	
293 339 070 debentures of R4.80 each	1 408 027 536
No linked units will be held in treasury.	

* A rights offer circular was issued to Resilient linked unitholders on 25 April 2014 pursuant to which it is anticipated that up to approximately 19 230 769 new linked units (the “**rights offer linked units**”) will be allotted, issued and listed. As at the last practicable date the rights offer linked units have not been allotted and issued. Accordingly, this circular does not reflect any changes to the issued linked unit capital of the company pursuant to the allotment and issue of the rights offer linked units.

6. THE SCHEME

In terms of section 114(1) of the Companies Act, the board proposes the scheme, as set out in this paragraph 6, between the company and its debenture holders.

6.1 The scheme

6.1.1 Pursuant to and in terms of the scheme, the capital structure of the company will be restructured to comprise exclusively of share capital with the number of delinked ordinary shares in issue being equal to the number of linked units in issue before the scheme. This will be achieved through the following steps:

6.1.1.1 the company shall delink the ordinary shares and the debentures forming the linked units for the purpose of the capitalisation as contemplated in clause 6.1.1.3 below; and thereafter

6.1.1.2 the company shall cancel all the debentures on the basis that each debenture holder waives, for no consideration, his/her/its right to receive the value allocated to the debentures in the books of the company (being the issue price of each debenture) or to receive any other form of compensation; and thereafter

6.1.1.3 the company shall capitalise the value allocated to each of the debentures in the books of account of the company, equating to the issue price of each debenture (which will, pursuant to the waiver by each of the debenture holders of the right to be repaid the debt reflected in each debenture, constitute a profit and be available for capitalisation for no consideration), to form part of the company’s stated capital account; and thereafter

6.1.1.4 the company shall terminate the Debenture Trust Deed, without payment or other compensation to debenture holders.

6.1.2 Subject to the scheme becoming unconditional:

6.1.2.1 the debenture holders (whether or not they voted in favour of the scheme or abstained or refrained from voting) shall be deemed to have authorised:

6.1.2.1.1 the delinking of each of the ordinary shares from a debenture so as to no longer constitute a linked unit;

6.1.2.1.2 the cancellation of each debenture and concomitant waiver, for no consideration, by the debenture holders of their right to be repaid the debt reflected in each debenture (being the issue price of each debenture) or to receive any other form of compensation;

6.1.2.1.3 the capitalisation of the value allocated to each debenture in the books of account of the company, equating to the issue price of each debenture (which will, pursuant to the waiver by each of the debenture holders of the right to be repaid the debt reflected in each debenture, constitute a profit and be available for capitalisation for no consideration), to Resilient’s stated capital account; and

6.1.2.1.4 the termination of the Debenture Trust Deed, without payment or other compensation to debenture holders;

6.1.2.2 the scheme will be implemented and each linked unitholder will continue to hold the ordinary share previously held (as part of a linked unit), but the debenture to which the ordinary share was previously linked will be cancelled;

6.1.2.3 each debenture holder shall be deemed to have transferred to the company, with effect from the scheme operative date, all of the debentures held by such debenture holder without any further act or instrument being required,

subject to the remaining provisions of this paragraph 6.

6.1.3 Each linked unitholder irrevocably and *in rem suam* authorises the company, as principal, with the power of substitution, to cause the linked units held by linked unitholders on the scheme implementation record date to be replaced with delinked ordinary shares, and to do all things and take all such steps as the company in its discretion considers necessary to implement the scheme.

6.1.4 The rights of linked unitholders to receive delinked ordinary shares pursuant to the scheme will be rights enforceable by linked unitholders against the company only.

6.2 Conditions precedent

The scheme will be subject to the following conditions precedent:

- 6.2.1 the approval of the scheme by the requisite majority of debenture holders, as contemplated in section 115(2) of the Companies Act;
 - 6.2.1.1 to the extent required, the approval of the implementation of such resolution by the Court as contemplated in section 115(3)(a) of the Companies Act; and
 - 6.2.1.2 if applicable, the company not treating the aforesaid resolution as a nullity, as contemplated in section 115(5)(b) of the Companies Act;
- 6.2.2 the requisite majority of debenture holders approving the relevant resolutions required to authorise:
 - 6.2.2.1 the delinking of each of the company's ordinary shares from a debenture so as to no longer constitute a linked unit;
 - 6.2.2.2 the Debenture Trust Deed amendment, as detailed in paragraph 7 below; and
 - 6.2.2.3 the termination of the Debenture Trust Deed, without payment or other compensation to debenture holders;
- 6.2.3 the requisite majority of shareholders approving the relevant resolutions required to authorise:
 - 6.2.3.1 the par value conversion of the company's ordinary shares;
 - 6.2.3.2 the increase of the company's authorised share capital;
 - 6.2.3.3 the delinking of each of the company's ordinary shares from a debenture so as to no longer constitute a linked unit;
 - 6.2.3.4 the MoI amendments, as detailed in paragraph 8 below;
 - 6.2.3.5 the adoption of the new MoI, as detailed in paragraph 9 below; and
- 6.2.4 all applicable regulatory and statutory approvals are obtained.

The conditions precedent have been inserted in the company's favour. Where such condition precedent is capable of being waived, the company may waive such resolution, in its sole discretion, at any time prior to the fulfilment thereof.

6.3 Effects of the scheme

The effect of the scheme is that linked unitholders will retain the same shares held as part of the linked unit but that the debenture component of the linked unit will be cancelled and the company's stated capital will be increased by the same amount as the face value of the cancelled debenture. **Following the implementation of the scheme, the debentures will be absent and accordingly erstwhile linked unitholders will no longer enjoy the rights attaching to the debentures.** The shares will still be held and the inherent rights of the shares are unchanged, save that the shares will be capable of being traded without the debenture and that the shares will be backed by a larger pool of stated capital.

6.4 The statutory requirements of the scheme

- 6.4.1 The scheme is being proposed by the company between the company and its debenture holders in terms of section 114 of the Companies Act pursuant to which the capital structure of the company will be restructured to comprise exclusively of ordinary shares with the number of delinked ordinary shares in issue being equal to the number of linked units in issue before the scheme.
- 6.4.2 In terms of section 115 of the Companies Act, a scheme of arrangement between a company and its members may only be implemented if:
 - 6.4.2.1 the scheme is approved in terms of section 115 of the Companies Act by special resolution (requiring the support of at least 75% of the voting rights exercised thereon at the debenture holders scheme meeting to be approved) adopted by persons entitled to exercise voting rights on such matter (being those debenture holders recorded in the register on the voting record date) at the debenture holders scheme meeting and at which meeting (in accordance with the provisions of the Debenture Trust Deed) sufficient persons are present to exercise, in aggregate, at least 25% of all the voting rights that are entitled to be exercised on that matter; and
 - 6.4.2.2 the TRP has issued a compliance certificate in respect of the scheme in terms of section 115(1)(b) of the Companies Act.

- 6.4.3 Despite the special resolution having been adopted approving the scheme, the company may not proceed to implement the scheme without the approval of the court if:
- 6.4.3.1 the special resolution approving the scheme was opposed by at least 15% of the voting rights that were exercised on that resolution, and within five business days after the vote, any person who voted against the special resolution requires the company to seek court approval; or
 - 6.4.3.2 the court, on application within 10 business days after the vote by any person who voted against the special resolution approving the scheme, grants that person leave to apply to a court for a review of the scheme.
- 6.4.4 If the special resolution approving the scheme requires approval by a court as contemplated in terms of paragraph 6.4.3.1 above, the company must either:
- 6.4.4.1 within 10 business days after the vote apply to the court for approval, and bear the costs of that application; or
 - 6.4.4.2 treat the special resolutions as a nullity.
- 6.4.5 On application contemplated in paragraph 6.4.3.2, the court may grant leave to that person to apply to court for a review of the scheme only if satisfied that the applicant:
- 6.4.5.1 is acting in good faith;
 - 6.4.5.2 appears prepared and able to sustain the proceedings; and
 - 6.4.5.3 has alleged facts which if proved would support an order in terms of paragraph 6.4.6 below.
- 6.4.6 On reviewing the special resolution that is the subject of an application contemplated in paragraph 6.4.4.1, or after granting leave as contemplated in paragraph 6.4.5, the court may set aside the special resolution only if:
- 6.4.6.1 the resolution is manifestly unfair to the company's debenture holders; or
 - 6.4.6.2 the vote was materially tainted by conflict of interest, inadequate disclosure, failure to comply with the Companies Act, the MoI of the company (or any applicable rules of the company) or other significant and material procedural irregularity.
- 6.4.7 A copy of section 115 of the Companies Act is attached to **Annexure 1**, being the independent expert's report, as **Appendix A** and forms part of this circular.
- 6.4.8 The company has received legal advice to the effect that dissenting shareholder appraisal rights in terms of section 164 of the Companies Act, as read together with section 115(8), do not apply to the scheme. Any debenture holder that may be opposed to the scheme should consult its legal or professional advisor in this regard.

6.5 Notice of the debenture holders scheme meeting

- 6.5.1 The notice convening the debenture holders scheme meeting (*pink*) is set out on page 52 of this circular.
- 6.5.2 The form of proxy for the debenture holders scheme meeting (*yellow*) for use by certificated debenture holders or "own-name" dematerialised debenture holders recorded in the register on the voting record date who are unable to attend the debenture holders scheme meeting and wish to be represented thereat is attached to and forms part of this circular. The instructions for the completion and lodging of the form of proxy for the debenture holders scheme meeting (*yellow*) are recorded on such form.
- 6.5.3 Details of the action required by debenture holders recorded in the register on the voting record date is set out on page 3 of this circular.

6.6 The debenture holders scheme meeting

- 6.6.1 Approval of the scheme will, *inter alia*, be put to a vote at the debenture holders scheme meeting to be held at 10:00 on Monday, 30 June 2014 at the registered office of the company.
- 6.6.2 Each certificated debenture holder and dematerialised debenture holder recorded in the register on the voting record date with "own-name" registration can attend, speak and vote at the debenture holders scheme meeting in person or give a proxy to someone else (including the chairman of the debenture holders scheme meeting) to represent him/her at the debenture holders scheme meeting.
- 6.6.3 Debenture holders are requested to ensure that the form of proxy for the debenture holders scheme meeting (*yellow*) is received by the transfer secretaries by no later than 10:00 on Thursday, 26 June 2014 in respect of the debenture holders scheme meeting on Monday, 30 June 2014.

- 6.6.4 Should a dematerialised debenture holder recorded in the register on the voting record date who does not have “own-name” registration:
- 6.6.4.1 wish to attend, speak and vote at the debenture holders scheme meeting, such debenture holder must arrange with his/her CSDP or broker to obtain the necessary letter of representation; or
- 6.6.4.2 be unable to or not wish to attend the debenture holders scheme meeting but wish to vote at the debenture holders scheme meeting, he/she should provide his/her CSDP or broker with their voting instruction in the manner stipulated in the custody agreement governing the relationship between such debenture holder and their CSDP or broker. These instructions must be provided to the CSDP or broker by the cut-off time and date advised by the CSDP or broker for instructions of this nature. The CSDP or broker will then provide the transfer secretaries with the relevant forms of proxy in terms of such individual dematerialised debenture holders’ instructions.
- 6.6.5 Dematerialised debenture holders recorded in the register on the voting record date who do not have “own-name” registration will not be permitted to attend, speak or vote at the debenture holders scheme meeting without the necessary letter of representation being issued to them by their CSDP or broker.
- 6.6.6 If you are a debenture holder recorded in the register on the voting record date who wishes to address the debenture holders scheme meeting, then you will be given the opportunity to do so.

6.7 General

- 6.7.1 The JSE has approved the circular and, subject to the scheme becoming unconditional and capable of implementation, shall amend the listing of the company’s linked units pursuant to the scheme and the subsequent listing of the delinked ordinary shares of the company with effect from Monday, 4 August 2014 under the JSE share code RES and the new ISIN: ZAE000190807.
- 6.7.2 The company may:
- 6.7.2.1 before or at the debenture holders scheme meeting, agree to any amendment, variation or modification of the scheme; or
- 6.7.2.2 after the debenture holders scheme meeting, agree to any amendment, variation or modification which the court may deem fit to approve or impose,
- provided that no amendment, variation or modification made after the debenture holders scheme meeting may have the effect of diminishing the rights which will accrue to linked unitholders in terms of the scheme.
- 6.7.3 A certificate signed by two directors of the company stating that the conditions precedent to the scheme have been fulfilled and/or waived and that the scheme is capable of implementation shall be binding on the company and the linked unitholders (including for the avoidance of doubt, the debenture holders).
- 6.7.4 The company will be entitled, and will have the authority on behalf of itself and each debenture holder to authorise any person nominated by the company to sign all documents required to bring the scheme into effect.

6.8 Applicable laws

The scheme shall be governed by the laws of South Africa only. Each debenture holder shall be deemed to have irrevocably submitted to the non-exclusive jurisdiction of the courts of South Africa in relation to all matters arising out of or in connection with the scheme.

7. AMENDMENT OF THE DEBENTURE TRUST DEED

To enable the proposed scheme, the Debenture Trust Deed is required to be amended by:

- 7.1 the deletion of clause 1.2.1 of the Debenture Trust Deed being the definition of “Act” and replacing it with the following new clause 1.2.1:
- “1.2.1 “Act” means the Companies Act 71 of 2008, including any amendment, consolidation or re-enactment thereof;”*
- 7.2 the inclusion of the following new clause into the Debenture Trust Deed as clause 20.5 after clause 20.4:
- “20.5 Notwithstanding anything to the contrary contained in this deed and in no way limiting the provision of clause 20.4.1 of this deed, the board of directors of the company may, pursuant to section 114 of the Act and subject to approval by way of a special resolution of the debenture holders in terms of section 115 of the Act, propose and implement the following arrangement between the company and its debenture holders:*

- 20.5.1 *the ordinary shares and the debentures forming the linked units are delinked for the purpose of the capitalisation as contemplated in clause 20.5.3 below; and thereafter*
- 20.5.2 *all the debentures are cancelled on the basis that each debenture holder shall waive, for no consideration, his/her/its right to receive the value allocated to each of the debentures in the books of the company or to receive any other form of compensation; and thereafter*
- 20.5.3 *the value allocated to the debentures in the books of the account of the company, equating to the issue price of each of the debentures (which will, pursuant to the waiver by each of the debenture holders of the right to be repaid the debt reflected in each debenture, constitute a profit and be available for capitalisation for no consideration), is allocated to form part of the company's stated capital account; and thereafter*
- 20.5.4 *the trust deed is terminated, without payment or other compensation to debenture holders, which scheme shall, subject to the passing of the special resolution by the requisite majority of debenture holders, be binding on all debenture holders."*

8. AMENDMENT OF THE COMPANY'S MEMORANDUM OF INCORPORATION

8.1 In order for the company to propose a special resolution to shareholders for their authorisation and approval of the delinking of each debenture from an ordinary share so as to no longer constitute a linked unit, the company is required to amend its MoI by the deletion of clause 3.1 of the MoI in its entirety and the substitution of the following therefor:

"3.1 Subject to any relevant provisions of the memorandum of association of the company and the Statutes and without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares in the company, any shares whether in the initial or in any increased capital may be issued with such preferred, deferred, or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise, as the company may from time to time determine. Without derogating from the foregoing, unless and until otherwise resolved by the company by means of a special resolution of the shareholders amending this Memorandum of Incorporation, the shares may be issued on the basis that they are linked to debentures issued by the company in terms of a trust deed or deeds entered into by the company, which shares and debentures may only be acquired or disposed of as a linked unit. Preference shares may be issued and existing shares may be converted into preference shares on the basis that they are, or at the option of the company are liable, to be redeemed on such terms and in such manner as shall be prescribed in this memorandum of incorporation or the resolution authorising or effecting such issue or conversion."

8.2 The amendment of the company's MoI (as set out in paragraph 8.1 above) will become effective from the date of filing and registration of shareholder special resolution number 3 as set out in the notice of shareholders general meeting attached to this circular with CIPC.

9. ADOPTION OF THE NEW MEMORANDUM OF INCORPORATION

9.1 The Companies Act came into effect on 1 May 2011 ("**the general effective date**"). From the general effective date, the company's Memorandum of Association and Articles of Association became known as its Memorandum of Incorporation (referred to in this paragraph 9 as the "**existing MoI**"). In terms of section 16(1) of the Companies Act read together with section 16(5)(a), a company's memorandum of incorporation may be amended, in the form of a new MoI (the "**new MoI**"), if a special resolution is proposed by the board and adopted by the shareholders of the company.

9.2 In addition, Schedule 10 to the Listings Requirements requires a listed company to harmonise its Memorandum of Incorporation with the Listings Requirements.

9.3 The passing by the requisite majority of shareholders and/or debenture holders, as the case may be, of the requisite resolutions authorising and approving:

- 9.3.1 the par value conversion;
- 9.3.2 the authorised share capital increase;
- 9.3.3 the delinking; and
- 9.3.4 the scheme,

will necessitate certain amendments to the company's existing MoI.

- 9.4 Accordingly, the new MoI has been prepared in order to harmonise the company's existing MoI with the requirements of the Companies Act, the Listings Requirements and for the purpose of amending the MoI in consequence of the proposed scheme.
- 9.5 The new MoI contains substantially similar principles as those which are contained in the existing MoI, other than as required as a result of harmonising the new MoI with the requirements of the Companies Act, Schedule 10 of the Listings Requirements and the proposed scheme.
- 9.6 It is proposed that the company's existing MoI be substituted in its entirety with the new MoI which is to be tabled at the shareholders general meeting. The salient features of the new MoI are set out in **Annexure 6** to this circular.
- 9.7 Shareholders will be requested to approve the special resolution necessary to adopt the new MoI tabled at the shareholders general meeting. In order for the special resolution to be adopted, the support of at least 75% of the total votes exercisable by shareholders present, in person or by proxy, is required.
- 9.8 The new MoI will become effective from the scheme operative date.

10. TERMINATION OF THE DEBENTURE TRUST DEED

Following implementation of the scheme, the Debenture Trust Deed will be terminated with effect from the scheme operative date. The debenture trustee has consented to the cancellation for no consideration and subsequent capitalisation of the debentures and the termination of the Debenture Trust Deed, as contemplated in the special resolutions detailed in the notice of the debenture holders scheme meeting attached to this circular. A copy of the debenture trustee's consent letter is attached as **Annexure 2**.

11. DEBENTURE HOLDERS SCHEME MEETING AND SHAREHOLDERS GENERAL MEETING

- 11.1 A debenture holders scheme meeting will be held at 10:00 on Monday, 30 June 2014 at the registered office of Resilient at 4th Floor, Rivonia Village, Rivonia Boulevard, Rivonia, 2191, for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions required to approve the transactions including the scheme. A notice convening such debenture holders scheme meeting is attached hereto, and forms part of this circular.
- 11.2 The shareholders general meeting will be held at the later of 10:30 or 10 minutes after the completion of the debenture holders scheme meeting on Monday, 30 June 2014 at the registered office of Resilient at 4th Floor, Rivonia Village, Rivonia Boulevard, Rivonia, 2191, for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions required to approve the transactions. A notice convening such shareholders general meeting is attached hereto, and forms part of this circular.

12. PROCEDURE TO BE FOLLOWED BY LINKED UNITHOLDERS

12.1 Procedure to be followed by certificated linked unitholders

- 12.1.1 Subject to the scheme becoming unconditional and thus capable of implementation, it is necessary to recall linked unit certificates from certificated linked unitholders in order to replace them with ordinary share certificates of no par value.
- 12.1.2 To facilitate the timeous receipt by certificated linked unitholders of replacement share certificates, certificated linked unitholders who wish to anticipate the implementation of the scheme and who do not wish to deal in their existing linked units prior to the implementation of the scheme, are requested to surrender their original certificates (copies will not be accepted), under cover of the form of surrender provided in this circular, to the transfer secretaries, at the address set out in that form, prior to 12:00 on Friday, 8 August 2014. Certificated linked units surrendered after this date will be replaced within five business days after receipt by the transfer secretaries.
- 12.1.3 Linked unit certificates so received will be held in trust by the transfer secretaries pending the scheme becoming unconditional. On or about Monday, 11 August 2014, the transfer secretaries will return the new ordinary share certificates, which reflect the delinked ordinary share, to the registered holders thereof, by registered post, at the risk of such linked unitholders.
- 12.1.4 On Friday, 25 July 2014, the finalisation announcement will be released on SENS. Should the scheme be approved and implemented, certificated linked unitholders who have not already surrendered their linked unit certificates will be required to do so under the attached form of surrender which should be retained for that purpose as no further form of surrender will be circulated to linked unitholders. Additional copies may be requested from the transfer secretaries.

- 12.1.5 In the instance of linked unitholders whose registered addresses in the company's register are outside of the Common Monetary Area, or where the relevant certificates are restrictively endorsed in terms of the South African Exchange Control Regulations, the following will apply:
- 12.1.5.1 for non-residents who are emigrants from the Common Monetary Area, the replacement share certificate will be sent to the linked unitholders' authorised dealer in foreign exchange in South Africa controlling their blocked assets; and
- 12.1.5.2 for all other non-residents, the replacement share certificate will be restrictively endorsed "non-resident" in terms of the South African Exchange Control Regulations.

12.2 Procedure to be followed by dematerialised linked unitholders

Dematerialised linked unitholders will have their accounts at their CSDP or broker automatically updated on the scheme operative date and need not do anything.

13. THE COMPANY'S SHARE CAPITAL

- 13.1 The company's linked unit capital structure after the par value conversion and the authorised share capital increase but before the proposed scheme is set out below.

Before the scheme*	R
Share capital	
<i>Authorised share capital</i>	
1 000 000 000 ordinary shares of no par value	–
<i>Issued share capital</i>	
293 339 070 ordinary shares of no par value	–
Stated capital	3 212 863 564
<hr/>	
Debenture capital	
293 339 070 debentures of R4.80 each	1 408 027 536

No linked units are held in treasury.

* A rights offer circular was issued to Resilient linked unitholders on 25 April 2014 pursuant to which it is anticipated that up to approximately 19 230 769 new linked units (the "rights offer linked units") will be allotted, issued and listed. As at the last practicable date the rights offer linked units have not been allotted and issued. Accordingly, this circular does not reflect any changes to the issued linked unit capital of the company pursuant to the allotment and issue of the rights offer linked units.

- 13.2 The company's share capital structure after the par value conversion, the authorised share capital increase and the proposed scheme is set out below.

After the scheme*	R
Share capital	
<i>Authorised share capital</i>	
1 000 000 000 ordinary shares of no par value	–
<i>Issued share capital</i>	
293 339 070 ordinary shares of no par value	–
Stated capital	4 620 891 100

No shares will be held in treasury.

* A rights offer circular was issued to Resilient linked unitholders on 25 April 2014 pursuant to which it is anticipated that up to approximately 19 230 769 rights offer linked units will be allotted, issued and listed. As at the last practicable date the rights offer linked units have not been allotted and issued. Accordingly, this circular does not reflect any changes to the issued share capital of the company pursuant to the allotment and issue of the rights offer linked units.

14. FINANCIAL INFORMATION

14.1 Pro forma financial information

- 14.1.1 In accordance with the provisions of paragraph 8 of section 25BB of the Income Tax Act, the value allocated to each debenture in the books of account of the company, equating to the issue price of each debenture (which will, pursuant to the waiver by each of the debenture holders of the right to be repaid the debt

reflected in each debenture, constitute a profit and be available for capitalisation for no consideration) will be capitalised to the company's stated capital account. The effect on Resilient's statement of financial position is therefore limited to a reclassification of the debenture balance to stated capital.

14.1.2 With regards Resilient's statement of comprehensive income, the scheme will have the effect of reducing the amount disclosed as finance costs (interest to debenture holders). An amount equivalent to the reduction in finance costs will instead be reflected as a dividend paid to shareholders through the company's statement of changes in equity. The scheme will therefore have no effect on the total distribution paid to linked unitholders/shareholders.

14.1.3 The *pro forma* financial effects of the transaction costs referred to in paragraph 27 are insignificant and have accordingly not been disclosed.

14.2 Historical financial information

14.2.1 Whilst the scheme constitutes an affected transaction and thus falls within the definition of an 'offer' in terms of section 117(1)(f) of the Companies Act, no offer consideration will be payable to debenture holders pursuant to the implementation of the scheme inasmuch as the value allocated to each debenture in the books of account of the company, equating to the issue price of each debenture will be capitalised to the company's stated capital account. Recognising that the company's historical financial information will not provide linked unitholders with a comparative basis for assisting in the determination whether to approve the scheme or not, historical financial information has not been included in this circular.

14.2.2 The audited financial statements of the company for the financial periods ended 30 June 2013, 31 December 2012 and 31 December 2011 and the reviewed interim results of the company for the six months ended 31 December 2013 are available at the company's website www.resilient.co.za. In addition, as set out in paragraph 28 below, the audited financial statements of the company for the financial periods ended 30 June 2013, 31 December 2012 and 31 December 2011 and the reviewed interim results of the company for the six months ended 31 December 2013 are also available for inspection during normal office hours on business days from the date of issue of this circular until the date of the debenture holders scheme meeting and shareholders general meeting, at the registered office of the company at 4th Floor, Rivonia Village, Rivonia Boulevard, Rivonia, 2191.

14.3 Trading history

The price and trading history of the company's linked units on the JSE is set out in **Annexure 3** of this circular.

15. DIRECTORS' INFORMATION

The names, occupations and relevant business experience of the directors and executive management of the company are set out in **Annexure 4** of this circular.

16. INTERESTS OF THE DIRECTORS

16.1 The direct and indirect beneficial interests of the directors (and their associates), including directors who have resigned during the last 18 months, in the issued linked unit capital of Resilient as at 30 June 2013 was as follows:

Name	Direct beneficial	Indirect beneficial	Total	% of linked units#
Thembi Chagonda	–	225 135	225 135	0.08
Des de Beer	3 256 000	19 744 000	23 000 000	7.94
Andries de Lange	639 183	3 139 358	3 778 541	1.30
Nick Hanekom	600 000	1 105 000	1 705 000	0.59
Bryan Hopkins	–	45 059	45 059	0.02
Johann Kriek	1 890 000	962 196	2 852 196	0.99
JJ Njeke	30 500	–	30 500	0.01
Jorge da Costa*	–	81 463	81 463	0.03
David Lewis*	1 370 822	2 663 025	4 033 847	1.39
Phumelele Msweli*	–	270 270	270 270	0.09
Total	7 786 505	28 235 506	36 022 011	12.44

Determined with reference to the number of linked units in issue as at 30 June 2013.

* Jorge da Costa, David Lewis and Phumelele Msweli retired as directors at the company's annual general meeting held on 26 April 2013.

- 16.2 The changes to the interests of the directors of Resilient linked units between the financial period ended 30 June 2013 and the last practical date are as follows:
- 16.2.1 on 13 November 2013 Andries de Lange accepted an offer in the name of The Nano Trust (of which he is a trustee and beneficiary) in respect of 500 000 linked units in terms of The Resilient Unit Purchase Trust. The total deemed value of the transaction was R26 550 000;
 - 16.2.2 on 13 November 2013 Des de Beer accepted an offer in the name of Hollyrood Investments Proprietary Limited (which is owned by The Suni Trust, of which he is a trustee and beneficiary) in respect of 500 000 linked units in terms of The Resilient Unit Purchase Trust. The total deemed value of the transaction was R26 550 000;
 - 16.2.3 on 13 November 2013 Nick Hanekom accepted an offer in the name of Eaglelet Investments Proprietary Limited (which is owned by Eaglelet Trust, of which he is a trustee and beneficiary) in respect of 410 000 linked units in terms of The Resilient Unit Purchase Trust. The total deemed value of the transaction was R21 771 000;
 - 16.2.4 on 13 November 2013 Johann Kriek accepted an offer in the name of Kibera Investments Proprietary Limited (of which he owns 50%) in respect of 500 000 linked units in terms of The Resilient Unit Purchase Trust. The total deemed value of the transaction was R26 550 000;
 - 16.2.5 on 5 February 2014 Hollyrood Investments Proprietary Limited (which is owned by The Suni Trust, of which Des de Beer is a trustee and beneficiary) purchased 100 000 linked units at R52.00 per linked unit, for an aggregate consideration of R5 200 000;
 - 16.2.6 on 5 February 2014 Hollyrood Investments Proprietary Limited (which is owned by The Suni Trust, of which Des de Beer is a trustee and beneficiary) purchased 5 000 linked units at R51.65 per linked unit, for an aggregate consideration of R258 250; and
 - 16.2.7 on 26 February 2014 Hollyrood Investments Proprietary Limited (which is owned by The Suni Trust, of which Des de Beer is a trustee and beneficiary) purchased 50 000 linked units at R52.00 per linked unit, for an aggregate consideration of R2 600 000.
- 16.3 A rights offer circular was issued to Resilient linked unitholders on 25 April 2014 pursuant to which it is anticipated that up to approximately 19 230 769 new linked units (the “**rights offer linked units**”) will be allotted, issued and listed (the “**rights offer**”). As at the last practicable date the rights offer linked units have not been allotted and issued. Accordingly, this circular does not reflect any changes to the issued share capital of the company pursuant to the allotment and issue of the rights offer linked units. Linked unitholders are advised that save for Thembi Chagonda who has an indirect beneficial interest in 225 135 Resilient linked units through Eagle’s Eye Investments Proprietary Limited (a broad-based black economic empowerment initiative) and will not be following her rights in terms of the rights offer, each of the directors intend to follow all of their rights, both directly and indirectly, in terms of the rights offer. In addition, the directors of Resilient and their associates have entered into the following dealings in respect of letters of allocation issued pursuant to the rights offer (which letters of allocation confer the right to subscribe for and pay for a pro rata portion of the allotment of the rights offer linked units in terms of the rights offer to the owner thereof) (“**letters of allocation**”):
- 16.3.1 on 2 May 2014 Hollyrood Investments Proprietary Limited (which is owned by The Suni Trust, of which Des de Beer is a trustee and beneficiary) purchased 2 000 letters of allocation at R4.50 per letter of allocation, for an aggregate consideration of R9 000;
 - 16.3.2 on 2 May 2014 Emily de Beer (the daughter of Des de Beer) purchased 475 letters of allocation at R4.50 per letter of allocation, for an aggregate consideration of R2 137.59;
 - 16.3.3 on 2 May 2014 Ross de Beer (the son of Des de Beer) purchased 1 087 letters of allocation at R4.50 per letter of allocation, for an aggregate consideration of R4 891.50;
 - 16.3.4 on 5 May 2014 Des de Beer disposed of 213 457 letters of allocation at R3.86 per letter of allocation, for an aggregate consideration of R823 944.02;
 - 16.3.5 on 5 May 2014 Hollyrood Investments Proprietary Limited (which is owned by The Suni Trust, of which Des de Beer is a trustee and beneficiary) purchased 213 457 letters of allocation at R3.86 per letter of allocation, for an aggregate consideration of R823 944.02;
 - 16.3.6 on 5 May 2014 Andries de Lange disposed of 41 903 letters of allocation at R3.86 per letter of allocation, for an aggregate consideration of R161 745.58;
 - 16.3.7 on 5 May 2014 The Nano Trust (of which Andries de Lange is a trustee and a beneficiary) purchased 41 903 letters of allocation at R3.86 per letter of allocation, for an aggregate consideration of R161 745.58;

- 16.3.8 on 5 May 2014 Nick Hanekom disposed of 39 335 letters of allocation at R3.86 per letter of allocation, for an aggregate consideration of R151 833.10;
- 16.3.9 on 5 May 2014 Eaglelet Investments Proprietary Limited (which is owned by Eaglelet Trust of which Nick Hanekom is a trustee and a beneficiary) purchased 39 335 letters of allocation at R3.86 per letter of allocation, for an aggregate consideration of R151 833.10;
- 16.3.10 on 5 May 2014 Johann Kriek disposed of 123 904 letters of allocation at R3.86 per letter of allocation, for an aggregate consideration of R478 269.44;
- 16.3.11 on 5 May 2014 Kibera Investments Proprietary Limited (of which Johann Kriek owns 50%) purchased 123 904 letters of allocation at R3.86 per letter of allocation, for an aggregate consideration of R478 269.44;
- 16.3.12 on 8 May 2014 Hollyrood Investments Proprietary Limited (which is owned by The Suni Trust, of which Des de Beer is a trustee and beneficiary) purchased 9 287 letters of allocation at R4.01 per letter of allocation, for an aggregate consideration of R37 240.87; and
- 16.3.13 on 9 May 2014 Hollyrood Investments Proprietary Limited (which is owned by The Suni Trust, of which Des de Beer is a trustee and beneficiary) purchased 92 413 letters of allocation at R4.10 per letter of allocation, for an aggregate consideration of R378 893.30.
- 16.4 Other than as detailed in the table above there were no changes in directors' holdings between the end of the preceding financial year and the date of issue of this circular.
- 16.5 No service agreements have been entered into between the company and any of its directors.

17. MANAGEMENT

It is not envisaged that the company's existing board will be restructured upon implementation of the scheme and that the directors of the company shall continue in office. It is not anticipated that the emoluments of the current directors of the company will be affected by the scheme.

18. AGREEMENTS IN RELATION TO THE SCHEME

- 18.1 No agreement exists between the company and any linked unitholders which could be considered material to the decision regarding the scheme to be taken by debenture holders.
- 18.2 No agreements have been entered into between the company and any of the directors of the company or linked unitholder in relation to the scheme.

19. MAJOR LINKED UNITHOLDERS

As at the last practicable date the following linked unitholders beneficially held 5% or more of the company's issued share capital:

Linked unitholder	Direct beneficial	Indirect beneficial	Indirect non-beneficial	Total	Percentage of linked units
Stanlib	–	–	27 020 930	27 020 930	9.21
Des de Beer	3 256 000	20 399 000	2 633 176	26 288 176	8.96
Fortress Income Fund Limited	16 827 679	–	–	16 827 679	5.74
Capital Property Fund	16 200 000	–	–	16 200 000	5.52
Resilient Education Trust	15 725 094	–	–	15 725 094	5.36
Investec	–	–	15 335 582	15 335 582	5.23
Total	52 008 773	20 399 000	44 989 688	117 397 461	40.02

A rights offer circular was issued to Resilient linked unitholders on 25 April 2014 pursuant to which it is anticipated that up to approximately 19 230 769 rights offer linked units will be allotted, issued and listed. As at the last practicable date the rights offer linked units have not been allotted and issued. Accordingly, this circular does not reflect any changes to the number of linked units held by the company's major linked unitholders.

20. RELATED AND CONCERT PARTIES

- 20.1 There are no related party relationships that arise as a result of the scheme.
- 20.2 No agreement exists between the company and any of the parties mentioned in paragraphs (i) to (iii) of Regulation 106(4)(e) of the Takeover Regulations.

21. MATERIAL CHANGES

- 21.1 There are no material changes to the expected financial position or trading position of the company and its subsidiaries since the publication of the company's reviewed results for the six months ended 31 December 2013.
- 21.2 The board does not believe that the business of the company will be affected by the scheme and there will be no material changes to the business of the company pursuant to the implementation of the scheme.

22. LITIGATION STATEMENT

There are no legal or arbitration proceedings against the company or its subsidiaries (including any such proceedings that are pending or threatened) of which the directors are aware, which may have or have had during the 12 months preceding the date of this circular, a material effect on the Resilient group's financial position. The directors have considered the claim instituted against the company relating to the Clairwood Racecourse and, having regard to the legal advice provided to the company that the claim is without merit, do not consider these legal proceedings to be material.

23. SECTION 114 REPORT

- 23.1 The board has appointed the independent expert (which meets the requirements set out in section 114(2) of the Companies Act) to advise it on the proposed scheme and to compile a report in terms of section 114 of the Companies Act to the board concerning the scheme.
- 23.2 The independent expert has prepared a report to the board in compliance with section 114(3) of the Companies Act, which report is set out in **Annexure 1** of this circular.

24. VIEWS OF THE BOARD

- 24.1 None of the directors have any conflict of interests in relation to the scheme and all directors are able to make impartial decisions in relation to the scheme. Accordingly, all directors are considered to be "independent" (as defined under Regulation 81 of the Takeover Regulations).
- 24.2 The board, having considered the terms and conditions of the scheme, is in favour of the scheme and the transactions and recommends that linked unitholders vote in favour of the resolutions set out in the debenture holders scheme meeting and the shareholders general meeting, to implement the scheme and the transactions.
- 24.3 The directors of the company who hold linked units intend to vote in favour of the resolutions set out in the debenture holders scheme meeting and the shareholders general meeting, to implement the scheme and the transactions.

25. DIRECTORS' RESPONSIBILITY STATEMENT

The directors, whose names are given on page 13 of this circular, collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief, the information contained in this circular is true, there are no facts that 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 the circular contains all information required by law and the JSE Listings Requirements.

26. CONSENTS

Each of Java Capital Proprietary Limited, Java Capital Trustees and Sponsors Proprietary Limited, the debenture trustee, the transfer secretaries and the independent expert have consented in writing to act in the capacities stated and to their names and reports, as applicable in this circular, in the form and context in which they appear and have not withdrawn their consent prior to the publication of this circular.

27. COSTS

The following expenses and provisions are expected, or have been provided for by the company in connection with the transactions. All the fees payable to the parties below are inclusive of value added tax:

	Payable to	R
Corporate advisor and sponsor fees	Java Capital	570 000
Independent expert fees	Grant Thornton	39 900
TRP documentation fees	TRP	228 000
Printing and other costs	Ince	114 000
JSE documentation fees	JSE	22 800
Total		974 700

28. DOCUMENTS AVAILABLE FOR INSPECTION

28.1 The documents listed below will be available for inspection during normal office hours on business days from the date of issue of this circular until the date of the debenture holders scheme meeting and shareholders general meeting, at the registered office of the company at 4th Floor, Rivonia Village, Rivonia Boulevard, Rivonia, 2191.

28.2 The documents available for inspection are as follows:

28.2.1 the MoIs of the company and its subsidiaries;

28.2.2 the Debenture Trust Deed;

28.2.3 the report of the independent expert;

28.2.4 consent letters referred to in paragraph 26;

28.2.5 the letter issued by the TRP approving this circular in terms of Regulation 117 of the Takeover Regulations;

28.2.6 the audited financial statements of the company for the financial periods ended 30 June 2013, 31 December 2012 and 31 December 2011;

28.2.7 the reviewed interim results of the company for the six months ended 31 December 2013; and

28.2.8 a signed copy of this circular.

For and on behalf of Resilient Property Income Fund Limited

This circular was signed in Johannesburg on behalf of all the directors in terms of powers of attorney granted on or about 16 May 2014.

Signed on behalf of the board

Nick Hanekom
Financial Director

29 May 2014

OPINION OF THE INDEPENDENT EXPERT

The Directors
Resilient Property Income Fund Limited
4th Floor, Rivonia Village
Rivonia Boulevard
Rivonia
2191

Attention: Nick Hanekom

20 May 2014

Dear Sirs,

INDEPENDENT EXPERT REPORT TO THE DIRECTORS OF RESILIENT PROPERTY INCOME FUND LIMITED (“RESILIENT” OR “THE COMPANY”) IN TERMS OF SECTION 114(3) AND REGULATION 110(1) OF THE COMPANIES ACT 71 OF 2008 IN RESPECT OF RESILIENT’S PROPOSED SCHEME OF ARRANGEMENT PURSUANT TO WHICH RESILIENT’S EXISTING CAPITAL STRUCTURE (COMPRISING A SHARE LINKED TO A DEBENTURE) WILL BE RESTRUCTURED TO COMPRISE EXCLUSIVELY OF SHARE CAPITAL

1. INTRODUCTION

Grant Thornton Advisory Services (Pty) Ltd (“Grant Thornton”) has been appointed as the independent expert with regard to the report to the Directors of Resilient in terms of section 114(3) and regulation 110(1) of the Companies Act, 2008 (Act 71 of 2008) (the “Companies Act”). Resilient proposes implementing a scheme of arrangement in terms of sections 114 and 115 of the Companies Act, between Resilient and its debenture holders, in terms of which the board proposes converting the company’s current linked unit capital structure to an all share structure (the “capital conversion” or “the Scheme”).

Resilient’s current capital structure comprises linked units each constituted by one ordinary share having a par value of R0.01 indivisibly linked to a debenture with a face value of R4.80 (a “Linked Unit” or collectively “Linked Units”). Following the conversion of the company’s par value shares to shares of no par value and the capital conversion, the capital structure of Resilient will consist solely of equity capital with the number of no par value shares in issue being equal to the number of Linked Units in issue immediately before the capital conversion.

Full details of the capital conversion are contained in the circular to Linked Unitholders (“the Circular”) to be dated on or about 29 May 2014, which will include a copy of this letter.

2. CONVERSION PROCESS - PRINCIPAL STEPS AND SCHEME STRUCTURE

The conversion of Resilient’s Linked Unit capital structure to an all share capital structure will be effected by way of the following principal steps, namely:

- the delinking of each ordinary share from the debenture to which it is linked so as to no longer constitute a Linked Unit;
- the cancellation of each debenture and concomitant waiver, for no consideration, by the debenture holders of their right to be repaid the debt reflected in each debenture or to receive any other form of compensation;
- the capitalisation of the value that will be created in the hands of the company pursuant to the waiver of the debenture holders’ of their rights to be repaid the debt reflected in each debenture, to the company’s stated capital account; and
- the termination of the debenture trust deed.

3. SOURCES OF INFORMATION

In the course of our analysis, we relied upon financial and other information obtained from Resilient's management and from various public, financial and industry sources. Our conclusion is dependent on such information being accurate in all material respects. For the purpose of compiling this report and the opinion contained herein, we have considered all information relevant to the value of the securities affected by the Scheme.

The principal sources of information used in formulating our opinion regarding the capital conversion include:

- Information and assumptions made available by and from discussions held with the board of directors of Resilient ("the Board") and management of Resilient;
- Audited annual financial statements of Resilient for the period ended 30 June 2013;
- The Debenture Trust Deed between Resilient and the debenture trustee;
- Resilient's Memorandum of Incorporation ("MOI"); and
- The terms and conditions of the Scheme and related capital conversion (as detailed in the Circular).

Where practical, we have verified the reasonability of the information provided to us for the purpose of our opinion, including publicly available information, whether in writing or obtained in discussions with management and the Board.

4. EFFECT OF CONVERSION PROCESS TO ALL LINKED UNIT HOLDERS

The effect of the conversion process will be that former Linked Unitholders will retain the same shares as part of the Linked Unit but the debenture component of the Linked Unit will be cancelled and the company's stated capital will be increased by the same amount as the face value of the cancelled debentures.

The type and class of security holder affected by the transaction are Resilient's debenture holders who currently hold 293 339 070 variable rate debentures of R4.80 each, currently linked to 293 339 070 ordinary shares having a par value of R0.01 each, forming 293 339 070 Linked Units.

Recognising that the issue price of the debentures will be capitalised to the Company's stated capital account and that the former Linked Unitholders will continue to hold the same number of shares in Resilient as held immediately prior to the capital conversion (but with the shares being backed by a larger pool of stated capital) the capitalisation of the issue price of the debentures to the stated capital account in our view constitutes adequate compensation for the cancellation of the debentures.

Having analysed the effects of the arrangement, we have concluded that there will be no adverse effects which the capital conversion will have on the economic or voting rights and interests of debenture holders. The only material difference is that the former Linked Unitholder's position on implementation of the capital conversion will be the absence of the debenture and the ability of the Company to issue shares and for shares to be sold or otherwise disposed of without the debenture.

In terms of the Debenture Trust Deed and supplements thereto, "*each first debenture shall confer on the holder thereof the right to receive interest which interest entitlement on each debenture included in the linked unit will be in the aggregate not less than 99% (ninety nine per centum) of the income for the initial period and thereafter for the 6 (six) month period to the respective first designated date or second designated, as the case may be, pro rata to the number of debentures in issue, provided that the directors may determine in consultation with the trustee to declare one or more special interim distributions in respect of any such periods in appropriate circumstances.*"

In coming to the conclusion that the Scheme is fair and reasonable to Linked Unitholders, we have assumed that the Company will continue with its current distribution policy with the intention of ensuring that linked unit holders (or shareholders as they will be post implementation of the Scheme) receive a distribution equivalent to what they would have received had the scheme not been implemented.

The capital conversion will not result in any change in the number of the company's listed securities. The effect of the capital conversion is that the company will retain the same number of listed securities but that those listed securities will comprise exclusively shares as opposed to Linked Units.

The capital conversion is not anticipated to have any material adverse effects on the business and prospects of Resilient.

The following Linked Units are held by directors of the Company:

Director	Direct holding	Indirect holding	Total linked units held	% of issued linked units#
Thembi Chagonda	-	225 135	225 135	0.08
Des de Beer	3 256 000	19 744 000	23 000 000	7.94
Andries de Lange	639 183	3 139 358	3 778 541	1.30
Nick Hanekom	600 000	1 105 000	1 705 000	0.59
Bryan Hopkins	-	45 059	45 059	0.02
Johann Kriek	1 890 000	962 196	2 852 196	0.99
JJ Njeke	30 500	-	30 500	0.01
Jorge da Costa*	-	81 463	81 463	0.03
David Lewis*	1 370 822	2 663 025	4 033 847	1.39
Phumelele Msweli*	-	270 270	270 270	0.09
Total	7 786 505	28 235 506	36 022 011	12.44

Determined with reference to the number of linked units in issue as at 30 June 2013;

* Jorge da Costa, David Lewis and Phumelele Msweli retired as directors at the company's annual general meeting held on 26 April 2013.

The changes to the interests of the directors of Resilient linked units between the financial period ended 30 June 2013 and the last practical date are as follows:

- on 13 November 2013 Andries de Lange accepted an offer in the name of The Nano Trust (of which he is a trustee and beneficiary) in respect of 500 000 linked units in terms of The Resilient Unit Purchase Trust. The total deemed value of the transaction was R26 550 000;
- on 13 November 2013 Des de Beer accepted an offer in the name of Hollyrood Investments Proprietary Limited (which is owned by The Suni Trust, of which he is a trustee and beneficiary) in respect of 500 000 linked units in terms of The Resilient Unit Purchase Trust. The total deemed value of the transaction was R26 550 000;
- on 13 November 2013 Nick Hanekom accepted an offer in the name of Eaglelet Investments Proprietary Limited (which is owned by Eaglelet Trust, of which he is a trustee and beneficiary) in respect of 410 000 linked units in terms of The Resilient Unit Purchase Trust. The total deemed value of the transaction was R21 771 000;
- on 13 November 2013 Johann Kriek accepted an offer in the name of Kibera Investments Proprietary Limited (of which he owns 50%) in respect of 500 000 linked units in terms of The Resilient Unit Purchase Trust. The total deemed value of the transaction was R26 550 000;
- on 5 February 2014 Hollyrood Investments Proprietary Limited (which is owned by The Suni Trust, of which Des de Beer is a trustee and beneficiary) purchased 100 000 linked units at R52.00 per linked unit, for an aggregate consideration of R5 200 000;
- on 5 February 2014 Hollyrood Investments Proprietary Limited (which is owned by The Suni Trust, of which Des de Beer is a trustee and beneficiary) purchased 5 000 linked units at R51.65 per linked unit, for an aggregate consideration of R258 250; and
- on 26 February 2014 Hollyrood Investments Proprietary Limited (which is owned by The Suni Trust, of which Des de Beer is a trustee and beneficiary) purchased 50 000 linked units at R52.00 per linked unit, for an aggregate consideration of R2 600 000.

A rights offer circular was issued to Resilient linked unitholders on 25 April 2014 pursuant to which it is anticipated that up to approximately 19 230 769 new linked units (the “**rights offer linked units**”) will be allotted, issued and listed (the “**rights offer**”). As at the last practicable date the rights offer linked units have not been allotted and issued. Accordingly, this opinion does not reflect any changes to the issued share capital of the company pursuant to the allotment and issue of the rights offer linked units. Save for Thembi Chagonda who has an indirect beneficial interest in 225 135 Resilient linked units through Eagle’s Eye Investments Proprietary Limited (a broad-based black economic empowerment initiative) and will not be following her rights in terms of the rights offer, each of the directors intend to follow all of their rights, both directly and indirectly, in terms of the rights offer. In addition, the directors of Resilient and their associates have entered into the following dealings in respect of letters of allocation issued pursuant to the rights offer (which letters of allocation confer the right to subscribe for and pay for a *pro rata* portion of the allotment of the rights offer linked units in terms of the rights offer to the owner thereof) (“**letters of allocation**”):

- on 2 May 2014 Hollyrood Investments Proprietary Limited (which is owned by The Suni Trust, of which Des de Beer is a trustee and beneficiary) purchased 2 000 letters of allocation at R4.50 per letter of allocation, for an aggregate consideration of R9 000;

- on 2 May 2014 Emily de Beer (the daughter of Des de Beer) purchased 475 letters of allocation at R4.50 per letter of allocation, for an aggregate consideration of R2 137.59;
- on 2 May 2014 Ross de Beer (the son of Des de Beer) purchased 1 087 letters of allocation at R4.50 per letter of allocation, for an aggregate consideration of R4 891.50;
- on 5 May 2014 Des de Beer disposed of 213 457 letters of allocation at R3.86 per letter of allocation, for an aggregate consideration of R823 944.02;
- on 5 May 2014 Hollyrood Investments Proprietary Limited (which is owned by The Suni Trust, of which Des de Beer is a trustee and beneficiary) purchased 213 457 letters of allocation at R3.86 per letter of allocation, for an aggregate consideration of R823 944.02;
- on 5 May 2014 Andries de Lange disposed of 41 903 letters of allocation at R3.86 per letter of allocation, for an aggregate consideration of R161 745.58;
- on 5 May 2014 The Nano Trust (of which Andries de Lange is a trustee and a beneficiary) purchased 41 903 letters of allocation at R3.86 per letter of allocation, for an aggregate consideration of R161 745.58;
- on 5 May 2014 Nick Hanekom disposed of 39 335 letters of allocation at R3.86 per letter of allocation, for an aggregate consideration of R151 833.10;
- on 5 May 2014 Eaglelet Investments Proprietary Limited (which is owned by Eaglelet Trust of which Nick Hanekom is a trustee and a beneficiary) purchased 39 335 letters of allocation at R3.86 per letter of allocation, for an aggregate consideration of R151 833.10;
- on 5 May 2014 Johann Kriek disposed of 123 904 letters of allocation at R3.86 per letter of allocation, for an aggregate consideration of R478 269.44;
- on 5 May 2014 Kibera Investments Proprietary Limited (of which Johann Kriek owns 50%) purchased 123 904 letters of allocation at R3.86 per letter of allocation, for an aggregate consideration of R478 269.44;
- on 8 May 2014 Hollyrood Investments Proprietary Limited (which is owned by The Suni Trust, of which Des de Beer is a trustee and beneficiary) purchased 9 287 letters of allocation at R4.01 per letter of allocation, for an aggregate consideration of R37 240.87; and
- on 9 May 2014 Hollyrood Investments Proprietary Limited (which is owned by The Suni Trust, of which Des de Beer is a trustee and beneficiary) purchased 92 413 letters of allocation at R4.10 per letter of allocation, for an aggregate consideration of R378 893.30.

The capital conversion will not affect the interests of any of the directors different from the effect which the capital conversion will have on all security holders in the Company.

Recognising that there is no third party offer consideration against which the value of the Resilient linked units may be compared and that the consideration under the scheme is confined to the issue price of the debentures which is to be capitalised to Resilient's stated capital account, this report does not set out a range of valuation of Resilient linked units as such a valuation range is not relevant in the determination of whether to approve the scheme or not.

5. LIMITING CONDITIONS AND RELATED PARTY RELATIONSHIPS

We have relied upon the accuracy of information provided to us or otherwise reviewed by us, for the purposes of this opinion, whether in writing or obtained in discussion with the management and advisors of Resilient. We express no opinion on this information.

There were no limiting conditions, or any restrictions of scope imposed by Resilient on us whilst this report was being prepared.

This letter and opinion is provided solely for the benefit of Resilient Board for the sole purpose of assisting the Resilient Board for purposes of considering the implications of the scheme for the benefit of all stakeholders.

There is no relationship between Grant Thornton and any other parties involved in this capital conversion. Grant Thornton has no Linked Units in Resilient or any other party involved in the capital conversion. Grant Thornton's fee in respect of this report is R35 000 excluding VAT and is not payable in Linked Units or delinked ordinary shares and is not contingent or related to the outcome of the capital conversion.

Grant Thornton has no conflict of interest in relation to the Scheme and is able to make impartial decisions in relation thereto without fear or favour. Grant Thornton has all the necessary competencies for this appointment. An internal review and quality control process exists at Grant Thornton that ensured that someone other than the senior person responsible for the assignment reviewed the final report.

Each Linked Unitholder's individual decision may be influenced by such Linked Unitholder's particular circumstances. Our opinion does not purport to cater for each Linked Unitholder's circumstances, but rather the general body of Linked Unitholders taken as a whole. Should a Linked Unitholder be in any doubt as to what action to take, he or she should consult an independent advisor.

6. OPINION

Our opinion is based on current economic, regulatory, market as well as other conditions as at the date of the capital conversion. Subsequent developments may affect this opinion, which we are under no obligation to update, review or re-affirm.

We have considered the terms and conditions of the Scheme, and based upon and subject to the assumptions and conditions set out above, we are of the opinion that the Scheme is fair and reasonable to Resilient linked unitholders and, in particular to the holders of the debentures which are to be cancelled pursuant to the scheme.

7. CONSENT

We hereby consent to the inclusion of this letter and references thereto, in the form and context in which they appear in the Circular.

Yours faithfully,

GRANT THORNTON ADVISORY SERVICES PROPRIETARY LIMITED

Per DA Church
Chartered Accountant (SA)
Registered Auditor

115. Required approval for transactions contemplated in Part

(1) Despite section 65, and any provision of a company's Memorandum of Incorporation, or any resolution adopted by its board or holders of its securities, to the contrary, a company may not dispose of, or give effect to an agreement or series of agreements to dispose of, all or the greater part of its assets or undertaking, implement an amalgamation or a merger, or implement a scheme of arrangement, unless:

- (a) The disposal, amalgamation or merger, or scheme of arrangement:
 - (i) has been approved in terms of this section; or
 - (ii) is pursuant to or contemplated in an approved business rescue plan for that company, in terms of Chapter 6; and
- (b) to the extent that Parts B and C of this Chapter, and the Takeover Regulations, apply to a company that proposes to:
 - (i) dispose of all or the greater part of its assets or undertaking;
 - (ii) amalgamate or merge with another company; or
 - (iii) implement a scheme of arrangement,

the Panel has issued a compliance certificate in respect of the transaction, in terms of section 119(4)(b), or exempted the transaction in terms of section 119(6).

[Para. (b) substituted by s. 71 of Act 3/2011]

(2) A proposed transaction contemplated in subsection (1) must be approved:

- (a) by a special resolution adopted by persons entitled to exercise voting rights on such a matter, at a meeting called for that purpose and at which sufficient persons are present to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised on that matter, or any higher percentage as may be required by the company's Memorandum of Incorporation, as contemplated in section 64(2); and

[Para. (a) substituted by s. 71 of Act 3/2011]

- (b) by a special resolution, also adopted in the manner required by paragraph (a), by the shareholders of the company's holding company if any, if:

- (i) the holding company is a company or an external company;
- (ii) the proposed transaction concerns a disposal of all or the greater part of the assets or undertaking of the subsidiary; and
- (iii) having regard to the consolidated financial statements of the holding company, the disposal by the subsidiary constitutes a disposal of all or the greater part of the assets or undertaking of the holding company; and

[Subpara. (iii) substituted by s. 71 of Act 3/2011]

- (c) by the court, to the extent required in the circumstances and manner contemplated in subsections (3) to (6).

(3) Despite a resolution having been adopted as contemplated in subsections (2)(a) and (b), a company may not proceed to implement that resolution without the approval of a court if:

- (a) the resolution was opposed by at least 15% of the voting rights that were exercised on that resolution and, within five business days after the vote, any person who voted against the resolution requires the company to seek court approval; or

[Para. (a) substituted by s. 71 of Act 3/2011]

- (b) the court, on an application within 10 business days after the vote by any person who voted against the resolution, grants that person leave, in terms of subsection (6), to apply to a court for a review of the transaction in accordance with subsection (7).

[Para. (b) substituted by s. 71 of Act 3/2011]

- (4) For the purposes of subsections (2) and (3), any voting rights controlled by an acquiring party, a person related to an acquiring party, or a person acting in concert with either of them, must not be included in calculating the percentage of voting rights:
- (a) required to be present, or actually present, in determining whether the applicable quorum requirements are satisfied; or
 - (b) required to be voted in support of a resolution, or actually voted in support of the resolution.
- [Subs. (4) substituted by s. 71 of Act 3/2011]
- (4A) In subsection (4), “act in concert” has the meaning set out in section 117(1)(b).
- [Subs. (4A) inserted by s. 71 of Act 3/2011]
- (5) If a resolution requires approval by a court as contemplated in terms of subsection (3)(a), the company must either-
- (a) within 10 business days after the vote, apply to the court for approval, and bear the costs of that application; or
- [Para. (a) substituted by s. 71 of Act 3/2011]
- (b) treat the resolution as a nullity.
- (6) On an application contemplated in subsection (3)(b), the court may grant leave only if it is satisfied that the applicant-
- (a) is acting in good faith;
 - (b) appears prepared and able to sustain the proceedings; and
 - (c) has alleged facts which, if proved, would support an order in terms of subsection (7).
- (7) On reviewing a resolution that is the subject of an application in terms of subsection (5)(a), or after granting leave in terms of subsection (6), the court may set aside the resolution only if:
- (a) the resolution is manifestly unfair to any class of holders of the company’s securities; or
 - (b) the vote was materially tainted by conflict of interest, inadequate disclosure, failure to comply with the Act, the Memorandum of Incorporation or any applicable rules of the company, or other significant and material procedural irregularity.
- (8) The holder of any voting rights in a company is entitled to seek relief in terms of section 164 if that person:
- (a) notified the company in advance of the intention to oppose a special resolution contemplated in this section; and
 - (b) was present at the meeting and voted against that special resolution.
- (9) If a transaction contemplated in this Part has been approved, any person to whom assets are, or an undertaking is, to be transferred, may apply to a court for an order to effect:
- (a) the transfer of the whole or any part of the undertaking, assets and liabilities of a company contemplated in that transaction;
 - (b) the allotment and appropriation of any shares or similar interests to be allotted or appropriated as a consequence of the transaction;
 - (c) the transfer of shares from one person to another;
 - (d) the dissolution, without winding-up, of a company, as contemplated in the transaction;
 - (e) incidental, consequential and supplemental matters that are necessary for the effectiveness and completion of the transaction; or
 - (f) any other relief that may be necessary or appropriate to give effect to, and properly implement, the amalgamation or merger.

164. Dissenting shareholders appraisal rights

- (1) This section does not apply in any circumstances relating to a transaction, agreement or offer pursuant to a business rescue plan that was approved by shareholders of a company, in terms of section 152.
- (2) If a company has given notice to shareholders of a meeting to consider adopting a resolution to-
 - (a) amend its Memorandum of Incorporation by altering the preferences, rights, limitations or other terms of any class of its shares in any manner materially adverse to the rights or interests of holders of that class of shares, as contemplated in section 37(8); or

- (b) enter into a transaction contemplated in section 112, 113, or 114, that notice must include a statement informing shareholders of their rights under this section.
- (3) At any time before a resolution referred to in subsection (2) is to be voted on, a dissenting shareholder may give the company a written notice objecting to the resolution.
 - (4) Within 10 business days after a company has adopted a resolution contemplated in this section, the company must send a notice that the resolution has been adopted to each shareholder who:
 - (a) gave the company a written notice of objection in terms of subsection (3); and
 - (b) has neither:
 - (i) withdrawn that notice; or
 - (ii) voted in support of the resolution.
 - (5) A shareholder may demand that the company pay the shareholder the fair value for all of the shares of the company held by that person if:
 - (a) the shareholder:
 - (i) sent the company a notice of objection, subject to subsection (6); and
 - (ii) in the case of an amendment to the company's Memorandum of Incorporation, holds shares of a class that is materially and adversely affected by the amendment;
 - (b) the company has adopted the resolution contemplated in subsection (2); and
 - (c) the shareholder:
 - (i) voted against that resolution; and
 - (ii) has complied with all of the procedural requirements of this section.
 - (6) The requirement of subsection (5)(a)(i) does not apply if the company failed to give notice of the meeting, or failed to include in that notice a statement of the shareholders rights under this section.
 - (7) A shareholder who satisfies the requirements of subsection (5) may make a demand contemplated in that subsection by delivering a written notice to the company within:
 - (a) 20 business days after receiving a notice under subsection (4); or
 - (b) if the shareholder does not receive a notice under subsection (4), within 20 business days after learning that the resolution has been adopted.
 - (8) A demand delivered in terms of subsections (5) to (7) must also be delivered to the Panel, and must state:

[Words preceding para. (a) substituted by s. 103 of Act 3/2011]

 - (a) the shareholder's name and address;
 - (b) the number and class of shares in respect of which the shareholder seeks payment; and
 - (c) a demand for payment of the fair value of those shares.
 - (9) A shareholder who has sent a demand in terms of subsections (5) to (8) has no further rights in respect of those shares, other than to be paid their fair value, unless:
 - (a) the shareholder withdraws that demand before the company makes an offer under subsection (11), or allows an offer made by the company to lapse, as contemplated in subsection (12)(b);
 - (b) the company fails to make an offer in accordance with subsection (11) and the shareholder withdraws the demand; or
 - (c) the company, by a subsequent special resolution, revokes the adopted resolution that gave rise to the shareholder's rights under this section.

[Para. (c) substituted by s. 103 of Act 3/2011]
 - (10) If any of the events contemplated in subsection (9) occur, all of the shareholder's rights in respect of the shares are reinstated without interruption.

- (11) Within five business days after the later of:
- (a) the day on which the action approved by the resolution is effective;
 - (b) the last day for the receipt of demands in terms of subsection (7)(a); or
 - (c) the day the company received a demand as contemplated in subsection (7)(b), if applicable, the company must send to each shareholder who has sent such a demand a written offer to pay an amount considered by the company's directors to be the fair value of the relevant shares, subject to subsection (16), accompanied by a statement showing how that value was determined.
- (12) Every offer made under subsection (11):
- (a) in respect of shares of the same class or series must be on the same terms; and
 - (b) lapses if it has not been accepted within 30 business days after it was made.
- (13) If a shareholder accepts an offer made under subsection (12):
- (a) the shareholder must either in the case of:
 - (i) shares evidenced by certificates, tender the relevant share certificates to the company or the company's transfer agent; or
 - (ii) uncertificated shares, take the steps required in terms of section 53 to direct the transfer of those shares to the company or the company's transfer agent; and
 - (b) the company must pay that shareholder the agreed amount within 10 business days after the shareholder accepted the offer and:
 - (i) tendered the share certificates; or
 - (ii) directed the transfer to the company of uncertificated shares.
- (14) A shareholder who has made a demand in terms of subsections (5) to (8) may apply to a court to determine a fair value in respect of the shares that were the subject of that demand, and an order requiring the company to pay the shareholder the fair value so determined, if the company has:
- (a) failed to make an offer under subsection (11); or
 - (b) made an offer that the shareholder considers to be inadequate, and that offer has not lapsed.
- (15) On an application to the court under subsection (14):
- (a) all dissenting shareholders who have not accepted an offer from the company as at the date of the application must be joined as parties and are bound by the decision of the court;
 - (b) the company must notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to participate in the court proceedings; and
 - (c) the court:
 - (i) may determine whether any other person is a dissenting shareholder who should be joined as a party;
 - (ii) must determine a fair value in respect of the shares of all dissenting shareholders, subject to subsection (16);
 - (iii) in its discretion may:
 - (aa) appoint one or more appraisers to assist it in determining the fair value in respect of the shares; or
 - (bb) allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective, until the date of payment;
 - (iv) may make an appropriate order of costs, having regard to any offer made by the company, and the final determination of the fair value by the court; and
 - (v) must make an order requiring:
 - (aa) the dissenting shareholders to either withdraw their respective demands or to comply with subsection (13)(a); and
[Item (aa) substituted by s. 103 of Act 3/2011]
 - (bb) the company to pay the fair value in respect of their shares to each dissenting shareholder who complies with subsection (13)(a), subject to any conditions the court considers necessary to ensure that the company fulfils its obligations under this section.

- (15A) At any time before the court has made an order contemplated in subsection (15)(c)(v), a dissenting shareholder may accept the offer made by the company in terms of subsection (11), in which case:
- (a) that shareholder must comply with the requirements of subsection 13(a); and
 - (b) the company must comply with the requirements of subsection 13(b).

[Subs. (15A) inserted by s. 103 of Act 3/2011]

- (16) The fair value in respect of any shares must be determined as at the date on which, and time immediately before, the company adopted the resolution that gave rise to a shareholder's rights under this section.
- (17) If there are reasonable grounds to believe that compliance by a company with subsection (13)(b), or with a court order in terms of subsection (15)(c)(v)(bb), would result in the company being unable to pay its debts as they fall due and payable for the ensuing 12 months:
- (a) the company may apply to a court for an order varying the company's obligations in terms of the relevant subsection; and
 - (b) the court may make an order that:
 - (i) is just and equitable, having regard to the financial circumstances of the company; and
 - (ii) ensures that the person to whom the company owes money in terms of this section is paid at the earliest possible date compatible with the company satisfying its other financial obligations as they fall due and payable.
- (18) If the resolution that gave rise to a shareholder's rights under this section authorised the company to amalgamate or merge with one or more other companies, such that the company whose shares are the subject of a demand in terms of this section has ceased to exist, the obligations of that company under this section are obligations of the successor to that company resulting from the amalgamation or merger.
- (19) For greater certainty, the making of a demand, tendering of shares and payment by a company to a shareholder in terms of this section do not constitute a distribution by the company, or an acquisition of its shares by the company within the meaning of section 48, and therefore are not subject to:
- (a) the provisions of that section; or
 - (b) the application by the company of the solvency and liquidity test set out in section 4.
- (20) Except to the extent:
- (a) expressly provided in this section; or
 - (b) that the Panel rules otherwise in a particular case, a payment by a company to a shareholder in terms of this section does not obligate any person to make a comparable offer under section 125 to any other person.

[Subs. (20) inserted by s. 103 of Act 3/2011]

DEBENTURE TRUSTEE'S APPROVAL

20 May 2014

Resilient Property Income Fund Limited

4th Floor
Rivonia Village
Rivonia Boulevard
Rivonia, 2191

For attention: the *Chief Executive Officer*

Dear Sir

RESILIENT PROPERTY INCOME FUND LIMITED - PROPOSED SCHEME

1. Resilient Property Income Fund Limited ("**Resilient**") has prepared a circular to unitholders dated 29 May 2014 (the "**circular**") relating to, amongst other matters, the conversion of the company's current linked unit capital structure to an all share structure by:
 - 1.1 the delinking of each Resilient ordinary share from a Resilient debenture so as to no longer constitute a linked unit;
 - 1.2 the cancellation of each debenture and concomitant waiver, for no consideration, by the debenture holders of their right to be repaid the debt reflected in each debenture (being the issue price of each debenture) or to receive any other form of compensation;
 - 1.3 the capitalisation of the value allocated to each debenture in the books of account of the company, equating to the issue price of each debenture (which will, pursuant to the waiver by each of the debenture holders of the right to be repaid the debt reflected in each debenture, constitute a profit and be available for capitalisation for no consideration), to Resilient's stated capital account; and
 - 1.4 the termination of the debenture trust deed, without payment to debenture holders,to be effected by way of a scheme of arrangement in terms of section 114 of the Companies Act, which scheme is being proposed by the company between the company and its debenture holders.
2. We, being the trustee for Resilient debenture holders, hereby consent, to the extent required and subject to the conditions precedent thereto being fulfilled or, where possible, waived, to Resilient's proposed capital restructure as contemplated in the circular.

Yours faithfully

Charmaine du Preez

Edward Nathan Sonnenbergs Inc.

Trustee of the Resilient Property Income Fund Limited Debenture Trust Deed

LINKED UNIT PRICE HISTORY

Period	High (cents)	Low (cents)	Close (cents)	Volume	Value (R)
Quarterly					
2011					
June	3 234	2 992	3 140	21 058 441	646 426 411
September	3 739	3 140	3 260	19 418 595	633 358 711
December	3 651	3 202	3 475	12 297 741	412 781 273
2012					
March	4 150	3 427	3 855	19 782 524	739 652 721
June	4 380	3 782	4 300	13 437 996	534 383 209
September	5 200	4 300	4 800	18 024 579	860 764 384
December	5 600	4 480	5 175	18 328 797	881 029 665
2013					
March	5 502	4 670	5 450	15 739 226	814 452 041
Monthly					
2013					
April	5 996	5 203	5 930	6 962 896	383 358 572
May	6 120	4 941	5 030	12 778 354	737 444 657
June	5 665	4 784	5 374	9 678 208	504 379 500
July	5 728	5 113	5 170	5 286 077	282 818 429
August	5 439	4 740	4 900	5 836 918	295 387 327
September	5 700	4 854	5 372	7 187 961	372 940 342
October	5 698	5 174	5 500	3 373 873	181 490 817
November	5 639	5 291	5 381	4 620 830	248 159 934
December	5 611	5 238	5 550	4 582 308	245 371 277
2014					
January	5 750	5 001	5 220	4 018 381	221 808 654
February	5 683	5 006	5 300	3 979 786	212 791 374
March	5 744	5 230	5 684	5 314 685	288 835 092
Daily					
2014					
1 April	5 703	5 615	5 685	63 211	3 585 335
2 April	5 761	5 693	5 710	171 455	9 786 773
3 April	5 756	5 611	5 705	166 933	9 512 180
4 April	5 798	5 685	5 706	418 585	23 875 509
7 April	5 797	5 670	5 700	450 307	25 890 691
8 April	5 763	5 701	5 730	135 730	7 778 172
9 April	5 795	5 740	5 770	969 063	55 895 578
10 April	5 829	5 760	5 771	171 599	9 935 754
11 April	5 805	5 760	5 789	156 566	9 062 401
14 April	5 840	5 685	5 840	260 584	14 951 129
15 April	5 860	5 700	5 780	410 192	23 656 539
16 April	5 828	5 765	5 780	95 574	5 522 029
17 April	5 845	5 771	5 772	82 752	4 781 039
22 April	5 865	5 699	5 778	169 925	9 825 280
23 April	5 800	5 749	5 800	129 498	7 493 021

Period	High (cents)	Low (cents)	Close (cents)	Volume	Value (R)
24 April	5 795	5 701	5 780	94 212	5 423 113
25 April	5 780	5 671	5 760	182 810	10 487 160
29 April	5 888	5 800	5 840	83 825	4 869 814
30 April	5 840	5 698	5 758	59 488	3 421 921
2 May	5 818	5 670	5 676	25 938	1 481 625
5 May	5 713	5 616	5 713	553 741	31 419 822
6 May	5 677	5 600	5 621	36 426	2 056 022
8 May	5 824	5 587	5 638	118 812	6 688 958
9 May	5 750	5 616	5 660	640 911	36 146 617
12 May	5 725	5 643	5 675	83 358	4 733 228
13 May	5 698	5 651	5 686	216 539	12 270 665
14 May	5 740	5 677	5 740	82 544	4 714 834
15 May	5 749	5 678	5 679	65 553	3 730 746
16 May	5 709	5 678	5 700	109 732	6 236 256

DIRECTORS' INFORMATION

The table below sets out information pertaining to the current directors of Resilient and its material subsidiaries

Name, age and nationality	Role	Qualification	Business address	Occupation and experience
JJ Njeke (55) South African	Independent non-executive (Chairman)	BCompt (Hons), HDip Tax, CA(SA)	Bally Oaks Office Park 25 Ballyclare Drive Bryanston 2021	JJ was an audit partner at PwC and is the past chairman of the South African Institute of Chartered Accountants ("SAICA"). In addition to serving on the board of Resilient, he serves on the boards of MMI Holdings Limited, MTN Group Limited, Sasol Limited and Adcorp Holdings Limited.
Des de Beer (53) South African	Managing director and chief executive officer (CEO)	BProc MAP	4 th Floor Rivonia Village Rivonia Boulevard Rivonia 2191	Des spent the first part of his career in the banking industry, first with Barclays Bank in South Africa and later with Syfrets which was merged into Nedcor Investment Bank. He was appointed General Manager Corporate Equity and served on the bank's executive committee. He has served on the boards of a number of listed property companies and he is currently a director of New Europe Property Investments plc and chairs its investment committee.
Nick Hanekom (35) South African	Financial director	BAcc (Hons), CA(SA)	4 th Floor Rivonia Village Rivonia Boulevard Rivonia 2191	Nick completed his articles with PwC in Johannesburg where after he joined PwC London. On his return to South Africa in August 2005 he was employed by Resilient, initially as company secretary and with effect from May 2011, as financial director of Resilient.
Andries de Lange (41) South African	Executive director and chief operating officer (COO)	CA(SA), CFA	4 th Floor Rivonia Village Rivonia Boulevard Rivonia 2191	After completing his articles, Andries joined the Industrial Development Corporation of South Africa Limited ("IDC") and then Nedbank Limited where he gained experience in debt finance, debt and equity restructurings and private equity. He joined the Resilient group in 2004 and is a director of Rockcastle Global Real Estate Company Limited and Property Fund Managers Limited, the manager of Capital Property Fund.

Name, age and nationality	Role	Qualification	Business address	Occupation and experience
Johann Kriek (49) South African	Executive director	Stanford Executive Programme	4 th Floor Rivonia Village Rivonia Boulevard Rivonia 2191	Johann has been involved in retail property management, development and letting for 28 years with a strong emphasis on development and redeveloping underperforming shopping centres.
Thembi Chagonda (43) South African	Non-independent non-executive director	BSoc Sci (Rhodes University), Diploma in Labour Law	21 West Street Houghton 2198	Thembi's career has been in human capital management for the last 17 years. She is currently managing director of Global Business Solutions, a labour law, BEE consultancy and training and development company.
Marthin Greyling (47) South African	Independent non-executive director	BCom (Acc) (Hons), CA(SA)	4 th Floor Block F 135 Rivonia Road Sandown 2196	Marthin started his career in financial services in 1993 when he joined the IDC. During his tenure he was, <i>inter alia</i> , involved in debt and project finance and business turnarounds. He joined Nedcor Investment Bank in 2001 and is currently a Principal in the Nedbank Capital Private Equity team.
Bryan Hopkins (67) South African	Independent non-executive director	BCom (Hons) Accounting and Tax, CA(SA)	33 Muir Road Rondebosch Western Cape 7700	Bryan is a non-executive director of Holdsport Limited, Makalani Holdings Limited and Kagiso Asset Management Proprietary Limited. He was a professor of Accounting at the University of Cape Town and served on the Accounting Standards Committee of the SAICA and co-authored with professor GK Everingham " <i>Generally Accepted Accounting Practice – A South African Viewpoint</i> ".
Spiro Noussis (43) South African	Independent non-executive director	BCom, BAcc, CA(SA)	3 rd Floor Rivonia Village Rivonia Boulevard Rivonia 2191	Spiro has experience in private equity and investment management. He was previously managing director of an information technology company providing business solutions for the financial services industry. Since 2005 he has been involved in property, focusing on commercial, industrial and retail opportunities and is currently an executive director of Lodestone Properties Limited.

Name, age and nationality	Role	Qualification	Business address	Occupation and experience
Umsha Reddy (44) South African	Independent non-executive director	BSc Eng (Electrical)	25 Fredman Drive Sandton 2196	Umsha's 20 years of work experience spans both the engineering and IT environments across energy, telecommunications, manufacturing, retail, government and financial industries. Her longest tenures were with HP and Microsoft, five years and eight years respectively. She is currently employed at SABMiller as executive head of programme management and solution delivery for the Business Information Systems division.
Barry van Wyk (48) South African	Independent non-executive director	BCom, BAcc, CA(SA)	1 st Floor South East Block 13 Wessels Road Rivonia 2128	Barry heads up Renlia Developments Proprietary Limited, a property investment and development company primarily focused on office, industrial and residential opportunities. He was previously an executive director of Group Five Limited and managing director of Group Five Developments.

BOARD REPORT IN TERMS OF REGULATION 31(7) OF THE COMPANIES ACT

1. BACKGROUND

- 1.1 The Companies Act, 71 of 2008 (the “**Companies Act**”) does not permit the creation of par value shares or shares with a nominal value. In terms of the transitional arrangements detailed in Schedule 5 of the Companies Act and the Companies Regulations, 2011 (the “**Regulations**”), pre-existing companies that already have par value shares in issue are allowed to retain such shares but cannot authorise any new par value shares after 1 April 2011.
- 1.2 Resilient Property Income Fund Limited (“**Resilient**”) proposes a capital restructure in terms of which each Resilient linked unit (currently comprising 1 Resilient ordinary share with a par value of R0.01 invisibly linked to a Resilient debenture with a nominal value of R4.80) shall be converted to 1 Resilient ordinary share of no par value (the “**capital restructure**”).
- 1.3 Resilient, which has shares with a par value of R0.01 each, accordingly proposes converting its shares of par value into shares of no par value in terms of the Companies Act and the Regulations, (the “**proposed par value conversion**”).
- 1.4 In terms of:
- 1.4.1 Regulation 31(6) of the Regulations, a company may amend its Memorandum of Incorporation (“**MoI**”) to effect a conversion of its authorised and issued shares of par value to shares of no par value without charge at any time after 1 April 2011 by way of a special resolution of the company’s shareholders; and
- 1.4.2 article 8.7 of Resilient’s MoI, Resilient may from time to time, by way of special resolution of its shareholders convert any shares to shares of no par value.
- 1.5 Resilient shareholders are being asked, at a meeting of Resilient shareholders to be held on 30 June 2014, to approve the special resolution required to authorise the conversion of Resilient’s authorised and issued shares of R0.01 each (“**existing shares**”) into shares of no par value, on the basis that each existing ordinary share will be converted into one ordinary share of no par value.
- 1.6 Regulation 31(7) of the Regulations requires the board of a company to prepare a report in respect of a proposed resolution to convert any par value shares to no par value shares (the “**Report**”). This document constitutes the Report in relation to the proposed par value conversion.

2. THE REPORT

- 2.1 In terms of Regulation 31(7) of the Regulations the Report is required to, at a minimum:
- 2.1.1 state all information relevant to the value of the securities affected by the proposed par value conversion;
- 2.1.2 identify holders of the company’s securities affected by the proposed par value conversion;
- 2.1.3 describe the material effects that the proposed par value conversion will have on the rights of the holders of the company’s securities affected by the proposed par value conversion; and
- 2.1.4 evaluate any material adverse effects of the proposed par value conversion against the compensation that any of those persons will receive in terms of the proposed par value conversion.
- 2.2 **Information relevant to the value of the securities affected by the proposed par value conversion**
- 2.2.1 The securities affected by the proposed par value conversion are the authorised and issued ordinary shares in the share capital of Resilient currently comprising 400 000 000 authorised shares of R0.01 each, of which 293 339 070 shares of R0.01 each have been issued.
- 2.2.2 Resilient has no other class of authorised or issued shares.
- 2.2.3 In terms of Resilient’s MoI and Debenture Trust Deed, Resilient’s issued shares are indivisibly linked to and may not be disposed of separately from the unsecured variable rate debentures issued by Resilient with a face value of R4.80 (the terms of which are governed by the Resilient Debenture Trust Deed).
- 2.2.4 The indivisibly linked shares and debentures (the “**Resilient linked units**”) are listed on the main board of the JSE Limited, trading under the share code RES and short name Resilient.

- 2.2.5 Unitholders are advised that at the debenture holders scheme meeting and shareholders general meeting unitholders will be asked to approve the requisite special resolutions to convert Resilient's linked unit capital structure comprising a Resilient share indivisibly linked to an unsecured variable rate Resilient debenture to a Resilient share of no par value, after which the Resilient Debenture Trust Deed will be cancelled.
- 2.2.6 Given that the number of Resilient shares in issue and the rights attaching to those shares will be unaffected by the proposed par value conversion, the proposed par value conversion will have no impact on the historic net asset value, earnings, headline earnings and distributions per Resilient linked unit and should have no impact on the price at which Resilient linked units trade on the JSE.

2.3 **Holders of the company's securities affected by the proposed par value conversion**

The proposed par value conversion will affect the holders of Resilient's ordinary shares who comprise the holders of all of Resilient's issued shares of R0.01 each. However, the only effect on Resilient shareholders will be that such holders will now become the holders of an identical number of shares of no par value.

2.4 **Material effects of the proposed par value conversion on Resilient shareholders**

- 2.4.1 The proposed par value conversion results in the conversion of each share of R0.01 each to a share of no par value.
- 2.4.2 Accordingly, after the proposed par value conversion, each shareholder will own the identical number of Resilient shares as they held before the proposed par value conversion and the no par value shares they hold will represent the same proportion of the total issued share capital of Resilient as the par value shares they held represented of the total issued share capital of Resilient before the proposed par value conversion.
- 2.4.3 The proposed par value conversion has no impact on any of the rights attaching to the Resilient shares and the no par value shares will confer on a Resilient shareholder all of the same rights as they enjoyed as the holder of par value shares before the proposed conversion including (without limitation) rights to participate in the profits of Resilient on winding up.
- 2.4.4 The Resilient board of directors has satisfied itself that the proposed par value conversion will have no effect on Resilient linked unitholders.

2.5 **Evaluation of material adverse effects of the proposed par value conversion against compensation offered**

- 2.5.1 As detailed in 2.4 above the proposed par value conversion has no adverse effect on Resilient shareholders as they are in the same position and enjoy the same rights before and after the proposed par value conversion.
- 2.5.2 There is no compensation being offered in the context of the proposed par value conversion as there is no adverse effect of the proposed par value conversion on Resilient shareholders.

3. **OTHER PROVISIONS OF REGULATION 31**

- 3.1 As required in terms of 31(8) of the Regulations, a copy of the proposed special resolution to give effect to the proposed par value conversion and this Report were filed with the Commissioner of the Companies and Intellectual Properties Commission and with the South African Revenue Services on the date of the circular in which this Report is contained.
- 3.2 In terms of 31(9) of the Regulations, a Resilient shareholder affected by the proposed par value conversion who believes that the proposal does not adequately protect their rights or otherwise fails to satisfy the requirements of the Companies Act 2008 may apply to the High Court for an order and the High Court may make any order that is just and reasonable in the circumstances.

THE NEW MEMORANDUM OF INCORPORATION

The salient features of the new MoI are set out below. The details below are a direct extract from the new MoI.

4. “POWERS OF THE COMPANY

- 4.1 The Company has all of the legal powers and capacity contemplated in the Act, and no provision contained in this Memorandum of Incorporation should be interpreted or construed as negating, limiting, or restricting those powers in any way whatsoever.
- 4.2 The legal powers and capacity of the Company are not subject to any restrictions, limitations or qualifications, as contemplated in section 19(1)(b)(ii) of the Act.”

7. “ISSUE OF SHARES AND VARIATION OF RIGHTS

- 7.1 The Company is authorised to issue 1 000 000 000 (one billion) Shares of the same class, each of which ranks *pari passu* (which shall have the meaning ascribed thereto in paragraph 3.29 of the JSE Listings Requirements or any amendment or substitute paragraph in the Listings Requirements) in respect of all rights and entitles the Shareholder:
 - 7.1.1 to vote on any matter to be decided by the Shareholders of the Company;
 - 7.1.2 to participate proportionally with every other ordinary Shareholder in distributions (except for the payment in lieu of a capitalisation Share as contemplated in section 47(1)(c) of the Act and any consideration payable by the Company for any of its own Shares or for any shares of another company within the same group as contemplated in paragraph a(iii)(aa) and a(iii)(bb) of the definition of “distribution” in the Act), if and when declared in favour of Shareholders holding ordinary Shares, made by the Company; and
 - 7.1.3 upon a winding up of the Company, to participate in the proceeds of the winding up.
- 7.2 The Board shall not have the power to:
 - 7.2.1 create any class of Shares;
 - 7.2.2 increase or decrease the number of authorised Shares of any class of the Company’s Shares;
 - 7.2.3 consolidate and reduce the number of the Company’s issued and authorised Shares of any class;
 - 7.2.4 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;
 - 7.2.5 convert one class of Shares into one or more other classes, save where a right of conversion attaches to the class of Shares created;
 - 7.2.6 reclassify any classified Shares that have been authorised but not issued;
 - 7.2.7 classify any unclassified Shares that have been authorised but not issued; or
 - 7.2.8 vary any preference rights, limitations or other terms attaching to any class of shares,

and such powers shall only be capable of being exercised by the Shareholders by way of a special resolution of the Shareholders and an amendment to the Memorandum of Incorporation...”

15. “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 section 44, subject to the passing of the necessary special resolutions and the authority of the Board in this regard is not limited or restricted by this Memorandum of Incorporation.

16. ACQUISITION BY THE COMPANY OF ITS OWN SHARES

- 16.1 Subject to the JSE Listings Requirements, and in accordance with and subject to the provisions of section 48, and subject to the further provisions of this clause 16:
 - 16.1.1 the Board may determine that the Company acquire a number of its own Shares; and
 - 16.1.2 the board of any subsidiary of the Company may determine that such subsidiary acquire Shares, but:

- 16.1.2.1 not more than 10% (ten percent), in aggregate, of the number of issued Shares of any class may be held by, or for the benefit of, all of the subsidiaries of the Company, taken together; and
- 16.1.2.2 no voting rights attached to those Shares may be exercised while the Shares are held by that subsidiary and it remains a subsidiary of the Company....”

18. “SHAREHOLDERS MEETINGS

- 18.1 The Board, or any Prescribed Officer of the Company authorised by the Board, is entitled to call a Shareholders meeting at any time.
- 18.2 Subject to the provisions of section 60 dealing with the passing of resolutions of Shareholders otherwise than at a meeting of Shareholders, the Company shall hold a Shareholders meeting:
 - 18.2.1 at any time that the Board is required by the Act or this Memorandum of Incorporation to refer a matter to Shareholders for decision;
 - 18.2.2 at any time that the Board is required by the JSE Listings Requirements, to refer a matter to Shareholders for decision and accordingly nothing in this Memorandum of Incorporation shall be construed as prohibiting or restricting the Company from calling any meeting for the purposes of adhering to the JSE Listings Requirements;
 - 18.2.3 whenever required in terms of section 70(3) to fill a vacancy on the Board; or
 - 18.2.4 when required in terms of clause 18.3 or by any other provision of this Memorandum of Incorporation.
- 18.3 The Board shall call a meeting of Shareholders if 1 (one) or more written and signed demands by Shareholders calling for such a meeting are delivered to the Company and:
 - 18.3.1 each such demand describes the specific purpose for which the meeting is proposed; and
 - 18.3.2 in aggregate, demands for substantially the same purpose are made and signed by the holders, at the earliest time specified in any of those demands, of at least 10% (ten percent) of the voting rights entitled to be exercised in relation to the matter proposed to be considered at the meeting.
- 18.4 Notwithstanding any provision of the Act to the contrary, and in addition to other meetings of the Company that may be convened from time to time, the Company shall convene an annual general meeting of its Shareholders once in each calendar year but no more than 15 months after the date of the previous annual general meeting..”

19. “SHAREHOLDERS MEETINGS BY ELECTRONIC COMMUNICATION

- 19.1 In accordance with the provisions of the Act and subject to the provisions of the JSE Listings Requirements, and without derogating from the generality of the provisions of clause 18.24, the Company may, conduct a Shareholders meeting entirely by Electronic Communication but must provide for participation in a meeting by Electronic Communication, as set out in section 63, and the power of the Company to do so is not limited or restricted by this Memorandum of Incorporation. Accordingly:
 - 19.1.1 any Shareholders meeting may be conducted entirely by Electronic Communication; or
 - 19.1.2 one or more Shareholders, or proxies for Shareholders, may participate by Electronic Communication in all or part of any Shareholders meeting that is being held in person,so long as the Electronic Communication employed ordinarily enables all persons participating in that meeting to communicate concurrently with each other and without an intermediary, and to participate reasonably effectively in the meeting.
- 19.2 Any notice of any meeting of Shareholders at which it will be possible for Shareholders to participate by way of Electronic Communication shall inform Shareholders of the ability to so participate and shall provide any necessary information to enable Shareholders or their proxies to access the available medium or means of Electronic Communication, provided that such access shall be at the expense of the Shareholder or proxy concerned.

20. VOTES OF SHAREHOLDERS

- 20.1 Subject to any special rights or restrictions as to voting attached to any Shares by or in accordance with this Memorandum of Incorporation, at a meeting of the Company:
 - 20.1.1 every ordinary Shareholder present and entitled to exercise voting rights shall be entitled to 1 (one) vote on a show of hands, irrespective of the number of voting rights that ordinary Shareholder would otherwise be entitled to exercise;
 - 20.1.2 on a poll a member who is present in person or represented by proxy shall be entitled to 1 (one) vote in respect of each share he holds. No objection shall be raised to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and every

vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairperson of the meeting, whose decision shall be final and conclusive; and

20.1.3 the holders of Shares other than ordinary Shares shall not be entitled to vote on any resolution at a meeting of Shareholders, except as provided in clause 20.11...”

23. “SHAREHOLDERS ACTING OTHER THAN AT A MEETING

23.1 In accordance with the provisions of section 60, but subject to clause 23.5, a resolution that could be voted on at a Shareholders meeting (including in respect of the election of Directors) may instead be:

23.1.1 submitted by the Board for consideration to the Shareholders entitled to exercise the voting rights in relation to the resolution; and

23.1.2 voted on in writing by such Shareholders within a period of 20 (twenty) business days after the resolution was submitted to them.

23.2 A resolution contemplated in clause 23.1:

23.2.1 will have been adopted if it is supported by persons entitled to exercise sufficient voting rights for it to have been adopted as an ordinary or special resolution, as the case may be, at a properly constituted Shareholders meeting; and

23.2.2 if adopted, will have the same effect as if it had been approved by voting at a meeting.

23.3 In addition to a resolution passed in terms of clause 23.1, a resolution in writing signed by all the Shareholders entitled to vote thereon shall be as valid and effectual as if adopted at a duly convened general meeting of Shareholders of the Company.

23.4 Within 10 (ten) business days after adopting a resolution, in terms of the provisions of this clause 23, the Company shall deliver a statement describing the results of the vote, consent process, or election to every Shareholder who was entitled to vote on or consent to the resolution, or vote on the election of a Director, as the case may be.

23.5 For so long as is required under the JSE Listings Requirements or unless the JSE allows otherwise, the provisions of this clause 23 shall not apply to any Shareholder meetings that are called in terms of the JSE Listings Requirements (which for the avoidance of any doubt, must be held “in person”) or to any annual general meeting of the Company.

24. COMPOSITION AND POWERS OF THE BOARD OF DIRECTORS

24.1 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, or a social and ethics committee, the Board must comprise at least 4 (four) Directors and not more than 15 (fifteen) Directors. The Shareholders shall be entitled by ordinary resolution to amend such maximum number of Directors as they from time to time shall consider appropriate.

24.2 Subject to clauses 24.3 and 24.4 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 of the Act shall be valid.

24.3 Subject to the requirements of the Act, the chairman of the Board or the chief executive officer shall be entitled, subject to the written approval of the majority of the Directors, to appoint any person as a Director in terms of section 66(4)(a)(i), provided that such appointment must be approved by the Shareholders at the next Shareholders meeting or annual general meeting.

24.4 The authority of the Board to fill a vacancy on the Board on a temporary basis, as set out in section 68(3) is not limited or restricted by this Memorandum of Incorporation provided that any Directors so appointed must resign at the next annual general meeting of the Company and may make themselves available for election by the Shareholders at such annual general meeting of the Company...”

24.14 “The Board has the power to 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 24...”

26. “BOARD MEETINGS

26.1 Save as may be provided otherwise herein, the Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit.

- 26.2 The Directors may elect a chairperson and a deputy chairperson and determine the period for which each is to hold office. The chairperson, or in his absence the deputy chairperson, shall be entitled to preside over all meetings of Directors. If no chairperson or deputy chairperson is elected, or if at any meeting neither is present or willing to act as chairperson thereof within 10 (ten) minutes of the time appointed for holding the meeting, the Directors present shall choose 1 (one) of their number to be chairperson of such meeting.
- 26.3 In addition to the provisions of section 73(1), any Director shall at any time be entitled to call a meeting of the Directors....”

27. **“DIRECTORS’ COMPENSATION AND FINANCIAL ASSISTANCE**

- 27.1 The Company may pay remuneration to the Directors for their services as Directors in accordance with a special resolution approved by the Company’s Shareholders within the previous 2 (two) years, as set out in section 66(8) and (9), and the power of the Company in this regard is not limited or restricted by this Memorandum of Incorporation...”

28. **“INDEMNIFICATION OF DIRECTORS**

- 28.1 The Company may:
- 28.1.1 advance expenses to a Director or directly or indirectly indemnify a Director in respect of the defence of legal proceedings, as set out in section 78(4);
 - 28.1.2 indemnify a Director in respect of liability as set out in section 78(5); and/or
 - 28.1.3 purchase insurance to protect the Company or a Director as set out in section 78(7),
- and the power of the Company in this regard is not limited, restricted or extended by this Memorandum of Incorporation...”

29. **“BORROWING POWERS**

- 29.1 Subject to this Memorandum of Incorporation the Directors may from time to time exercise all of the powers of the Company to:
- 29.1.1 borrow for the purposes of the Company such sums as they think fit; and
 - 29.1.2 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.
- 29.2 For the purposes of clause 29.1, at the time that any new borrowing is authorised by the Company:
- 29.2.1 the total consolidated liabilities as reflected in the Company’s latest published interim or annual consolidated IFRS financial statements;
 - 29.2.2 less any capital repayments made on those liabilities after the balance sheet date;
 - 29.2.3 plus the nominal value of the new debt;
- shall not be more than 60% of the total consolidated assets as reflected in the Company’s latest audited or reviewed consolidated IFRS financial statements or *pro forma* consolidated balance sheet.”

31. **“ANNUAL FINANCIAL STATEMENTS**

- 31.1 The Company shall keep all such accurate and complete accounting records, in English, as are necessary to enable the Company to satisfy its obligations in terms of:
- 31.1.1 the Act;
 - 31.1.2 any other law with respect to the preparation of financial statements to which the Company may be subject; and
 - 31.1.3 this Memorandum of Incorporation.
- 31.2 The Company shall each year prepare annual financial statements within 6 (six) months after the end of its financial year, or such shorter period as may be appropriate to provide the required notice of an annual general meeting in terms of section 61(7).
- 31.3 The Company shall appoint an auditor upon, or as soon as reasonably possible after, its incorporation and each year at its annual general meeting. If the Company appoints a firm as its auditor, any change in the composition of the members of that firm shall not by itself create a vacancy in the office of auditor.

- 31.4 The annual financial statements of the Company shall be prepared and audited in accordance with the provisions of section 30.
- 31.5 A copy of the annual financial statements prepared in compliance with the JSE Listings Requirements, must be distributed to Shareholders at least 15 business days before the date of the annual general meeting of the Company at which such annual financial statements will be considered.
- 31.6 The annual financial statements shall be prepared on a basis that is not inconsistent with any unalterable or non-elective provision of the Act and shall satisfy, as to form and content, the financial reporting standards of IFRS and, subject to and in accordance with IFRS:
 - 31.6.1 present fairly the state of affairs and business of the Company and explain the transactions and financial position of the business of the Company;
 - 31.6.2 show the Company's assets, liabilities and equity, as well as its income and expenses and any other prescribed information;
 - 31.6.3 set out the date on which the statements were produced and the accounting period to which they apply; and
 - 31.6.4 bear a prominent notice indicating that the annual financial statements have been audited and the name and professional designation of the person who prepared them."

33. "DISTRIBUTIONS

- 33.1 Subject to the provisions of the Act, and particularly section 46, the Company may make a proposed distribution if such distribution:
 - 33.1.1 is pursuant to an existing legal obligation of the Company, or a court order; or
 - 33.1.2 is authorised by resolution of the Board,
 and in compliance with the JSE Listings Requirements.
- 33.2 Subject to clause 33.1, the Company, to the extent required, shall comply with the JSE Listings Requirements as regards Real Estate Investment Trusts.
- 33.3 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.
- 33.4 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.
- 33.5 The Directors may from time to time declare and pay to the Shareholders such interim distributions as the Directors consider to be appropriate.
- 33.6 All unclaimed monies due to Shareholders will be held by or on behalf of the Company in trust for the benefit of the Shareholder concerned until claimed, provided that, subject to the provisions of the Prescription Act, 68 of 1969, as amended from time to time and any other applicable laws of prescription, monies unclaimed for a period of 3 (three) years from the date on which they were declared (or such longer period as may be required under the laws of prescription) 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.
- 33.7 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:
 - 33.7.1 the holder at his registered address;
 - 33.7.2 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
 - 33.7.3 such person and at such address as the holder or joint holders may in writing direct..."
- 33.13 "A distribution may also be paid in any other way determined by the Directors, including without limitation by means of electronic funds transfer, 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..."



RESILIENT PROPERTY INCOME FUND LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 2002/016851/06)
JSE share code: RES ISIN: ZAE000043642
(Approved as a REIT by the JSE)
("Resilient" or "the company")

NOTICE OF DEBENTURE HOLDERS SCHEME MEETING

THE ATTENTION OF DEBENTURE HOLDERS IS DRAWN TO APPENDIX A OF ANNEXURE 1 OF THE CIRCULAR TO WHICH THIS NOTICE OF DEBENTURE HOLDERS SCHEME MEETING IS ATTACHED, BEING THE INDEPENDENT EXPERT'S REPORT, WHICH SETS OUT THE PROVISIONS OF SECTION 115 OF THE COMPANIES ACT NO. 71 OF 2008.

Notice is hereby given that a scheme meeting of the debenture holders of the company ("**debenture holders**") will be held at 10:00 on Monday, 30 June 2014 at the registered office of the company at 4th Floor, Rivonia Village, Rivonia Boulevard, Rivonia, 2191 (the "**debenture holders scheme meeting**"), for the purpose of considering and, if deemed fit, passing with or without modification, the resolutions set out below.

Important dates to note	2014
Record date to receive circular (together with the notices convening the debenture holders scheme meeting and the shareholders general meeting)	Friday, 23 May
Circular (together with the notices convening the debenture holders scheme meeting and the shareholders general meeting) posted	Thursday, 29 May
Last day to trade in order to be eligible to vote at the debenture holders scheme meeting and the shareholders general meeting	Thursday, 12 June
Voting record date	Friday, 20 June
Last day to lodge forms of proxy for the debenture holders scheme meeting (by 10:00)	Thursday, 26 June
Last day to lodge forms of proxy for the shareholders general meeting (by 10:30)	Thursday, 26 June
Debenture holders scheme meeting held at 10:00	Monday, 30 June
Shareholders general meeting held at the later of 10:30 or 10 minutes after the completion of the debenture holders scheme meeting	Monday, 30 June
Last date on which debenture holders can make application to court in terms of section 115(3)(a) of the Companies Act if the scheme is approved by debenture holders at the debenture holders scheme meeting but with sufficient opposing votes that debenture holders may require the company to obtain court approval for the scheme as contemplated in section 115(3)(a)	Wednesday, 9 July

Where appropriate and applicable the terms defined in the circular to which this notice of debenture holders scheme meeting is attached and forms part of bear the same meanings in this notice of debenture holders scheme meeting, and in particular, in the resolutions set out below.

This notice of debenture holders scheme meeting includes resolutions upon which debenture holders are required to vote under the Debenture Trust Deed.

In terms of section 62(3)(e) of the Companies Act, 71 of 2008 (the "**Companies Act**"):

- a debenture holder who is entitled to attend and vote at the debenture holder scheme meeting in respect of the debenture holder resolutions is entitled to appoint a proxy or two or more proxies to attend and participate in and vote at the debenture holders scheme meeting in the place of the debenture holder;
- a proxy need not be a shareholder or debenture holder of the company.

Kindly note that meeting participants (including proxies) are required to provide reasonably satisfactory identification before being entitled to attend or participate in a meeting. In this regard, all debenture holders recorded in the registers of the company on the voting record date will be required to provide identification satisfactory to the chairman of the debenture scheme meeting. Forms of identification include valid identity documents, drivers licenses and passports.

WHEREAS:

1. THE SCHEME

- 1.1 As announced on SENS on 21 June 2013 Resilient's application for REIT status was approved by the JSE with effect from 1 July 2013. The JSE REIT approval process included confirmations and undertakings by the board that the company would comply with Section 13 of the Listings Requirements in order for the company to secure and retain its REIT status.
- 1.2 The board proposes converting the company's current linked unit capital structure to an all share structure so as to:
 - 1.2.1 ensure compliance with section 13 of the Listings Requirements;
 - 1.2.2 align the company's capital structure with the internationally recognised all equity REIT capital structures;
 - 1.2.3 simplify the administration and accounting treatment of the company's capital structure; and
 - 1.2.4 remove the cost structure associated with debentures.
- 1.3 The conversion of the company's current linked unit capital structure to an all share structure will be implemented by:
 - 1.3.1 the delinking of each of the ordinary shares from a debenture so as to no longer constitute a linked unit;
 - 1.3.2 the cancellation of each debenture and concomitant waiver, for no consideration, by the debenture holders of their right to be repaid the debt reflected in each debenture (being the issue price of each debenture) or receive any other form of compensation;
 - 1.3.3 the capitalisation of the value allocated to each debenture in the books of account of the company, equating to the issue price of each debenture (which will, pursuant to the waiver by each of the debenture holders of the right to be repaid the debt reflected in each debenture, constitute a profit and be available for capitalisation for no consideration), to Resilient's stated capital account; and
 - 1.3.4 the termination of the Debenture Trust Deed, without payment or other compensation to debenture holders,to be effected by way of a scheme of arrangement in terms of section 114 of the Companies Act, which scheme is being proposed by the company between the company and its debenture holders ("**the scheme**").

2. AMENDMENT AND TERMINATION OF THE DEBENTURE TRUST DEED

- 2.1 In order to enable the scheme to be proposed by the company between the company and its debenture holders, certain amendments to the Debenture Trust Deed are required to be executed under this notice of debenture holders scheme meeting. Debenture holders will be requested to authorise and approve the amendments to the Debenture Trust Deed.
- 2.2 Under the company's Debenture Trust Deed, the power to agree to any variation or modification of any of the rights of the debenture holders, subject to the consent or concurrence of the company, may only be exercised by the debenture holders by special resolution.
- 2.3 Accordingly, the delinking of each ordinary share from a debenture so as to no longer constitute a linked unit (the "**delinking**") requires the passing of a special resolution by debenture holders at a separate meeting from ordinary shareholders approving such delinking.
- 2.4 In addition, debenture holders will be requested to authorise and approve, upon implementation of the scheme, the subsequent termination of the Debenture Trust Deed.

NOW THEREFORE THE FOLLOWING RESOLUTIONS ARE PROPOSED:

DEBENTURE HOLDER SPECIAL RESOLUTION NUMBER 1: AMENDMENT OF THE DEBENTURE TRUST DEED

"It is resolved that, in order to enable the company to propose the scheme between the company and its debenture holders, the following amendments to the Debenture Trust Deed authorising the board of directors of the company to propose the scheme is required and such amendments are hereby approved with effect from the date of passing of this debenture holder special resolution number 1 by the requisite majority of debenture holders:

- 1.1 the deletion of clause 1.2.1 of the Debenture Trust Deed being the definition of “Act” and replacing it with the following new clause 1.2.1:
- “1.2.1 “Act” means the Companies Act 71 of 2008, including any amendment, consolidation or re-enactment thereof;”*
- 1.2 the inclusion of the following new clause into the Debenture Trust Deed as clause 20.5 after clause 20.4:
- “20.5 Notwithstanding anything to the contrary contained in this deed and in no way limiting the provision of clause 20.4.1 of this deed, the board of directors of the company may, pursuant to section 114 of the Act and subject to approval by way of a special resolution of the debenture holders in terms of section 115 of the Act, propose and implement the following arrangement between the company and its debenture holders:*
- 20.5.1 the ordinary shares and the debentures forming the linked units are delinked for the purpose of the capitalisation as contemplated in clause 20.5.3 below; and thereafter*
- 20.5.2 all the debentures are cancelled on the basis that each debenture holder shall waive, for no consideration, his/her/its right to receive the value allocated to each of the debentures in the books of the company or to receive any other form of compensation; and thereafter*
- 20.5.3 the value allocated to the debentures in the books of the account of the company, equating to the issue price of each of the debentures (which will, pursuant to the waiver by each of the debenture holders of the right to be repaid the debt reflected in each debenture, constitute a profit and be available for capitalisation for no consideration), is allocated to form part of the company’s stated capital account; and thereafter*
- 20.5.4 the trust deed is terminated, without payment or other compensation to debenture holders, which scheme shall, subject to the passing of the special resolution by the requisite majority of debenture holders, be binding on all debenture holders.”*

Any member of the board of directors of the company and the trustee is further authorised to execute any supplemental trust deed embodying the amendments referred to above.”

Voting requirement

Debenture holder special resolution number 1 will require the support of a majority of not less than 75% of the votes cast by debenture holders present in person or represented by proxy, to be approved.

Reason for and effect of debenture holder special resolution number 1

The reason for debenture holder special resolution number 1 is to approve the amendment of the Debenture Trust Deed, in order to enable the company to propose the scheme of arrangement between the company and its debenture holders. The effect of debenture holder special resolution number 1 is that the Debenture Trust Deed will be amended and the company will be authorised in terms of the Debenture Trust Deed to propose and give effect to a scheme of arrangement, as contemplated in the amended Debenture Trust Deed.

DEBENTURE HOLDER SPECIAL RESOLUTION NUMBER 2: DELINKING OF LINKED UNITS

“It is resolved that, it being acknowledged that the company has consented to the delinking of each of the company’s ordinary shares from a debenture as referred to herein, subject to the fulfilment (and/or waiver) of the conditions precedent to the scheme of arrangement, which conditions precedent are set out in the circular to Resilient linked unitholders to which this notice of debenture holders scheme meeting is attached, the delinking of each of the company’s ordinary shares from a debenture so as to no longer constitute a linked unit be and is hereby approved as is required under clause 20.4.2 of the Debenture Trust Deed, so that an ordinary share may be created and issued, sold or otherwise disposed of without being linked to a debenture as a linked unit.”

Voting requirement

Debenture holder special resolution number 2 will require, in terms of clause 20.4.2 of the Debenture Trust Deed, the support of a majority of not less than 75% of the votes cast by debenture holders present in person or represented by proxy, to be approved.

Reason for and effect of debenture holder special resolution number 2

The reason for debenture holder special resolution number 2 is to obtain the approval of debenture holders for the delinking of each of the company’s ordinary shares from a debenture so as to no longer constitute a linked unit as is required under clause 20.4.2 of the Debenture Trust Deed. The effect of debenture holder special resolution number 2 is that each of the linked units in the issued capital of the company will be delinked and each of the authorised ordinary shares will no longer be required to be issued linked to a debenture as a linked unit.

DEBENTURE HOLDER SPECIAL RESOLUTION NUMBER 3: APPROVAL OF THE SCHEME

“It is resolved that, subject to the fulfilment (and/or waiver) of the conditions precedent to the scheme of arrangement, which conditions precedent are set out in the circular to Resilient linked unitholders to which this notice of debenture holders scheme meeting is attached, the company be and is hereby authorised in terms of section 115 of the Companies Act, 71 of 2008 (the “**Companies Act**”) to implement a scheme of arrangement in terms of section 114 of the Companies Act between the company and its debenture holders, pursuant to which:

- 3.1 each linked unit of the company, comprising 1 ordinary no par value share indivisibly linked to 1 debenture with a nominal value of R4.80 will be delinked into 1 ordinary share and 1 debenture; immediately thereafter
- 3.2 the company shall cancel all of the debentures on the basis that each debenture holder waives, for no consideration, his/her/its right to receive the value allocated to the debentures in the books of the company (being the issue price of each debenture), or to receive any other form of compensation; immediately thereafter
- 3.3 the company will capitalise the value allocated to each of the debentures in the books of account of the company, equating to the issue price of each of the debentures, (which will, pursuant to the waiver by each of the debenture holders of the right to be repaid the debt reflected in each debenture, constitute a profit and be available for capitalisation for no consideration), to form part of the company’s stated capital account; and immediately thereafter
- 3.4 the company shall terminate the Debenture Trust Deed (as amended pursuant to debenture holder special resolution number 1), without payment or other compensation to debenture holders.”

Voting and approval requirements

Debenture holder special resolution number 3 will, in terms of section 115 of the Companies Act and in terms of clause 20.4.1 of the Debenture Trust Deed and, subject to the approval of debenture holder special resolution number 1 by the requisite majority of debenture holders, in terms of the new clause 20.5 of the Debenture Trust Deed, require the support of a majority of not less than 75% of the votes cast by debenture holders present in person or represented by proxy, to be approved.

In terms of section 115(1) and section 115(2) of the Companies Act, a company may only implement a scheme of arrangement in terms of section 114 of the Companies Act if such scheme of arrangement is approved by special resolution adopted by persons entitled to vote on such a matter, at a meeting called for that purpose and at which sufficient persons are present to exercise, in aggregate, at least 25% of all voting rights that are entitled to be exercised on the special resolution.

In terms of clause 20.4 of the Debenture Trust Deed, the power to bind the debenture holders to any compromise or arrangement to be made between the company and the debenture holders, as well as the power to agree to any variation or modification of any of the rights of the debenture holders, may only be exercised by the debenture holders by special resolution.

Additionally, in terms of the new clause 20.5 of the Debenture Trust Deed (referred to in debenture holder special resolution number 1) the board of directors of the company may, pursuant to section 114 of the Companies Act and subject to approval by way of a special resolution of debenture holders in terms of section 115 of the Companies Act, propose and implement a scheme of arrangement (as detailed in this debenture holder special resolution number 3) which scheme shall, subject to the passing of the special resolution by the requisite majority of debenture holders, be binding on all debenture holders.

Reason for and effect of debenture holder special resolution number 3

The reason for debenture holder special resolution number 3 is to obtain the approval of debenture holders, in terms of section 114 read with section 115 of the Companies Act, 2008, as well as clause 20.4 of the Debenture Trust Deed and the new clause 20.5 of the Debenture Trust Deed (referred to in debenture holder special resolution number 1) for the scheme of arrangement proposed by the board between the company and the debenture holders.

The effect of debenture special resolution number 3 and the scheme is that linked unitholders will retain the same share as held as part of the linked unit but that the debenture component of the linked unit will be cancelled and the company’s stated capital will be increased by the same amount as the issue price of the cancelled debenture. Following the implementation of the scheme, the debentures will be absent and accordingly erstwhile linked unitholders will no longer enjoy the rights attaching to the debentures. The shares will still be held and the inherent rights of the shares remain unchanged, save that the shares will be capable of being traded without the debenture and that the shares will be backed by a larger pool of stated capital.

DEBENTURE HOLDER SPECIAL RESOLUTION NUMBER 4: TERMINATION OF THE DEBENTURE TRUST DEED

“It is resolved that, subject to the passing of debenture holder special resolution number 3 set out above by the requisite majority of debenture holders, with effect from the date of implementation of the scheme referred to in debenture holder special resolution number 3, the Resilient Debenture Trust Deed be terminated without payment or other compensation to debenture holders.”

Voting requirement

Debenture holder special resolution number 4 will require the support of a majority of not less than 75% of the votes cast by debenture holders present in person or represented by proxy, to be approved.

Reason for and effect of debenture holder special resolution number 4

The reason for debenture holder special resolution number 4 is to approve the termination of the Debenture Trust Deed and the effect of debenture holder special resolution number 4 is that the Debenture Trust Deed will be terminated with effect from the date of implementation of the scheme referred to in debenture holder special resolution number 3.

DEBENTURE HOLDER ORDINARY RESOLUTION NUMBER 1: GENERAL AUTHORITY

“It is resolved that any of the directors of the company and/or the company secretary be and are hereby authorised to sign all such documents and do all such other things as may be necessary for or incidental to the implementation of the above special resolutions.”

Voting requirement

Debenture holder ordinary resolution number 1 will require, upon a show of hands, the support of a majority of the debenture holders present in person and voting thereat, or, if a poll is duly demanded, the support of a majority of the votes cast at such poll by debenture holders present in person or represented by proxy, to be approved.

WAIVER OF CONDITIONS

It is specifically recorded and agreed that any of the conditions to which a resolution may be subject is and will remain capable of waiver by the board of directors of the company without any further debenture holder approval being required.

QUORUM

A quorum for the purposes of considering the debenture holder special resolutions above shall consist of the debenture holders present in person or represented by proxy and holding in aggregate a minimum of 25% of the debentures then in issue. A quorum for the purposes of considering debenture holder ordinary resolution number 1 shall consist of the debenture holders present in person or represented by proxy and holding in aggregate not less than one-tenth of the debentures then in issue. The date on which debenture holders must be recorded as such in the register maintained by the transfer secretaries, Link Market Services South Africa Proprietary Limited, for the purposes of being entitled to attend, participate in and vote at the debenture holders scheme meeting is Friday, 20 June 2014.

DEBENTURE HOLDERS

General instructions

Debenture holders are encouraged to attend, speak and vote at the debenture holders scheme meeting.

Electronic participation

The company has made provision for debenture holders or their proxies to participate electronically in the debenture holders scheme meeting by way of telephone conferencing. Should you wish to participate in the debenture holders scheme meeting by telephone conference call as aforesaid, you, or your proxy, will be required to advise the company thereof by no later than 10:00 on Thursday, 26 June 2014, by submitting by e-mail to the company secretary at sookdeyur@resilient.co.za or by fax to +27 11 612 6869, for the attention of Rajeshree Sookdeyu, relevant contact details, including an e-mail address, cellular and landline number as well as full details of the debenture holder's title to securities issued by the company and proof of identity, in the form of copies of identity documents and share certificates (in the case of certificated linked units) and (in the case of dematerialised linked units) written confirmation from the debenture holder's Central Securities Depository Participant (“CSDP”) confirming the debenture holder's title to the dematerialised linked units. Upon receipt of the required information, the debenture holder concerned will be provided with a secure code and instructions to access the electronic communication during the debenture holders scheme meeting. Debenture holders must note that access to the electronic communication will be at the expense of the debenture holders who wish to utilise the facility.

Debenture holders and their appointed proxies attending by conference call will not be able to cast their votes at the debenture holders scheme meeting through this medium.

Proxies and authority for representatives to act

A form of proxy is attached for the convenience of any debenture holder holding certificated linked units, who cannot attend the debenture holders scheme meeting but wishes to be represented thereat.

The attached form of proxy is only to be completed by those debenture holders who are:

- holding linked units in certificated form; or
- recorded on the company's sub-register in dematerialised electronic form with “own-name” registration.

All other beneficial owners who have dematerialised their units through a CSDP or broker and wish to attend the debenture holders scheme meeting, must instruct their CSDP or broker to provide them with the necessary letter of representation, or they must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker. These debenture holders must not use a form of proxy.

Forms of proxy must be deposited at the transfer secretaries, Link Market Services South Africa Proprietary Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, 2001 (PO Box 4844, Johannesburg, 2000) to be received by no later than 10:00 on Thursday, 26 June 2014, failing which, subject to the provisions of the Companies Act, such proxy shall be invalid.

A proxy shall be deemed to have the right to demand or join in demanding a poll.

A vote given in accordance with the terms of a proxy shall be valid notwithstanding the previous death or incapacity of the debenture holder concerned or revocation of the proxy or of the authority under which the proxy was executed or the transfer of debentures in respect of which the proxy was given, provided that no intimation in writing of such death, incapacity or revocation shall have been received by the company at the office of its transfer secretaries more than, and that the transfer has been given effect to by the company less than, 30 (thirty) minutes before the commencement of the debenture holders scheme meeting.

A company that is a debenture holder, wishing to attend and participate at the debenture holders scheme meeting should ensure that a resolution authorising a representative to so attend and participate at the debenture holders scheme meeting on its behalf is passed by its directors. Resolutions authorising representatives in terms of section 57(5) of the Companies Act must be lodged with the company's transfer secretaries prior to the debenture holders scheme meeting.

The company does not accept responsibility and will not be held liable for any failure on the part of the CSDP or broker of a dematerialised unitholder to notify such debenture holder of the debenture holders scheme meeting or any business to be conducted thereat.

GENERAL NOTES

1. A member entitled to attend and vote at the debenture holders scheme meeting may appoint a proxy to attend, speak and vote in his or her stead. A proxy need not be a member of the company.
2. All forms of proxy or other instruments of authority must be deposited with the transfer secretaries, so as to be received no later than 10:00 on Thursday, 26 June 2014, failing which, subject to the provisions of the Companies Act, the proxy shall be invalid. A debenture holder which is a company or other body corporate may, by resolution of its directors or other governing body, authorise any person to act as its representative at the debenture holders scheme meeting.
3. Debenture holders who have not dematerialised their linked units and "own-name" dematerialised unitholders who are unable to attend the debenture holders scheme meeting and wish to be represented thereat, must complete the attached form of proxy in accordance with the instructions therein and return it to the transfer secretaries, so as to be received no later than 10:00 on Thursday, 26 June 2014.
4. Debenture holders who have dematerialised their linked units with a CSDP or broker, other than with "own-name" registration, should advise their CSDP or broker with their voting instruction in terms of the agreement entered into between them and their CSDP or broker. Linked unitholders who have dematerialised their linked units and wish to attend the debenture holders scheme meeting must contact their CSDP or broker who will furnish them with the necessary authority to attend the debenture holders scheme meeting.
5. Debenture holders who have dematerialised their linked units, other than with "own-name" registration, must not return the form of proxy to the transfer secretaries. Their instructions must be sent to their CSDP or broker for action.
6. On a show of hands, every debenture holder present in person or as a representative of a company or other body corporate shall have only one vote.
7. On a poll, every debenture holder present in person or as a representative of a company or other body corporate or represented by proxy shall have one vote for every debenture of which he is the registered holder or representative.

By order of the board

Resilient Property Income Fund Limited

29 May 2014

Registered office

4th Floor
Rivonia Village
Rivonia Boulevard
Rivonia, 2191



RESILIENT PROPERTY INCOME FUND LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 2002/016851/06)
JSE share code: RES ISIN: ZAE000043642
(Approved as a REIT by the JSE)
("Resilient" or "the company")

NOTICE OF SHAREHOLDERS GENERAL MEETING

Notice is hereby given that a general meeting of the shareholders of the company ("**shareholders**") will be held at the later of 10:30 or 10 minutes after the completion of the debenture holders scheme meeting on Monday, 30 June 2014 at the registered office of the company at 4th Floor, Rivonia Village, Rivonia Boulevard, Rivonia, 2191 (the "**shareholders general meeting**"), for the purpose of considering and, if deemed fit, passing with or without modification, the resolutions set out below.

Important dates to note	2014
Record date to receive circular (together with the notices convening the debenture holders scheme meeting and the shareholders general meeting)	Friday, 23 May
Circular (together with the notices convening the debenture holders scheme meeting and the shareholders general meeting) posted	Thursday, 29 May
Last day to trade in order to be eligible to vote at the debenture holders scheme meeting and the shareholders general meeting	Thursday, 12 June
Voting record date	Friday, 20 June
Last day to lodge forms of proxy for the debenture holders scheme meeting (by 10:00)	Thursday, 26 June
Last day to lodge forms of proxy for the shareholders general meeting (by 10:30)	Thursday, 26 June
Debenture holders scheme meeting held at 10:00	Monday, 30 June
Shareholders general meeting held at the later of 10:30 or 10 minutes after the completion of the debenture holders scheme meeting	Monday, 30 June

Where appropriate and applicable the terms defined in the circular to which this notice of shareholders general meeting is attached and forms part of bear the same meanings in this notice of shareholders general meeting, and in particular, in the resolutions set out below.

Due to the expanded meaning of "shareholder" in section 57(1) of the Companies Act, 71 of 2008, as amended (the "**Companies Act**" or "**Act**") the company has expanded this notice to shareholders and debenture holders for a "combined" meeting. Due to the company's linked unit structure, its shareholders are also its debenture holders, however, the matters to be voted on at the shareholders general meeting are matters on which shareholders, and not debenture holders, are entitled to vote.

In terms of section 62(3)(e) of the Companies Act:

- a shareholder who is entitled to attend and vote at the shareholders general meeting in respect of the shareholder resolutions is entitled to appoint a proxy or two or more proxies to attend, participate in and vote at the shareholders general meeting in the place of the shareholder;
- a proxy need not be a shareholder or debenture holder of the company.

Kindly note that meeting participants (including proxies) are required to provide reasonably satisfactory identification before being entitled to attend or participate in a meeting. In this regard, all shareholders recorded in the registers of the company on the voting record date will be required to provide identification satisfactory to the chairman of the shareholders general meeting. Forms of identification include valid identity documents, drivers licenses and passports.

WHEREAS:

1. PAR VALUE CONVERSION

- 1.1 Under the Companies Act, all companies having par value shares are no longer able to create and authorise any further par value shares. Accordingly, in order for the company to increase its authorised share capital, the company would like to propose to its shareholders the special resolution which is required to convert the company's par value ordinary shares to ordinary shares of no par value.
- 1.2 The board has satisfied itself that the conversion from par value ordinary shares to ordinary shares of no par value will have no effect on the shareholders of the company.
- 1.3 Accordingly, shareholders are being requested to approve the special resolution necessary to convert the company's authorised and issued ordinary shares with a par value of R0.01 each into ordinary shares of no par value on the basis that each existing ordinary share of par value will be converted to one ordinary no par value share ("**the par value conversion**").

2. THE AUTHORISED SHARE CAPITAL INCREASE

- 2.1 In order for the company to issue further shares as consideration for potential acquisitions and for possible capital raisings in the future, subject to the necessary consents and approvals of the shareholders, the JSE and any other relevant regulatory authorities being in place, it is necessary to increase the authorised share capital of the company.
- 2.2 Accordingly, shareholders will be requested to approve the special resolutions necessary to implement an increase in the authorised ordinary share capital of the company from 400 000 000 ordinary shares of no par value to 1 000 000 000 ordinary shares of no par value by the creation of an additional 600 000 000 ordinary shares of no par value (the "**authorised share capital increase**").

3. THE SCHEME

- 3.1 As announced on SENS on 21 June 2013, Resilient's application for REIT status was approved by the JSE with effect from 1 July 2013. The JSE REIT approval process included confirmations and undertakings by the board that the company would comply with Section 13 of the Listings Requirements in order for the company to secure and retain its REIT status.
- 3.2 The board proposes converting the company's current linked unit capital structure to an all share structure so as to:
 - 3.2.1 ensure compliance with section 13 of the Listings Requirements;
 - 3.2.2 align the company's capital structure with the internationally recognised all equity REIT capital structures;
 - 3.2.3 simplify the administration and accounting treatment of the company's capital structure; and
 - 3.2.4 remove the cost structure associated with debentures.
- 3.3 The conversion of the company's current linked unit capital structure to an all share structure will be implemented by:
 - 3.3.1 the delinking of each ordinary share from a debenture so as to no longer constitute a linked unit;
 - 3.3.2 the cancellation of each debenture and concomitant waiver, for no consideration, by the debenture holders of their right to be repaid the debt reflected in each debenture (being the issue price of each debenture) or to receive any other form of compensation;
 - 3.3.3 the capitalisation of the value allocated to each debenture in the books of account of the company, equating to the issue price of each debenture (which will, pursuant to the waiver by each of the debenture holders of the right to be repaid the debt reflected in each debenture, constitute a profit and be available for capitalisation for no consideration), to Resilient's stated capital account; and
 - 3.3.4 the termination of the Debenture Trust Deed without payment or other compensation to debenture holders,

to be effected by way of a scheme of arrangement in terms of section 114 of the Companies Act, which scheme is being proposed by the company between the company and its debenture holders ("**the scheme**").

4. AMENDMENT THE MEMORANDUM OF INCORPORATION, ADOPTION OF NEW MEMORANDUM OF INCORPORATION AND AMENDMENT AND TERMINATION OF THE DEBENTURE TRUST DEED

- 4.1 The passing of the requisite resolutions authorising and approving:
- 4.1.1 the par value conversion;
 - 4.1.2 the authorised share capital increase; and
 - 4.1.3 the scheme,
- will necessitate certain amendments to the company's Memorandum of Incorporation and Debenture Trust Deed as well as the adoption of a new Memorandum of Incorporation.
- 4.2 Under this notice of shareholders general meeting, shareholders will be requested to authorise and approve each of the amendments to the Memorandum of Incorporation, the par value conversion, the authorised share capital increase and the delinking of the linked units and the adoption of a new Memorandum of Incorporation.
- 4.3 In addition, under the notice of debenture holders scheme meeting, debenture holders will be requested to authorise and approve:
- 4.3.1 various amendments to the Debenture Trust Deed;
 - 4.3.2 the delinking of the linked units;
 - 4.3.3 the scheme; and
 - 4.3.4 upon implementation of the scheme, the subsequent termination of the Debenture Trust Deed.

NOW THEREFORE THE FOLLOWING RESOLUTIONS ARE PROPOSED:

SHAREHOLDER SPECIAL RESOLUTION NUMBER 1: PAR VALUE CONVERSION OF SHARES

"It is resolved that, in terms of Regulation 31(6)(b) of the Companies Act and article 8.7 of the company's existing Memorandum of Incorporation and subject to the approval and filing of this shareholder special resolution number 1 with the Companies and Intellectual Property Commission ("CIPC") that:

1. the existing authorised ordinary share capital of the company of R4 000 000, divided into 400 000 000 ordinary shares with a par value of R0.01 each be converted to 400 000 000 ordinary shares of no par value, without altering the substance of the specific rights and privileges associated with each such ordinary share on the understanding that:
 - 1.1 the transfer of all amounts standing to the credit of the share capital account and the share premium account to the stated capital account, be and is hereby authorised;
 - 1.2 the existing Memorandum of Incorporation of the company be and is hereby amended accordingly;
2. the existing issued ordinary share capital of the company of R2 933 390 divided into 293 339 070 ordinary shares with a par value of R0.01 each be converted into 293 339 070 ordinary shares of no par value without altering the substance of the specific rights and privileges associated with each such ordinary share, on the basis that each ordinary share of no par value shall have the rights and privileges which are the same as or equivalent to the rights and privileges which attached to such ordinary shares immediately prior to such conversion."

Voting requirement

Shareholder special resolution number 1 will require the support of at least 75% of the voting rights exercised thereon at the shareholders general meeting, present in person or represented by proxy, to be approved.

Reason for and effect of shareholder special resolution number 1

The reason for and effect of shareholder special resolution number 1 is to convert the company's authorised and issued ordinary share capital from ordinary shares with a par value of R0.01 each to ordinary shares of no par value. Shareholders are referred to the report required in terms of Regulation 31 of the Regulations to the Companies Act in respect of the proposed shareholder special resolution number 1, as set out in **Annexure 5** of the circular to which this notice of shareholders general meeting is attached.

SHAREHOLDER SPECIAL RESOLUTION NUMBER 2: INCREASE OF THE COMPANY'S AUTHORISED SHARE CAPITAL

"It is resolved that, in terms of article 8.1 of the company's existing Memorandum of Incorporation and subject to:

- the approval and filing of shareholder special resolution number 1 with the CIPC; and
- the approval and filing of this shareholder special resolution number 2 with the CIPC;

that the company's authorised ordinary share capital of 400 000 000 ordinary shares of no par value be increased to 1 000 000 000 ordinary shares of no par value by the creation of an additional 600 000 000 ordinary shares of no par value on the understanding that the existing Memorandum of Incorporation of the company be and is hereby amended accordingly."

Voting requirement

Shareholder special resolution number 2 will require the support of at least 75% of the voting rights exercised thereon at the shareholders general meeting, present in person or represented by proxy, to be approved.

Reason for and effect of shareholder special resolution number 2

The reason for and effect of shareholder special resolution number 2 is to increase the company's authorised ordinary share capital of 400 000 000 ordinary shares of no par value to 1 000 000 000 ordinary shares of no par value, allowing for the allotment and issue of ordinary shares in the company for possible acquisitions and capital raisings as are allowed for in its Memorandum of Incorporation, but subject to the necessary consents and approvals being in place by ordinary shareholders, the JSE and other regulatory authorities. The issued share capital of the company will remain unchanged.

SHAREHOLDER SPECIAL RESOLUTION NUMBER 3: AMENDMENT TO THE COMPANY'S MEMORANDUM OF INCORPORATION TO ENABLE THE DELINKING

"It is resolved that the company's existing Memorandum of Incorporation be amended by the deletion of clause 3.1 of the company's existing Memorandum of Incorporation in its entirety and the substitution of the following therefor:

"3.1 Subject to any relevant provisions of the memorandum of association of the company and the Statutes and without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares in the company, any shares whether in the initial or in any increased capital may be issued with such preferred, deferred, or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise, as the company may from time to time determine. Without derogating from the foregoing, unless and until otherwise resolved by the company by means of a special resolution of the shareholders amending this Memorandum of Incorporation, the shares may be issued on the basis that they are linked to debentures issued by the company in terms of a trust deed or deeds entered into by the company, which shares and debentures may only be acquired or disposed of as a linked unit. Preference shares may be issued and existing shares may be converted into preference shares on the basis that they are, or at the option of the company are liable, to be redeemed on such terms and in such manner as shall be prescribed in this memorandum of incorporation or the resolution authorising or effecting such issue or conversion,"

with effect from the date of filing and registration of shareholder special resolution number 3 with the CIPC."

Voting requirements

Shareholder special resolution number 3 will require the support of at least 75% of the voting rights exercised thereon at the shareholders general meeting, present in person or represented by proxy, to be approved.

Reason for and effect of shareholder special resolution number 3

The reason for shareholder special resolution number 3 is to obtain the approval of shareholders to amend the existing Memorandum of Incorporation of the company so as to enable the company to propose shareholder special resolution number 4 to its shareholders for the purpose of obtaining an approval from shareholders for the delinking of each of the company's ordinary shares from a debenture so as to no longer constitute a linked unit. The effect of shareholder special resolution number 3 is that the company will be able to propose shareholder special resolution number 4 to its shareholders.

SHAREHOLDER SPECIAL RESOLUTION NUMBER 4: DELINKING OF LINKED UNITS

"It is resolved that, subject to:

- the approval of shareholder special resolution number 3 relating to an amendment to the company's existing Memorandum of Incorporation, so as to enable this shareholder special resolution number 4 to be considered for adoption by shareholders, which upon approval will authorise the delinking of each of the company's ordinary shares from a debenture so as to no longer constitute a linked unit, and the filing of that shareholder special resolution number 3 with the CIPC;
- the fulfilment (and/or waiver) of the conditions precedent to the scheme of arrangement, which conditions precedent are set out in the circular to Resilient linked unitholders to which this notice of shareholders general meeting is attached,

the delinking of each of the company's ordinary shares from a debenture so as to no longer constitute a linked unit be and is hereby approved, so that an ordinary share may be created and issued, sold or otherwise disposed of without being linked to a debenture as a linked unit."

Voting and quorum requirement

Shareholder special resolution number 4 will require the support of at least 75% of the voting rights exercised thereon at the shareholders general meeting, present in person or represented by proxy, to be approved.

The quorum for the purposes of considering shareholder special resolution number 4 shall comprise shareholders present in person or represented by proxy and holding at least 51% of all of the voting rights that are entitled to be exercised by shareholders in respect of shareholder special resolution number 4.

Reason for and effect of shareholder special resolution number 4

The reason for shareholder special resolution number 4 is to obtain the approval of shareholders for the delinking of each of the company's ordinary shares from a debenture so as to no longer constitute a linked unit and to amend the company's existing Memorandum of Incorporation so that ordinary shares are no longer required to be created and issued, sold or otherwise disposed of as linked to debentures to comprise a linked unit. The effect of shareholder special resolution number 4 is that each of the linked units in the issued capital of the company will be delinked and each of the authorised ordinary shares will no longer be required to be issued linked to debentures as a linked unit.

SHAREHOLDER SPECIAL RESOLUTION NUMBER 5: ADOPTION OF NEW MEMORANDUM OF INCORPORATION

"It is resolved that, in accordance with section 16(1)(c) of the Companies Act and clause 8.4 of the company's existing Memorandum of Incorporation, and subject to:

- the approval of shareholder special resolution number 1 relating to the par value conversion by the requisite majority of shareholders and the filing of that special resolution with the CIPC;
- the approval of shareholder special resolution number 2 relating to the increase of the company's authorised share capital and the filing of that resolution with the CIPC;
- the approval of shareholder special resolution number 3 relating to the amendment of clause 3.1 of the company's existing Memorandum of Incorporation so as to enable the company to propose shareholder special resolution number 4 to be considered for adoption by shareholders which upon approval will authorise the delinking of each of the company's ordinary shares from a debenture so as to no longer constitute a linked unit and the filing of that special resolution number 3 with the CIPC; and
- the approval of shareholder special resolution number 4 relating to the delinking of each of the company's ordinary shares from a debenture so as to no longer constitute a linked unit by the requisite majority of shareholders and filing of that resolution with the CIPC,

the company's existing Memorandum of Incorporation shall be and is hereby substituted in its entirety with the new Memorandum of Incorporation tabled at this shareholders general meeting, and initialled by the chairman for identification purposes (the "new Memorandum of Incorporation"). The new Memorandum of Incorporation will take effect from the scheme operative date as defined in the circular to which this notice of shareholders general meeting is attached."

Voting requirement

Shareholder special resolution 5 will require the support of at least 75% of the voting rights exercised thereon at the shareholders general meeting, present in person or represented by proxy, to be approved.

Reason for and effect of shareholder special resolution number 5

The reason for and effect of shareholder special resolution number 5 is to consequently amend the company's existing Memorandum of Incorporation which amendments are required as a result of the delinking of each of the company's ordinary shares from a debenture so as to no longer constitute a linked unit.

Shareholders are referred to the circular to which this notice of shareholders general meeting is attached which provides further information in respect of the proposed new Memorandum of Incorporation. The salient features of the new Memorandum of Incorporation are set out in **Annexure 6** of the circular to which this notice of shareholders general meeting is attached.

The new Memorandum of Incorporation of the company will be available for inspection at the registered offices of the company, 4th Floor, Rivonia Village, Rivonia Boulevard, Rivonia, 2191, from the date of issue of this notice of shareholders general meeting to the date on which the shareholders general meeting is held.

SHAREHOLDER SPECIAL RESOLUTION NUMBER 6: APPROVAL OF THE PROVISION OF FINANCIAL ASSISTANCE FOR THE PURCHASE OF SECURITIES

“It is resolved that, subject to compliance with the requirements of the Companies Act, the Memorandum of Incorporation and the JSE Listings Requirements, the company, either as lender or as surety or guarantor for a lender, or otherwise is hereby authorised, from time to time, to provide financial assistance for the purchase of or subscription for its securities to The Resilient Education Trust on the following terms:

- the maximum additional capital amount (excluding interest, costs, charges, fees and expenses) of any such amounts lent or for which suretyships or guarantees are given may not exceed R500 million;
- the maximum period for the repayment of any loan provided or for which suretyships or guarantees are given in terms hereof may not exceed 10 years;
- the minimum interest rate to be applied to any loan provided may not be less than the prime overdraft rate of interest from time to time publically quoted as such by The Standard Bank of South Africa Limited.”

Voting requirement

Shareholder special resolution 6 will require the support of at least 75% of the voting rights exercised thereon at the shareholders general meeting, present in person or represented by proxy, to be approved.

Reason for and effect of shareholder special resolution number 6

The reason for shareholder special resolution number 6 is to afford the company authority to provide financial assistance to The Resilient Education Trust for the purchase of the company’s securities in terms of section 44 of the Companies Act for the purposes of effecting Black Economic Empowerment. The effect of shareholder special resolution number 6 is that the directors will have the authority, subject to the Memorandum of Incorporation, the JSE Listings Requirements and the Companies Act, to grant financial assistance on the terms set out in shareholder special resolution number 6.

SHAREHOLDER ORDINARY RESOLUTION NUMBER 1: GENERAL AUTHORITY

“It is resolved that any of the directors of the company and/or the company secretary be and is hereby authorised to sign all such documents and do all such other things as may be necessary for or incidental to the implementation of the above special resolutions.”

Voting requirement

Shareholder ordinary resolution number 1 will require the support of at least 50% of the voting rights exercised thereon at the shareholders general meeting, present in person or represented by proxy, to be approved.

WAIVER OF CONDITIONS

It is specifically recorded and agreed that any of the conditions to which a resolution may be subject is and will remain capable of waiver by the board of directors of the company without any further shareholder approval being required.

QUORUM

A quorum for the purposes of considering the shareholder resolutions above shall consist of three shareholders of the company personally present (and if the shareholder is a body corporate, it must be represented) and entitled to vote at the shareholders general meeting. In addition, a quorum shall comprise 25% of all the voting rights that are entitled to be exercised by shareholders in respect of each of shareholder special resolutions number 1, 2, 3, 5 and 6 and shareholder ordinary resolution number 1, to be decided at the shareholders general meeting.

The quorum for the purposes of considering shareholder special resolution number 4 shall comprise shareholders present in person or represented by proxy and holding at least 51% of the voting rights in respect of shareholder special resolution number 4.

The date on which shareholders must be recorded as such in the register maintained by the transfer secretaries, Link Market Services South Africa Proprietary Limited, for the purposes of being entitled to attend and participate in shareholders general meeting is Friday, 20 June 2014.

SHAREHOLDERS

General instructions

Shareholders are encouraged to attend, speak and vote at the shareholders general meeting.

Electronic participation

The company has made provision for shareholders or their proxies to participate electronically in the shareholders general meeting by way of telephone conferencing. Should you wish to participate in the shareholders general meeting by telephone conference call as aforesaid, you, or your proxy, will be required to advise the company thereof by no later than 10:30 on Thursday, 26 June 2014, by submitting by e-mail to the company secretary at sookdeyur@resilient.co.za or by fax to +27 11 612 6869 for the attention of Rajeshree Sookdeyu, relevant contact details, including an e-mail address, cellular and landline number as well as full details of the shareholder's title to securities issued by the company and proof of identity, in the form of copies of identity documents and share certificates (in the case of certificated linked units) and (in the case of dematerialised linked units) written confirmation from the shareholder's Central Securities Depository Participant ("CSDP") confirming the shareholder's title to the dematerialised linked units. Upon receipt of the required information, the shareholder concerned will be provided with a secure code and instructions to access the electronic communication during the shareholders general meeting. Shareholders must note that access to the electronic communication will be at the expense of the shareholders who wish to utilise the facility.

Shareholders and their appointed proxies attending by conference call will not be able to cast their votes at the shareholders general meeting through this medium.

Proxies and authority for representatives to act

A form of proxy is attached for the convenience of any shareholder holding certificated units, who cannot attend the shareholders general meeting but wishes to be represented thereat.

The attached form of proxy is only to be completed by those shareholders who are:

- holding units in certificated form; or
- recorded on the company's sub-register in dematerialised electronic form with "own-name" registration.

All other beneficial owners who have dematerialised their units through a CSDP or broker and wish to attend the shareholders general meeting, must instruct their CSDP or broker to provide them with the necessary letter of representation, or they must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker. These shareholders must not use a form of proxy.

Shareholders are requested to deposit forms of proxy with the transfer secretaries, Link Market Services South Africa Proprietary Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, 2001 (PO Box 4844, Johannesburg, 2000) to be received by no later than 10:30 on Thursday, 26 June 2014. Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend, speak and vote in person at the shareholders general meeting should the shareholder decide to do so.

A company that is a shareholder, wishing to attend and participate at the shareholders general meeting should ensure that a resolution authorising a representative to so attend and participate at the shareholders general meeting on its behalf is passed by its directors. Resolutions authorising representatives in terms of section 57(5) of the Companies Act must be lodged with the company's transfer secretaries prior to the shareholders general meeting.

The company does not accept responsibility and will not be held liable for any failure on the part of the CSDP or broker of a dematerialised unitholder to notify such shareholder of the shareholders general meeting or any business to be conducted thereat.

DEBENTURE HOLDERS

General instructions

Debenture holders are encouraged to attend and speak at the shareholders general meeting.

Electronic participation

The company has made provision for its debenture holders or their proxies to participate electronically in the shareholders general meeting by way of telephone conferencing. Should you wish to participate in the shareholders general meeting by telephone conference call as aforesaid, you, or your proxy, will be required to advise the company thereof by no later than 10:30 on Thursday, 26 June 2014, by submitting by e-mail to the company secretary at sookdeyur@resilient.co.za or by fax to +27 11 612 6869, for the attention of Rajeshree Sookdeyu, relevant contact details, including an e-mail address, cellular

and landline number as well as full details of the debenture holder's title to securities issued by the company and proof of identity, in the form of copies of identity documents and debenture certificates (in the case of certificated debentures) and (in the case of dematerialised debentures) written confirmation from the debenture holder's CSDP confirming the debenture holder's title to the dematerialised debentures. Upon receipt of the required information, the debenture holder concerned will be provided with a secure code and instructions to access the electronic communication during the shareholders general meeting. Debenture holders must note that access to the electronic communication will be at the expense of the debenture holder who wishes to utilise the facility.

Proxies and authority for representatives to act

Due to the company's linked unit structure, its shareholders are also its debenture holders and the matters to be voted on at the shareholders general meeting are matters on which shareholders and not debenture holders are entitled to vote.

Debenture holders wishing to appoint a proxy or two or more proxies to attend and participate (but not vote) in the shareholders general meeting may contact the company secretary at or by fax to +27 11 612 6869, to obtain such form of proxy.

The company does not accept responsibility and will not be held liable for any failure on the part of the CSDP or broker of a dematerialised debenture holder to notify such debenture holder of the shareholders general meeting or any business to be conducted thereat.

GENERAL NOTES

1. A member entitled to attend and vote at the shareholders general meeting may appoint a proxy to attend, speak and vote in his or her stead. A proxy need not be a member of the company.
2. Shareholders are requested to deposit all forms of proxy or other instruments of authority with the transfer secretaries, so as to be received no later than 10:30 on Thursday, 26 June 2014. A shareholder which is a company or other body corporate may, by resolution of its directors or other governing body, authorise any person to act as its representative at the shareholders general meeting.
3. Shareholders who have not dematerialised their linked units and "own-name" dematerialised unitholders who are unable to attend the shareholders general meeting and wish to be represented thereat, are requested to complete the attached form of proxy in accordance with the instructions therein and return it to the transfer secretaries, so as to be received no later than 10:30 on Thursday, 26 June 2014.
4. Shareholders who have dematerialised their linked units with a CSDP or broker, other than with "own-name" registration, should advise their CSDP or broker with their voting instruction in terms of the agreement entered into between them and their CSDP or broker. Linked unitholders who have dematerialised their linked units and wish to attend the shareholders general meeting must contact their CSDP or broker who will furnish them with the necessary authority to attend the shareholders general meeting.
5. Shareholders who have dematerialised their linked units, other than with "own-name" registration, must not return the form of proxy to the transfer secretaries. Their instructions must be sent to their CSDP or broker for action.
6. On a show of hands, every member present in person or every proxy representing a shareholder, shall have only one vote, irrespective of the number of linked units he or she holds.
7. On a poll, every shareholder present in person or represented by proxy shall have one vote for every share held by such shareholder.
8. A resolution put to the vote shall be decided by way of a poll.

By order of the board

Resilient Property Income Fund Limited

29 May 2014

Registered office

4th Floor
Rivonia Village
Rivonia Boulevard
Rivonia, 2191
2196



RESILIENT PROPERTY INCOME FUND LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 2002/016851/06)
JSE share code: RES ISIN: ZAE000043642
(Approved as a REIT by the JSE)
("Resilient" or "the company")

FORM OF PROXY – DEBENTURE HOLDERS SCHEME MEETING

THIS FORM OF PROXY IS ONLY FOR USE BY:

- registered debenture holders who have not yet dematerialised their debentures;
- registered debenture holders who have already dematerialised their debentures and which debentures are registered in their own names in the company's sub-register.

For completion by the aforesaid registered debenture holders who are unable to attend the scheme meeting of debenture holders of the company to be held at the offices of the company at 4th Floor, Rivonia Village, Rivonia Boulevard, Rivonia, 2191 at 10:00 on Monday, 30 June 2014 ("the debenture holders scheme meeting").

A separate form of proxy has been included for use by shareholders who are unable to attend the general meeting of shareholders of the company to be held at the offices of the company at 4th Floor, Rivonia Village, Rivonia Boulevard, Rivonia, 2191 at the later of 10:30 or 10 minutes after the completion of the debenture holders scheme meeting on Monday, 30 June 2014.

If you are a dematerialised debenture holder, other than with "own-name" registration, do not use this form. Dematerialised debenture holders, other than with "own-name" registration, should provide instructions to their appointed Central Securities Depository Participant ("CSDP") or broker in the form as stipulated in the agreement entered into between the debenture holder and the CSDP or broker.

I/We (FULL NAMES IN BLOCK LETTERS PLEASE)

of (address)

Telephone number

Cell phone number

being the holder(s) of Resilient debentures hereby appoint:

1. or failing him/her,
2. or failing him/her,

3. the chairman of the debenture holders scheme meeting

as my/our proxy to attend and speak and to vote for me/us and on my/our behalf at the debenture holders scheme meeting and at any adjournment or postponement thereof, for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed at the debenture holders scheme meeting, and, on a poll, to vote on the resolutions in respect of the debentures registered in my/our name(s):

Please indicate in the appropriate spaces below how you wish your votes to be cast. Unless this is done the proxy will vote as he/she deems fit.

	*In favour of	*Against	*Abstain
Debenture holder special resolution number 1 : Amendment of the Debenture Trust Deed			
Debenture holder special resolution number 2: Delinking of linked units			
Debenture holder special resolution number 3: Approval of the scheme			
Debenture holder special resolution number 4: Termination of the Debenture Trust Deed			
Debenture holder ordinary resolution number 1: General authority			

* One vote per debenture held by debenture holders recorded in the register on the voting record date.

Unless otherwise instructed my proxy may vote or abstain from voting as he/she thinks fit.

Signed this day of 2014

Signature

Assisted by me (where applicable)

(State capacity and full name)

A debenture holder entitled to attend and vote at the debenture holders scheme meeting is entitled to appoint a proxy to attend, speak and, on a poll, vote in his/her stead. A proxy need not be a member of the company. Each debenture holder, as the case may be, is entitled to appoint one or more proxies to attend, speak and, on a poll, vote in place of that debenture holder at the debenture holders scheme meeting.

Debenture holders are requested to deposit forms of proxy with Link Market Services South Africa Proprietary Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, 2001 (PO Box 4844, Johannesburg, 2000) to be received by no later than 10:00 on Thursday, 26 June 2014.

Please read notes on the reverse side hereof.

NOTES TO THE FORM OF PROXY:

1. Only debenture holders who are registered in the register of the company under their own name on the date on which debenture holders must be recorded as such in the register maintained by the transfer secretaries, Link Market Services South Africa Proprietary Limited being Friday, 20 June 2014 (the “**voting record date**”), may complete a form of proxy or attend the debenture holders scheme meeting. This includes debenture holders who have not dematerialised their linked units or who have dematerialised their linked units with “own-name” registration. The person whose name stands first on the form of proxy and who is present at the debenture holders scheme meeting will be entitled to act as proxy to the exclusion of those whose names follow. A proxy need not be a linked unitholder of the company.
2. Certificated debenture holders wishing to attend the debenture holders scheme meeting have to ensure beforehand with the transfer secretaries of the company (being Link Market Services South Africa Proprietary Limited) that their securities are registered in their own name.
3. Beneficial debenture holders whose debentures are not registered in their “own-name”, but in the name of another, for example, a nominee, may not complete a proxy form, unless a form of proxy is issued to them by a registered debenture holder and they should contact the registered debenture holder for assistance in issuing instructions on voting their shares, or obtaining a proxy to attend, speak and, on a poll, vote at the debenture holders scheme meeting.
4. Dematerialised debenture holders who have not elected “own-name” registration in the register of the company through a CSDP and who wish to attend the debenture holders scheme meeting, must instruct the CSDP or broker to provide them with the necessary authority to attend.
5. Dematerialised debenture holders who have not elected “own-name” registration in the register of the company through a CSDP and who are unable to attend, but wish to vote at the debenture holders scheme meeting, must timeously provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between that linked unitholder and the CSDP or broker.
6. A debenture holder may insert the name of a proxy or the names of two or more alternative proxies of the debenture holders choice in the space, with or without deleting “the chairman of the debenture holders scheme meeting”. The person whose name stands first on the form of proxy and who is present at the debenture holders scheme meeting will be entitled to act as proxy to the exclusion of those whose names follow.
7. A vote given in accordance with the terms of a proxy shall be valid notwithstanding the previous death or incapacity of the debenture holder concerned or revocation of the proxy or of the authority under which the proxy was executed or the transfer of debentures in respect of which the proxy was given, provided that no intimation in writing of such death, incapacity or revocation shall have been received by the company at the office of its transfer secretaries more than, and that the transfer has been given effect to by the company less than, 30 (thirty) minutes before the commencement of the debenture holders scheme meeting.
8. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy’s authority to act on behalf of the relevant debenture holder as of the later of the date:
 - 8.1 stated in the revocation instrument, if any; or
 - 8.2 upon which the revocation instrument is delivered to the proxy and the relevant company as required in section 58(4)(c)(ii) of the Companies Act, 71 of 2008, as amended (the “**Companies Act**”).
9. Should the instrument appointing a proxy or proxies have been delivered to the company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the company’s Memorandum of Incorporation to be delivered by the company to the debenture holder must be delivered by the company to:
 - 9.1 the debenture holder; or
 - 9.2 the proxy or proxies if the debenture holder has in writing directed the relevant company to do so and has paid any reasonable fee charged by the company for doing so.
10. A proxy is entitled to exercise, or abstain from exercising, any voting right of the relevant debenture holder without direction, except to the extent that the Debenture Trust Deed and/or Memorandum of Incorporation of the company or the instrument appointing the proxy provide otherwise.
11. If the company issues an invitation to debenture holders to appoint one or more persons named by the company as a proxy, or supplies a form of instrument appointing a proxy:
 - 11.1 such invitation must be sent to every debenture holder who is entitled to receive notice of the meeting at which the proxy is intended to be exercised;
 - 11.2 the company must not require that the proxy appointment be made irrevocable; and
 - 11.3 the proxy appointment remains valid only until the end of the relevant meeting at which it was intended to be used, unless revoked as contemplated in section 58(5) of the Companies Act.
12. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies. A deletion of any printed matter and the completion of any blank space(s) need not be signed or initialled.
13. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form unless previously recorded by the transfer secretaries of the company or waived by the chairman of the debenture holders scheme meeting.
14. A minor must be assisted by his/her parent/guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries.
15. A company holding linked units in the company that wishes to attend and participate at the debenture holders scheme meeting should ensure that a resolution authorising a representative to act is passed by its directors. Resolutions authorising representatives in terms of section 57(5) of the Companies Act must be lodged with the company’s transfer secretaries prior to the debenture holders scheme meeting.
16. Where there are joint holders of debentures any one of such persons may vote at any meeting in respect of such linked units as if he were solely entitled thereto; but if more than one of such joint holders be present or represented at the meeting, that one of the said persons whose name appears first in the register of debenture holders of such shares or his proxy, as the case may be, shall alone be entitled to vote in respect thereof.
17. On a show of hands, every debenture holder of the company present in person or as a representative of a company or other body corporate shall have one vote only. On a poll a debenture holder who is present in person or as a representative of a company or other body corporate or represented by a proxy shall have one vote for every debenture of which he is the registered holder or representative.
18. The chairman of the debenture holders scheme meeting may reject or accept any proxy which is completed and/or received other than in accordance with the instructions, provided that he shall not accept a proxy unless he is satisfied as to the matter in which a debenture holder wishes to vote.
19. A proxy may not delegate his/her authority to act on behalf of the debenture holder, to another person.
20. A debenture holder’s instruction to the proxy must be indicated by the insertion of the relevant number of debentures to be voted on behalf of that debenture holder in the appropriate space provided. Failure to comply with the above will be deemed to authorise the chairperson of the debenture holders scheme meeting, if the chairperson is the authorised proxy, to vote in favour of the resolutions at the debenture holders scheme meeting or other proxy to vote or to abstain from voting at the debenture holders scheme meeting as he/she deems fit, in respect of the debentures concerned. A debenture holder or the proxy is not obliged to use all the votes exercisable by the debenture holder or the proxy, but the total of votes cast in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the debenture holder or the proxy.
21. It is requested that this form of proxy be lodged or posted or faxed to the transfer secretaries, Link Market Services South Africa Proprietary Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, 2001 (PO Box 4844, Johannesburg, 2000) to be received by no later than 10:00 on Thursday, 26 June 2014.
22. A quorum for the purposes of considering:
 - 22.1 the debenture holders ordinary resolution shall consist of debenture holders present in person or represented by proxy and holding in aggregate not less than one-tenth of the debentures then in issue; and
 - 22.2 the debenture holders special resolutions shall consist of debenture holders present in person or represented by proxy and holding in aggregate a minimum of 25% of the debentures then in issue.
23. This form of proxy may be used at any adjournment or postponement of the debenture holders scheme meeting, including any postponement due to a lack of quorum, unless withdrawn by the debenture holder.
24. The foregoing notes contain a summary of the relevant provisions of section 58 of the Companies Act, as required in terms of that section.



RESILIENT PROPERTY INCOME FUND LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 2002/016851/06)
JSE share code: RES ISIN: ZAE000043642
(Approved as a REIT by the JSE)
("Resilient" or "the company")

FORM OF PROXY – SHAREHOLDERS GENERAL MEETING

THIS FORM OF PROXY IS ONLY FOR USE BY:

- registered shareholders who have not yet dematerialised their shares;
- registered shareholders who have already dematerialised their share and which shares are registered in their own names in the company's sub-register.

For completion by the aforesaid registered shareholders who are unable to attend the general meeting of shareholders of the company to be held at the offices of the company at 4th Floor, Rivonia Village, Rivonia Boulevard, Rivonia, 2191 at the later of 10:30 or 10 minutes after the completion of the debenture holders scheme meeting on Monday, 30 June 2014 ("the shareholders general meeting")

A separate form of proxy has been included for use by debenture holders who are unable to attend the debenture holders scheme meeting to be held at the offices of the company at 4th Floor, Rivonia Village, Rivonia Boulevard, Rivonia, 2191 at 10:00 on Monday, 30 June 2014.

If you are a dematerialised shareholder, other than with "own-name" registration, do not use this form. Dematerialised shareholders, other than with "own-name" registration, should provide instructions to their appointed Central Securities Depository Participant ("CSDP") or broker in the form as stipulated in the agreement entered into between the shareholder and the CSDP or broker.

I/We (FULL NAMES IN BLOCK LETTERS PLEASE)

of (address)

Telephone number

Cell phone number

being the holder(s) of Resilient debentures hereby appoint:

1. or failing him/her,

2. or failing him/her,

3. the chairman of the debenture holders scheme meeting

as my/our proxy to attend and speak and to vote for me/us and on my/our behalf at the shareholders general meeting and at any adjournment or postponement thereof, for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed at the shareholders general meeting, and to vote on the resolutions in respect of the share registered in my/our name(s):

Please indicate in the appropriate spaces below how you wish your votes to be cast. Unless this is done the proxy will vote as he/she deems fit.

	*In favour of	*Against	*Abstain
Shareholder special resolution number 1: Par value conversion of shares			
Shareholder special resolution number 2: Increase of the company's authorised share capital			
Shareholder special resolution number 3: Amendment to the company's Memorandum of Incorporation to enable the delinking			
Shareholder special resolution number 4: Delinking of linked units			
Shareholder special resolution number 5: Adoption of new Memorandum of Incorporation			
Shareholder special resolution number 6: Approval of the provision of financial assistance for the purchase of securities			
Shareholder ordinary resolution number 1: General authority			

* One vote per share held by shareholders recorded in the register on the voting record date.

Unless otherwise instructed my proxy may vote or abstain from voting as he/she thinks fit.

Signed this

day of

2014

Signature

Assisted by me (where applicable)

(State capacity and full name)

A shareholder entitled to attend and vote at the shareholders general meeting is entitled to appoint a proxy to attend, vote and speak in his/her stead. A proxy need not be a member of the company. Each is entitled to appoint one or more proxies to attend, speak and, on a poll, vote in place of that shareholder at the shareholders general meeting.

Shareholders are requested to deposit forms of proxy with Link Market Services South Africa Proprietary Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, 2001 (PO Box 4844, Johannesburg, 2000) to be received by no later than 10:30 on Thursday, 26 June 2014.

Please read notes on the reverse side hereof.

NOTES TO THE FORM OF PROXY:

1. Only shareholders who are registered in the register of the company under their own name on the date on which shareholders must be recorded as such in the register maintained by the transfer secretaries, Link Market Services South Africa Proprietary Limited, being Friday, 20 June 2014 (the “**voting record date**”), may complete a form of proxy or attend the shareholders general meeting. This includes shareholders who have not dematerialised their shares or who have dematerialised their shares with “own-name” registration. The person whose name stands first on the form of proxy and who is present at the shareholders general meeting will be entitled to act as proxy to the exclusion of those whose names follow. A proxy need not be a linked unitholder of the company.
2. Certificated shareholders wishing to attend the shareholders general meeting have to ensure beforehand with the transfer secretaries of the company (being Link Market Services South Africa Proprietary Limited) that their securities are registered in their own name.
3. Beneficial shareholders whose shares are not registered in their “own-name”, but in the name of another, for example, a nominee, may not complete a proxy form, unless a form of proxy is issued to them by a registered shareholder and they should contact the registered shareholder for assistance in issuing instructions on voting their shares, or obtaining a proxy to attend, speak and, on a poll, vote at the shareholders general meeting.
4. Dematerialised shareholders who have not elected “own-name” registration in the register of the company through a CSDP and who wish to attend the shareholders general meeting, must instruct the CSDP or broker to provide them with the necessary authority to attend.
5. Dematerialised shareholders who have not elected “own-name” registration in the register of the company through a CSDP and who are unable to attend, but wish to vote at the shareholders general meeting, must timeously provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between that shareholder and the CSDP or broker.
6. A shareholder may insert the name of a proxy or the names of two or more alternative proxies of the shareholder’s choice in the space, with or without deleting “the chairman of the shareholders general meeting”. The person whose name stands first on the form of proxy and who is present at the shareholders general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
7. The completion and lodging of this form will not preclude the relevant shareholder from attending the shareholders general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed, should such shareholder wish to do so. In addition to the foregoing, a shareholder may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and (ii) delivering a copy of the revocation instrument to the proxy, and to the company.
8. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy’s authority to act on behalf of the relevant shareholder as of the later of the date:
 - 8.1 stated in the revocation instrument, if any; or
 - 8.2 upon which the revocation instrument is delivered to the proxy and the relevant company as required in section 58(4)(c)(ii) of the Companies Act, 71 of 2008, as amended (the “**Companies Act**”).
9. Should the instrument appointing a proxy or proxies have been delivered to the company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the company’s Memorandum of Incorporation to be delivered by the company to the shareholder must be delivered by the company to:
 - 9.1 the shareholder; or
 - 9.2 the proxy or proxies if the shareholder has in writing directed the relevant company to do so and has paid any reasonable fee charged by the company for doing so.
10. A proxy is entitled to exercise, or abstain from exercising, any voting right of the relevant shareholder without direction, except to the extent that the Memorandum of Incorporation of the company or the instrument appointing the proxy provide otherwise.
11. If the company issues an invitation to shareholders to appoint one or more persons named by the company as a proxy, or supplies a form of instrument appointing a proxy:
 - 11.1 such invitation must be sent to every shareholder who is entitled to receive notice of the meeting at which the proxy is intended to be exercised;
 - 11.2 the company must not require that the proxy appointment be made irrevocable; and
 - 11.3 the proxy appointment remains valid only until the end of the relevant meeting at which it was intended to be used, unless revoked as contemplated in section 58(5) of the Companies Act.
12. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies. A deletion of any printed matter and the completion of any blank space(s) need not be signed or initialled.
13. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form unless previously recorded by the transfer secretaries of the company or waived by the chairman of the shareholders general meeting.
14. A minor must be assisted by his/her parent/guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries.
15. A company holding shares in the company that wishes to attend and participate at the shareholders general meeting should ensure that a resolution authorising a representative to act is passed by its directors. Resolutions authorising representatives in terms of section 57(5) of the Companies Act must be lodged with the company’s transfer secretaries prior to the shareholders general meeting.
16. Where there are joint holders of shares any one of such persons may vote at any meeting in respect of such shares as if he were solely entitled thereto; but if more than one of such joint holders be present or represented at the meeting, that one of the said persons whose name appears first in the register of shareholders of such shares or his proxy, as the case may be, shall alone be entitled to vote in respect thereof.
17. On a show of hands, every shareholder of the company present in person or represented by proxy shall have one vote only. On a poll a shareholder who is present in person or represented by a proxy shall be entitled to that proportion of the total votes in the company which the aggregate amount of the nominal value of the shares held by him bears to the aggregate amount of the nominal value of all the shares of the relevant class issued by the company.
18. The chairman of the shareholders general meeting may reject or accept any proxy which is completed and/or received other than in accordance with the instructions, provided that he shall not accept a proxy unless he is satisfied as to the matter in which a shareholder wishes to vote.
19. A proxy may not delegate his/her authority to act on behalf of the shareholder, to another person.
20. A shareholder’s instruction to the proxy must be indicated by the insertion of the relevant number of shares, as the case may be, to be voted on behalf of that shareholder in the appropriate space provided. Failure to comply with the above will be deemed to authorise the chairperson of the shareholders general meeting, if the chairperson is the authorised proxy, to vote in favour of the resolutions at the shareholders general meeting or other proxy to vote or to abstain from voting at the shareholders general meeting as he/she deems fit, in respect of the shares concerned. A shareholder or the proxy is not obliged to use all the votes exercisable by the shareholder or the proxy, but the total of votes cast in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the shareholder or the proxy.
21. It is requested that this form of proxy be lodged or posted or faxed to the transfer secretaries, Link Market Services South Africa Proprietary Limited, 13th Floor Rennie House, 19 Ameshoff Street, Braamfontein, 2001 (PO Box 4844, Johannesburg, 2000) to be received by no later than 10:30 on Thursday, 26 June 2014.
22. A quorum for the purposes of considering the shareholder resolutions above shall consist of three shareholders of the company personally present (and if the “shareholder is a body corporate, it must be represented) and entitled to vote at the shareholders general meeting. In addition, a quorum shall comprise 25% of all the voting rights that are entitled to be exercised by shareholders in respect of shareholder special resolutions number 1, 2, 3, 5 and 6 and shareholder ordinary resolution number 1, to be decided at the shareholders general meeting.
23. The quorum for the purposes of considering shareholder special resolution number 4 shall comprise shareholders present in person or represented by proxy and holding at least 51% of all of the voting rights that are entitled to be exercised by shareholders in respect of shareholder special resolution number 4.
24. This form of proxy may be used at any adjournment or postponement of the shareholders general meeting, including any postponement due to a lack of quorum, unless withdrawn by the shareholder.
25. The foregoing notes contain a summary of the relevant provisions of section 58 of the Companies Act, as required in terms of that section.



RESILIENT PROPERTY INCOME FUND LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 2002/016851/06)
JSE share code: RES ISIN: ZAE000043642
(Approved as a REIT by the JSE)
("Resilient" or "the company")

FORM OF SURRENDER (FOR CERTIFICATED LINKED UNITHOLDERS ONLY)

Instructions:

- 1. This form of surrender is for use by certificated linked unitholders who will be receiving replacement share certificates pursuant to the implementation of the scheme and, when completed, should be sent to the transfer secretaries.
- 2. Replacement share certificates will not be sent to certificated linked unitholders unless and until a form of surrender and the documents of title in respect of the relevant linked units have been surrendered to the transfer secretaries.
- 3. **Part A** must be completed by all linked unitholders who have not yet dematerialised their linked unit certificates or other documents of title. Dematerialised linked unitholders must not complete a form of surrender as the appropriate action will be taken by their CSDP or broker.
- 4. If this form of surrender is received by the transfer secretaries with the relevant documents of title prior to the scheme becoming effective, it will be treated as a conditional surrender which is made subject to such scheme becoming effective. Such surrendered documents of title will be held in trust by the transfer secretaries until the scheme becomes effective. In the event of the scheme not becoming effective, for any reason whatsoever, the transfer secretaries will within five business days after either the date upon which it becomes known that the scheme will not be able to be implemented, or, after subsequent receipt of surrendered documents of title (whichever is the later), return the relevant documents of title to the shareholders concerned, at their risk, by registered post.
- 5. **Part B** must be completed by all emigrants from and non-residents of the Common Monetary Area who are recorded in the linked unitholder register of the company and who have not yet dematerialised their documents of title.
- 6. A separate form of surrender is required for each unitholder.

Please refer to the instructions above and the notes overleaf before completing this form of surrender.

To: Resilient Property Income Fund Limited

Care of: Link Market Services South Africa Proprietary Limited

13th Floor, Rennie House or PO Box 4844
19 Ameshoff Street Johannesburg
Braamfontein 2000
2001

Dear Sirs,

I/We, the undersigned, being the registered holder of the number of linked units specified below, which are free of encumbrances, hereby surrender the enclosed documents of title identified below in respect of the shares held by me/us in the company conditional upon the special resolutions in respect of the transaction being passed (and the subsequent registration of the relevant special resolutions with the CIPC) at the debenture holders scheme meeting and the shareholders general meeting to be held on Monday, 30 June 2014.

I/We hereby instruct you to post a replacement certificate in respect of the linked units surrendered to me, by registered post, at my/our risk, to the address given below, on the terms set out in the document dispatched to unitholders to which this form of surrender was attached. I/We acknowledge that if no address is stated below, the replacement certificate will be sent to my/our address recorded on the relevant sub-register.

My/Our signature(s) on this form of surrender constitutes my/our execution of this instruction.

Signature of unitholder Date 2014

Surname/Name of corporate body	Stamp and address of agent lodging this form (if any)
First names (in full) (if applicable)	
Title (Dr, Prof, Mr, Mrs, Miss, Ms, etc)	
Telephone number	
Cell phone number	
Assisted by me (if applicable)	
Date 2014	
State full name and capacity	

Postal address (preferably PO Box address) to which replacement certificates should be sent, if other than the address contained in the register of linked unitholders:

Postal code:

