

## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 5 of this Circular have, where appropriate, been used on this cover page.

### Action required

If you have disposed of all of your Resilient Shares, this Circular, together with the attached notice of General Meeting and form of proxy, should be handed to the purchaser of such Shares or to the broker, CSDP, banker or other agent through whom the disposal was effected.

Beneficial Shareholders who hold Dematerialised Shares through a CSDP or broker but who have not elected own-name registration who wish to attend the General Meeting must request their CSDP or broker to provide them with the necessary letter of representation to attend the General Meeting or must instruct their CSDP or broker to vote on their behalf in terms of their agreement with their CSDP or broker.

Shareholders are referred to page 2 of this Circular, which sets out the detailed action required of them in respect of the transaction and ancillary matters set out in this Circular. If you are in any doubt as to the action you should take, please consult your broker, CSDP, banker, legal advisor, accountant or other professional advisor immediately.

**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 Shares to notify such Shareholder of the action required of them in respect of the transaction and ancillary matters set out in this Circular.**



### Resilient REIT Limited

(Incorporated in the Republic of South Africa)  
(Registration number 2002/016851/06)  
JSE share code: RES ISIN: ZAE000209557  
Bond company code: BIRPIF  
(Approved as a REIT by the JSE)  
("Resilient" or the "Company")

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## CIRCULAR TO RESILIENT SHAREHOLDERS

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regarding:

- a specific repurchase by Resilient, in part directly and in part via its subsidiary, Resilient Properties, of 52 182 504 Resilient Shares from the Resilient Empowerment Trust, at a consideration of R55.75444 per Resilient Share; and
- the purchase by Resilient of 7 474 707 Fortress B shares from the Resilient Empowerment Trust, at a consideration of R10.71843 per Fortress B Share

and incorporating:

- a fairness opinion prepared in terms of the JSE Listings Requirements;
- a notice of General Meeting of Resilient Shareholders to approve, *inter alia*, the special resolution relating to the Share Sale; and
- a form of proxy for the General Meeting of Resilient Shareholders (for use by Certificated Shareholders or Dematerialised Shareholders with own-name registration only).

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Corporate advisor and sponsor

JAVACAPITAL

Independent Reporting Accountants

PKF OCTAGON

Independent Expert

BDO

Legal Advisor

CDH  
CLIFFE DEKKER HOFMEYR

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Date of issue: 20 May 2019

*This Circular is available in English only. Copies of this Circular may be obtained from the registered office of the Company between 09:00 and 16:30 on Business Days, from Monday, 20 May 2019 to Monday, 24 June 2019, both dates inclusive. The Circular will also be available on Resilient's website at [www.resilient.co.za](http://www.resilient.co.za) from Monday, 20 May 2019.*

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## CORPORATE INFORMATION

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### **Registered office of Company**

Resilient REIT Limited  
(Registration number 2002/016851/06)  
4<sup>th</sup> Floor  
Rivonia Village  
Rivonia Boulevard  
Rivonia, 2191  
(PO Box 2555, Rivonia, 2128)

### **Corporate advisor**

Java Capital Proprietary Limited  
(Registration number 2012/089864/07)  
6A Sandown Valley Crescent  
Sandton, 2196  
(PO Box 522606, Saxonwold, 2132)

### **Independent Expert**

BDO Corporate Finance Proprietary Limited  
(Registration number 1983/002903/07)  
Wanderers Office Park  
52 Corlett Drive  
Illovo, 2196  
(Private Bag X60500, Houghton, 2041)

### **Legal Advisor**

Cliffe Dekker Hofmeyr Inc.  
(Registration number 2008/018923/21)  
11 Buitengracht Street  
Cape Town, 8001  
(PO Box 695, Cape Town, 8000)

### **Company secretary**

Monica Muller  
4<sup>th</sup> 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)  
6A Sandown Valley Crescent  
Sandton, 2196  
(PO Box 522606, Saxonwold, 2132)

### **Independent Reporting Accountants**

PKF Octagon Inc.  
(Registration number 2018/515503/21)  
21 Scott Street  
Waverley, 2090  
(Private Bag X02, Highlands North, 2037)

### **Transfer Secretaries**

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

### **Date and place of incorporation**

Incorporated in the Republic of South Africa on 15 July 2002

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## ACTION REQUIRED BY SHAREHOLDERS

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The definitions and interpretations commencing on page 5 of this Circular shall apply, *mutatis mutandis*, to this section.

**If you are in any doubt as to the action you should take, please consult your CSDP, broker, attorney, banker or professional advisor immediately.**

The Share Sale is subject to Shareholders passing the requisite resolutions at the General Meeting of Shareholders to be held at 4<sup>th</sup> Floor, Rivonia Village, Rivonia Boulevard, Rivonia, 2191 at 10:00 on Monday, 24 June 2019. A notice convening the General Meeting is attached to and forms part of this Circular.

Certificated Shareholders and own-name Dematerialised Shareholders who are unable to attend the General Meeting but who wish to be represented thereat are requested to complete and return the attached form of proxy in accordance with the instructions contained therein. The duly completed forms of proxy are requested to be received by the Transfer Secretaries by no later than 10:00 on Thursday, 20 June 2019. Forms of proxy not lodged with the Transfer Secretaries in time may be handed to the chairperson of the General Meeting immediately before the commencement thereof.

Dematerialised Shareholders who have not elected own-name registration in the sub-register maintained by a CSDP must provide their CSDP or broker with their instruction for attendance or voting at the General Meeting in the manner stipulated in the custody agreement governing the relationship between such Shareholders 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. Should they wish to attend the meeting, they must request a letter of representation from their CSDP or broker.

If you hold your Resilient Shares (whether certificated or dematerialised) through a nominee, you should timeously make the necessary arrangements with your nominee or, if applicable, your CSDP or broker who will provide them with the necessary letter of representation to vote in terms of the agreement entered into between the Shareholder and the CSDP or broker, in the manner and time periods stipulated therein.

**Resilient does not accept responsibility and will not be held liable for any failure on the part of the CSDP of a Dematerialised Shareholder to notify such Shareholder of the General Meeting or any business to be conducted thereat.**

### ELECTRONIC PARTICIPATION

The Company has made provision for Shareholders or their proxies to participate electronically in the General Meeting by way of telephone conferencing. Should you wish to participate in the General Meeting by telephone conference call, you, or your proxy, should advise the Company as such by no later than 10:00 on Thursday, 20 June 2019, by submitting by e-mail to Monica Muller, the company secretary of Resilient, at monicam@resilient.co.za, relevant contact details, including an e-mail address, cellular number and landline, as well as full details of your title to Resilient Shares and proof of identity, in the form of copies of identity documents and share certificates (in the case of Certificated Shares) or written confirmation from your CSDP confirming your title to the Dematerialised Shares (in the case of Dematerialised Shares). Upon receipt of the required information, you will be provided with a secure code and instructions to access the electronic communication during the General Meeting. Shareholders should 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 General Meeting through this medium. Accordingly, Shareholders making use of the electronic participation facility are requested to either complete the form of proxy (in the case of Certificated Shareholders and Dematerialised Shareholders who have elected own-name registration) or contact their CSDP or broker (in the case of Dematerialised Shareholders who have not elected own-name registration), in both instances, as set out above.

### VOTING PROCEDURE AND QUORUM FOR THE GENERAL MEETING

The quorum requirement for the General Meeting to begin or for a matter to be considered at the General Meeting is at least three Shareholders present in person. In addition:

- the General Meeting may not begin until sufficient persons are present in person or represented by proxy to exercise, in aggregate, at least 25% of the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the General Meeting; and
- a matter to be decided at the General Meeting may not begin to be considered unless sufficient persons are present in person or represented by proxy to exercise, in aggregate, at least 25% of all voting rights that are entitled to be exercised in respect of that matter at the time the matter is called on the agenda.

Every Shareholder present in person or represented by proxy and entitled to exercise voting rights at the General Meeting shall be entitled to vote on a show of hands, irrespective of the number of voting rights that Shareholder would otherwise be entitled to exercise. On a poll, any person who is present at the General Meeting, whether as a Shareholder or as proxy for a Shareholder, has the number of votes determined in accordance with the voting rights associated with the Shares held by that Shareholder.

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## SALIENT DATES AND TIMES

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The definitions and interpretations commencing on page 5 of this Circular have been used in the following table of salient dates and times.

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**2019**

Record date for determining which Shareholders are entitled to receive this Circular and notice of General Meeting	Friday, 10 May
Announcement relating to the issue of the Circular and notice of General Meeting released on SENS	Monday, 20 May
Circular and notice of General Meeting issued	Monday, 20 May
Last day to trade in Resilient Shares in order to be recorded in the Register on the Voting Record Date	Tuesday, 11 June
Voting Record Date	Friday, 14 June
Last day to lodge forms of proxy for the General Meeting with the Transfer Secretaries, by 10:00 (forms of proxy not lodged with the Transfer Secretaries in time may be handed to the chairperson of the General Meeting immediately before the commencement thereof)	Thursday, 20 June
General Meeting held at 10:00 on	Monday, 24 June
Results of the General Meeting released on SENS	Monday, 24 June
Expected implementation date of the Share Sale	Monday, 24 June

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### Notes:

1. All times given in this Circular are local times in South Africa.
2. All dates and times are subject to change. Any change will be released on SENS and, if required, published in the Press.
3. Resilient Shareholders should note that as transactions in Shares are settled in the electronic settlement system used by Strate, settlement of trades takes place three Business Days after such trade. Therefore, persons who acquire Resilient Shares after Tuesday, 11 June 2019 will not be eligible to vote at the General Meeting.

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## DEFINITIONS AND INTERPRETATIONS

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Throughout this Circular and the annexures hereto, unless otherwise stated, the words in the first column have the meanings assigned to them in the second column, words in the singular include the plural and *vice versa*, words importing natural persons include corporations and associations of persons and any reference to a gender includes the other gender.

<b>“Black Educational Institutions”</b>	training and/or educational institutions, bodies or organisations in South Africa, whether formal or informal, primary, secondary or tertiary, established for the benefit of or primarily the benefit of Black People or attended by or primarily attended by Black People;
<b>“Black People”</b>	all Africans, Coloureds and Indians who are citizens of South Africa by birth or descent, or who became citizens of South Africa by naturalisation before 27 April 1994, or on or after 27 April 1994 and who would have been entitled to acquire citizenship by naturalisation prior to that date;
<b>“Board” or “Directors”</b>	the board of directors of the Company;
<b>“Business Day”</b>	any day other than a Saturday, Sunday or official public holiday in South Africa;
<b>“Certificated Shareholders”</b>	Shareholders who hold Certificated Shares;
<b>“Certificated Shares”</b>	shares which have not been dematerialised into the Strate system, title to which is represented by a share certificate or other physical Documents of Title;
<b>“Circular”</b>	this circular dated Monday, 20 May 2019, including all annexures, the notice of General Meeting and the form of proxy;
<b>“Company” or “Resilient”</b>	Resilient REIT Limited (Registration number 2002/016851/06), a public company incorporated and registered in accordance with the laws of South Africa and listed on the JSE, full details of which are set out in the “Corporate Information” section;
<b>“Companies Act”</b>	the Companies Act, No. 71 of 2008, as amended from time to time;
<b>“CSDP”</b>	a Central Securities Depository Participant in South Africa, appointed to hold and administer Dematerialised Shares;
<b>“Dematerialised Shares”</b>	Shares which have been incorporated into the Strate system, title to which is not represented by physical Documents of Title;
<b>“Dematerialised Shareholders”</b>	Shareholders who hold Dematerialised Shares;
<b>“Documents of Title”</b>	share certificates, certified transfer deeds, balance receipts and any other document of title to Shares acceptable to the Board;
<b>“Fortress”</b>	Fortress REIT Limited (Registration number 2009/016487/06), a public company incorporated and registered in accordance with the laws of South Africa and listed on the JSE;
<b>“Fortress B Share”</b>	a “B” ordinary share of no par value in the share capital of Fortress;
<b>“Fortress Purchase Consideration”</b>	the total purchase consideration of R80 117 124 payable by Resilient for the Fortress Purchase Shares, representing R10.71843 per Fortress Purchase Share;
<b>“Fortress Purchase Shares”</b>	7 474 707 Fortress B Shares held by the Resilient Empowerment Trust to be purchased pursuant to the Share Sale Agreement;
<b>“Fortress Share Purchase”</b>	the proposed purchase by Resilient from the Resilient Empowerment Trust of the Fortress Purchase Shares for the Fortress Purchase Consideration;
<b>“General Meeting”</b>	the general meeting of Resilient Shareholders to be held at 10:00 on Monday, 24 June 2019 at 4 <sup>th</sup> Floor, Rivonia Village, Rivonia Boulevard, Rivonia, 2191, for the purpose of considering and if deemed fit, passing, with or without modification, the resolutions set out in the notice of general meeting which is attached to and forms part of this Circular;

<b>“Group” or “Resilient Group”</b>	Resilient and its subsidiaries;
<b>“IFRS”</b>	International Financial Reporting Standards;
<b>“Independent Expert” or “BDO”</b>	BDO Corporate Finance Proprietary Limited (Registration number 1983/002903/07), the independent expert appointed to provide external advice to the Board in relation to the Share Sale in terms of the JSE Listings Requirements, full details of which are set out in the “Corporate Information” section;
<b>“Independent Reporting Accountants” or “PKF”</b>	PKF Octagon Inc. (Registration number 2018/515503/21), full details of which are set out in the “Corporate Information” section;
<b>“JSE”</b>	the exchange operated by the JSE Limited (Registration number 2005/022939/06), a public company incorporated and registered in accordance with the laws of South Africa, and licensed as an exchange under the Financial Markets Act No. 19 of 2012, as amended from time to time;
<b>“JSE Listings Requirements”</b>	the Listings Requirements of the JSE, as amended from time to time;
<b>“JSE Special Resolution”</b>	the special resolution to be proposed in terms of paragraph 5.69(b) of the JSE Listings Requirements at the General Meeting for approval of, <i>inter alia</i> , the Share Repurchase, as set out in the notice of General Meeting attached to and forming part of this Circular;
<b>“Last Practicable Date”</b>	Friday, 10 May 2019, being the last practicable date prior to finalisation of this Circular;
<b>“Legal Advisor”</b>	Cliffe Dekker Hofmeyr Inc. (Registration number 2008/018923/21), full details of which are set out in the “Corporate Information” section;
<b>“Memorandum of Incorporation”</b>	the Memorandum of Incorporation of the Company, as amended from time to time;
<b>“Press”</b>	the Business Day newspaper published in South Africa;
<b>“Public Benefit Organisation”</b>	a public benefit organisation as defined in section 30(1) of the Income Tax Act, No. 58 of 1962, as amended from time to time;
<b>“Register”</b>	the share register maintained on behalf of the Company by Link;
<b>“Repurchase Shares”</b>	52 182 504 Resilient Shares held by the Resilient Empowerment Trust to be repurchased pursuant to the Share Sale Agreement;
<b>“Resilient Empowerment Trust”</b>	The Siyakha 1 Education Trust (Master’s reference number IT003802/2016G) (which is being renamed The Resilient Empowerment Trust), a discretionary trust, the trustees of which are Jacques van Wyk, Dazray Tarr and Leone Gindan and the beneficiaries of which are Black People, Black Educational Institutions and Public Benefit Organisations;
<b>“Resilient Properties”</b>	Resilient Properties Proprietary Limited (Registration number 2002/016890/07), a private company incorporated and registered in accordance with the laws of South Africa and a wholly-owned subsidiary of Resilient;
<b>“SENS”</b>	the Stock Exchange News Service operated by the JSE;
<b>“Shares” or “Resilient Shares”</b>	ordinary shares of no par value in the share capital of Resilient;
<b>“Shareholders” or “Resilient Shareholders”</b>	the registered holders of Shares;
<b>“Share Repurchase”</b>	the proposed repurchase by Resilient, in part directly and in part via its subsidiary, Resilient Properties, of the Repurchase Shares from the Resilient Empowerment Trust for the Share Repurchase Consideration;
<b>“Share Repurchase Consideration”</b>	the total purchase consideration of R2 909 406 288 payable by Resilient, in part directly and in part via Resilient Properties, for the Repurchase Shares, representing R55.75444 per Repurchase Share;
<b>“Share Sale”</b>	collectively the Share Repurchase and the Fortress Share Purchase;



<b>“Share Sale Agreement”</b>	the agreement between Resilient, Resilient Properties and the trustees for the time being of the Resilient Empowerment Trust dated Thursday, 9 May 2019 in terms of which Resilient has agreed (i) in part directly and in part via Resilient Properties, to repurchase the Repurchase Shares from the Resilient Empowerment Trust for the Share Repurchase Consideration; and (ii) to purchase the Fortress Purchase Shares for the Fortress Purchase Consideration, the salient features of which are set out in paragraph 3 of this Circular;
<b>“Share Sale Consideration”</b>	collectively the Fortress Purchase Consideration and the Share Repurchase Consideration, representing an aggregate amount of R2 989 523 412;
<b>“Siyakha Trust”</b>	The Siyakha Education Trust (Master’s reference number IT8674/05), a discretionary trust, the trustees of which are Jacques van Wyk, Dazray Tarr and Leeone Gindan and the beneficiaries of which are Black People, Black Educational Institutions and Public Benefit Organisations;
<b>“Siyakha 2 Trust”</b>	The Siyakha 2 Education Trust (Master’s reference number IT003804/2016G), a discretionary trust, the trustees of which are Tshiamo Daphne Matlapeng Vilakazi, Ndhlabole Shongwe and Leeone Gindan and the beneficiaries of which are Black People, Black Educational Institutions and Public Benefit Organisations;
<b>“Siyakha Trusts”</b>	collectively, the Siyakha Trust, the Resilient Empowerment Trust and the Siyakha 2 Trust;
<b>“Strate”</b>	Strate Proprietary Limited (Registration number 1998/022242/07), a private company incorporated and registered in accordance with the laws of South Africa, a registered central securities depository responsible for the electronic settlement used by the JSE;
<b>“South Africa”</b>	the Republic of South Africa;
<b>“Transfer Secretaries” or “Link”</b>	Link Market Services South Africa Proprietary Limited (Registration number 2000/007239/07), full details of which are set out in the “Corporate Information” section;
<b>“treasury shares”</b>	for the purposes of this Circular, all Resilient Shares held by subsidiaries of Resilient and the Resilient Empowerment Trust, all of which are consolidated for purposes of IFRS;
<b>“Voting Record Date”</b>	the day on which Resilient Shareholders must be recorded in the Register in order to participate in and vote at the General Meeting, being Friday, 14 June 2019; and
<b>“VWAP”</b>	volume-weighted average traded price per Share.



## **Resilient REIT Limited**

(Incorporated in the Republic of South Africa)

(Registration number 2002/016851/06)

JSE share code: RES ISIN: ZAE000209557

Bond company code: BIRPIF

(Approved as a REIT by the JSE)

("Resilient" or the "Company")

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### **Directors**

Alan Keith Olivier (*Independent non-executive chairman*)  
Stuart Ian Bird (*Independent non-executive director*)  
David Hugh Brown (*Independent non-executive director*)  
Thembakazi Iris Chagonda (*Independent non-executive director*)  
Desmond de Beer (*Chief executive officer*)  
Andries de Lange (*Chief operating officer*)  
Nicolaas Willem Hanekom (*Chief financial officer*)  
Desmond Kevin Gordon (*Independent non-executive director*)  
Jacobus Johann Kriek (*Executive director*)  
Marion Lesego Dawn Morole (*Independent non-executive director*)  
Protas Phili (*Independent non-executive director*)  
Umsha Reddy (*Independent non-executive director*)  
Barry Daniel van Wyk (*Independent non-executive director*)

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## **CIRCULAR TO RESILIENT SHAREHOLDERS PART A – THE SHARE SALE**

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### **1. INTRODUCTION**

- 1.1 As announced on SENS on Monday, 13 May 2019, Resilient has entered into the Share Sale Agreement in terms of which Resilient, in part directly and in part via its subsidiary, Resilient Properties, will repurchase the Repurchase Shares and purchase the Fortress Purchase Shares for the Share Sale Consideration.
- 1.2 The purpose of this Circular is to provide Resilient Shareholders with information relating to the Share Sale as set out in this Circular and the attached notice of General Meeting at which Shareholders will be asked to approve the special resolution and the ordinary resolution required to implement the Share Sale.

### **2. REPOSITIONING OF THE SIYAKHA TRUSTS AND BACKGROUND TO AND RATIONALE FOR THE SHARE SALE**

- 2.1 Historically, Siyakha and Siyakha 2 held both Resilient and Fortress shares and received funding from Resilient and Fortress. The Siyakha 1 Education Trust, being renamed The Resilient Empowerment Trust, is an education initiative that was established to support education of Black People in South Africa. Historically, the Resilient Empowerment Trust did not own any Resilient or Fortress shares.
- 2.2 In response to concerns raised in the market about the Siyakha Trusts, particularly the fact that both Siyakha and Siyakha 2 held Resilient and Fortress shares and received funding from Resilient and Fortress, on 7 March 2018 Resilient announced on SENS the intention to reposition the affairs of the Siyakha Trusts to establish a single trust to be known as The Resilient Empowerment Trust as a B-BBEE ownership vehicle owning Resilient shares and funded by Resilient.

- 2.3 In order to give effect to the repositioning set out above, The Siyakha 1 Education Trust is being renamed The Resilient Empowerment Trust and 52 182 504 Resilient Shares and 7 474 707 Fortress B shares were acquired by the Resilient Empowerment Trust from Siyakha and Siyakha 2, which has also assumed the loan obligations of Siyakha and Siyakha 2 owed to the Resilient Group (the “**Repositioning**”). The value of these loans will be c. R4.9 billion at 23 June 2019. These loans were advanced by the Resilient Group to Siyakha and Siyakha 2 over several years and no written loan agreements were concluded. Typically, loans were granted for a 10-year term. The loans carry interest at prime, prime plus 1%, prime plus 2% or at a rate equal to the dividend receivable in respect of the Resilient and Fortress B shares held by the Resilient Empowerment Trust. R63 million is due for repayment on 31 May 2021, R327 million on 1 October 2022, R915 million on 4 June 2023 and the balance is due for repayment between 12 December 2023 and 31 October 2027. The loans are ring-fenced in that the Resilient Group’s only recourse in respect of the repayment of the loans is to the Resilient and Fortress B shares acquired by the Resilient Empowerment Trust as part of the Repositioning.
- 2.4 Siyakha and Siyakha 2 no longer hold any Resilient Shares and have no loans from the Resilient Group. Siyakha and Siyakha 2 continue to hold Fortress shares and have been funded only by Fortress.
- 2.5 This Repositioning had no financial impact on the Group. The Repositioning serves to facilitate the Share Sale through the establishment of a single B-BBEE ownership vehicle owning Resilient Shares and funded by Resilient.
- 2.6 Currently, the Resilient Empowerment Trust has a negative net asset value. After considering the current economic environment and the likelihood of an increase in the value of the Repurchase Shares and Fortress Purchase Shares to the value of the loan obligations owed to the Resilient Group, the Board has proposed the Share Sale to the trustees of the Resilient Empowerment Trust, who have accepted this proposal, subject to the approval of Resilient Shareholders.
- 2.7 The repurchase of the Repurchase Shares, the purchase of the Fortress Purchase Shares and the resultant full settlement of the loans advanced by the Group will not impact on Resilient’s net asset value per share as the Siyakha Trusts have been consolidated into the Group’s results.
- 2.8 Furthermore, there is no impact on Resilient’s distributable earnings for so long as the Resilient Empowerment Trust has a negative net asset value. For purposes of calculating Resilient’s distributable earnings, under these circumstances, interest accrued on the loans advanced to the Resilient Empowerment Trust is recognised only to the extent that accrued interest is matched by dividends declared for the same period in respect of the shares held by the Resilient Empowerment Trust.
- 2.9 Resilient remains committed to the principles of B-BBEE and will in the future consider available options in order to continue to support the upliftment of previously disadvantaged and under-privileged communities. Resilient will continue to make donations to the Resilient Empowerment Trust to assist it in honouring its obligations to the bursars enrolled at universities throughout South Africa.

### 3. TERMS OF THE SHARE SALE

- 3.1 Pursuant to the Share Sale Agreement, Resilient will acquire, in part directly and in part via its subsidiary, Resilient Properties, from the Resilient Empowerment Trust:
- 3.1.1 52 182 504 Resilient Shares, constituting a specific share repurchase by Resilient in terms of the JSE Listings Requirements. The Share Repurchase will be undertaken at R55.75444 per Resilient Share, being the 30-day volume-weighted average traded price as measured at the close of market on Friday, 3 May 2019, being the day prior to the date on which the Share Repurchase consideration was agreed, amounting to an aggregate repurchase consideration of R2 909 406 288; and
- 3.1.2 7 474 707 Fortress B Shares, which purchase will be undertaken at R10.71843 per Fortress B Share, being the 30-day volume-weighted average traded price as measured at the close of market on Friday, 3 May 2019, being the day prior to the date on which the Fortress Purchase Consideration was agreed, amounting to an aggregate purchase consideration of R80 117 124.
- 3.2 As set out above, the Resilient Empowerment Trust will owe the Resilient Group c. R4.9 billion at 23 June 2019, which is greater than the Share Sale Consideration of R2 989 523 412. On the date of implementation of the Share Sale, being Monday, 24 June 2019, the terms of the loans owed by the Resilient Empowerment Trust to the

Resilient Group will be varied such that the aggregate amount owing in respect of the capital component of the loans is agreed to be R2 989 523 412 and the aggregate amount owing in respect of the current year's accrued but unpaid interest component is nil. The effect of this is that following the implementation of the Share Sale, the loans owed by the Resilient Empowerment Trust to the Resilient Group will be extinguished.

- 3.3 It is proposed that Resilient will repurchase 20 822 746 Resilient Shares and Resilient Properties will purchase 31 359 758 Resilient Shares pursuant to the Share Repurchase. Resilient will repurchase less than 5% of the Resilient Shares in issue. Any Repurchase Shares acquired by a subsidiary of Resilient will be held in treasury and any Repurchase Shares acquired by Resilient will again form part of the authorised but unissued share capital of Resilient.
- 3.4 Resilient intends to dispose of the Fortress Purchase Shares in the medium term.
- 3.5 Possession and effective control of the Repurchase Shares and the Fortress Purchase Shares and all risk in and all benefit attaching to such shares will pass to Resilient and Resilient Properties with effect from the date upon which the last of the conditions precedent set out in paragraph 4 is fulfilled or waived, as the case may be.
- 3.6 In terms of the JSE Listings Requirements, Resilient must pursue the repurchase unless the JSE agrees otherwise.
- 3.7 The Share Sale Agreement contains undertakings, warranties and indemnities that are normal for a transaction of this nature.

#### 4. **CONDITIONS PRECEDENT TO THE SHARE SALE**

The Share Sale is subject to the fulfilment or waiver, as the case may be, of the following conditions precedent:

- 4.1 securing, to the extent necessary, regulatory approvals from all relevant regulators in order to be able to conclude and implement the Share Sale; and
- 4.2 approval, where required, by the requisite majority/ies of Resilient Shareholders of all resolutions necessary to implement the Share Sale as required in terms of the Companies Act and the JSE Listings Requirements.

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## PART B – REGULATORY CONSIDERATIONS

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### 5. JSE REQUIREMENTS FOR THE SHARE SALE

- 5.1 The Resilient Empowerment Trust currently holds (and the Siyakha Trusts collectively held within the preceding 12 months) 52 182 504 Resilient Shares (representing 12.28% of the Resilient Shares currently in issue), which are regarded as treasury shares in terms of the JSE Listings Requirements. The Resilient Empowerment Trust is deemed a related party of Resilient in terms of paragraph 10.1(b)(i) of the JSE Listings Requirements.
- 5.2 In terms of the JSE Listings Requirements, the Share Repurchase constitutes a specific repurchase of shares from a related party which requires the approval of Resilient Shareholders by way of a special resolution achieving a 75% majority of votes cast in favour thereof by all Shareholders present or represented by proxy at the General Meeting, excluding participants in the Share Sale and their associates. Accordingly, in terms of paragraph 5.69 of the JSE Listings Requirements, the votes of the Resilient Empowerment Trust and the associates of the Resilient Empowerment Trust will be excluded in determining the number of votes in support of the JSE Special Resolution. The Resilient Empowerment Trust will, however, form part of the quorum for purposes of considering the JSE Special Resolution.
- 5.3 Accordingly:
- 5.3.1 Resilient is required to obtain a fairness opinion from an independent expert in compliance with the provisions of paragraph 5.69(e) of the JSE Listings Requirements in respect of the Share Repurchase, and include a statement in this Circular confirming whether the Share Repurchase is fair to Shareholders in accordance with paragraph 5.69(e) of the JSE Listings Requirements; and
- 5.3.2 the Fortress Share Purchase constitutes a small related party transaction. Resilient is required to obtain a fairness opinion from an independent expert in compliance with the provisions of section 10.4(f) of the JSE Listings Requirements in respect of the Fortress Share Purchase, and include a statement confirming whether the Fortress Share Purchase is fair to Shareholders in accordance with paragraph 10.4(f) of the JSE Listings Requirements.
- 5.4 Accordingly, the Independent Expert's report, insofar as it relates to the Share Sale, as contained in **Annexure 1** to this Circular, has been prepared in terms of the provisions of paragraph 5.69(e) of the JSE Listings Requirements.
- 5.5 The statements of the Board as to whether the Share Sale is fair to Shareholders are included in paragraph 8 below.

### 6. AUTHORISATION OF THE SHARE SALE IN TERMS OF THE MEMORANDUM OF INCORPORATION

The Company is authorised to give effect to the Share Sale in terms of clause 16 of its Memorandum of Incorporation, further details of which are set out in **Annexure 5**.

### 7. OPINION OF THE INDEPENDENT EXPERT

In accordance with the provisions of paragraphs 5.69(e) and 10.4(f) of the JSE Listings Requirements, Resilient has appointed BDO as the independent expert to provide the Board with its opinion as to whether the terms of the Share Sale are fair to Shareholders. Taking into consideration the terms and conditions of the Share Sale, the Independent Expert is of the opinion that the Share Sale is fair to Shareholders.

### 8. DIRECTORS' OPINION

The Board, after due consideration of the report of the Independent Expert regarding the Share Sale, has considered the terms and conditions thereof, and is of the opinion that the Share Sale is fair to Shareholders.

The Directors intend exercising the voting rights of Resilient Shares held or controlled by them in favour of the special and ordinary resolutions set out in the notice of General Meeting.

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## PART C – FINANCIAL INFORMATION

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### 9. PRO FORMA FINANCIAL EFFECTS

- 9.1 The Share Repurchase will have no effect on the consolidated statement of comprehensive income of the Group for the six months ended 31 December 2018. Therefore, no *pro forma* statement of comprehensive income is presented in this Circular.
- 9.2 The Share Repurchase will have no effect on the Resilient Group's last reported earnings per share, headline earnings per share, net asset value per share and net tangible asset value per share. Resilient has no dilutionary instruments in issue.
- 9.3 The consolidated *pro forma* statement of financial position of the Resilient Group in respect of the Share Sale, based on Resilient's unaudited interim results for the six months ended 31 December 2018, is set out in **Annexure 2**. The consolidated *pro forma* statement of financial position has been reported on by the Independent Reporting Accountants, PKF, whose report on the consolidated *pro forma* statement of financial position is contained in **Annexure 3**.
- 9.4 Due to its nature, the consolidated *pro forma* statement of financial position may not fairly present Resilient's consolidated statement of financial position subsequent to the Share Sale.
- 9.5 The consolidated *pro forma* statement of financial position, including the assumptions on which it is based and the financial information from which it has been prepared, is the responsibility of the Directors.
- 9.6 The consolidated *pro forma* statement of financial position has been prepared in accordance with the accounting policies of the Resilient Group, which are in compliance with IFRS, the Guide on *Pro Forma* Financial Information issued by the South African Institute of Chartered Accountants ("**SAICA**") and the JSE Listings Requirements, and were used in the preparation of its unaudited interim results for the six months ended 31 December 2018.

### 10. SOLVENCY AND LIQUIDITY

- 10.1 A resolution has been passed by the Board in terms of section 46 of the Companies Act that, having applied the solvency and liquidity test as set out in section 4 of the Companies Act ("**solvency and liquidity test**"), it has satisfied itself that at the date of the resolution being passed (being 26 April 2019) it reasonably appears, and it has thus reasonably concluded, that the Company and the Group will satisfy the solvency and liquidity test, immediately after implementation of the Share Repurchase.
- 10.2 In terms of paragraph 5.69(c) of the JSE Listings Requirements, the Directors, having considered the effect of the Share Repurchase, confirm that the provisions of section 4 and section 48 of the Companies Act have been complied with, and consider that there are reasonable grounds for believing that:
- 10.2.1 the Company and the Group will be able, in the ordinary course of business, to pay their debts for a period of 12 months after the date of issue of this Circular;
- 10.2.2 the assets of the Company and the Group will be in excess of the liabilities of the Company and the Group for a period of 12 months after the date of issue of this Circular. For this purpose, the assets and liabilities have been recognised and measured in accordance with the accounting policies used in the latest audited Group financial statements;
- 10.2.3 the ordinary capital and reserves of the Company and the Group shall be adequate for ordinary business purposes for a period of 12 months after the date of issue of this Circular; and
- 10.2.4 the working capital of the Company and the Group shall be adequate for ordinary business purposes for a period of 12 months after the date of issue of this Circular.

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## PART D – GENERAL

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### 11. SHARE CAPITAL OF RESILIENT

The authorised and issued share capital of Resilient at the Last Practicable Date and after the implementation of the Share Sale are set out below.

*As at the Last Practicable Date*

	<b>Stated capital R'000</b>
--	---------------------------------

*Authorised*

1 000 000 000 ordinary shares of no par value

*Issued*

424 954 000 ordinary shares of no par value

13 822 359

of which 59 791 181 ordinary shares are treasury shares

(4 710 747)

*After the Share Sale*

	<b>Stated capital R'000</b>
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*Authorised*

1 000 000 000 ordinary shares of no par value

*Issued*

404 131 254 ordinary shares of no par value

13 145 063

of which 38 968 435 ordinary shares are treasury shares

(2 997 484)

Following the Share Sale, it is intended that the 20 822 746 Resilient Shares repurchased by Resilient be cancelled and again form part of the authorised and unissued share capital and 31 359 758 Resilient Shares acquired by Resilient Properties will be held as treasury shares.

### 12. MATERIAL CHANGES

There have been no material changes in the financial or trading position of the Resilient Group since 31 December 2018, being the end of the last financial period for which unaudited interim results have been published.

### 13. MAJOR BENEFICIAL SHAREHOLDERS

Insofar as is known to Resilient, the name of any Shareholder, other than a Director, that, directly or indirectly, is beneficially interested in 5% or more of Resilient Shares, together with the details of each such Shareholder's interest at the Last Practicable Date is set out in the table below. For the avoidance of doubt, no Resilient Shares in which a Director has a direct or indirect beneficial interest are included in the table below.

<b>Shareholder</b>	<b>Number of Shares held indirectly</b>	<b>Number of Shares held directly</b>	<b>Total number of Shares held</b>	<b>Percentage of issued share capital</b>
Resilient Empowerment Trust	–	52 182 504	52 182 504	12.28
Fortress	41 060 000	–	41 060 000	9.66
Government Employees Pension Fund	–	32 154 199	32 154 199	7.57
<b>Total</b>	<b>41 060 000</b>	<b>84 336 703</b>	<b>125 396 703</b>	<b>29.51</b>

Following the implementation of the Share Sale, the following Shareholders, other than a Director, directly or indirectly, will be beneficially interested in 5% or more of Resilient Shares. For the avoidance of doubt, no Resilient Shares in which a Director has a direct or indirect beneficial interest are included in the table below.

<b>Shareholder</b>	<b>Number of Shares held indirectly</b>	<b>Number of Shares held directly</b>	<b>Total number of Shares held</b>	<b>Percentage of issued share capital</b>
Fortress	41 060 000	–	41 060 000	10.16
Government Employees Pension Fund	–	32 154 199	32 154 199	7.96
<b>Total</b>	<b>41 060 000</b>	<b>32 154 199</b>	<b>73 214 199</b>	<b>18.12</b>

#### 14. DIRECTORS' INTERESTS

##### 14.1 Directors' interests in Resilient Shares

The table below sets out the direct and indirect beneficial holdings of Resilient Shares by the Directors (and their associates) in the share capital of the Company as at the Last Practicable Date, including any Directors who have resigned during the last 18 months.

<b>Director</b>	<b>Number of Shares held directly</b>	<b>Number of Shares held indirectly/ by associates</b>	<b>Total</b>	<b>Percentage of issued share capital</b>
Des de Beer	–	29 529 863	29 529 863	6.95
Andries de Lange	5 000	4 213 806	4 218 806	1.00
Nick Hanekom	–	2 166 913	2 166 913	0.51
Johann Kriek	1 212 390	1 744 817	2 957 207	0.70
Protas Phili	1 730	5 609	7 339	–
David Brown	4 590	–	4 590	–
Barry Stuhler*	–	8 304 086	8 304 086	1.95
<b>Total</b>	<b>1 223 710</b>	<b>45 965 094</b>	<b>47 188 804</b>	<b>11.10</b>

\* Retired with effect from 29 June 2018.

There have been no changes in Directors' holdings between the preceding financial year being 30 June 2018 and the date of this Circular, save for:

- 14.1.1 the disposal by Desmond Gordon of 4 094 Resilient Shares at R60.81 per Resilient Share on 4 December 2018 for an aggregate consideration of R248 956.14, pursuant to an on-market transaction. The Shares were held in a preservation fund managed by Sanlam Private Wealth.

##### 14.2 Directors' interests in transactions

Save as in relation to their holding of Resilient Shares, as set out in paragraph 14.1 above, none of the Directors of Resilient, including a Director who resigned during the last 18 months, has or had any material beneficial interest, direct or indirect, in any transactions that were effected by Resilient during the current or immediately preceding financial year or during any earlier financial year and which remain in any respect outstanding or underperformed.



## 15. ARRANGEMENTS IN RELATION TO THE SHARE SALE

- 15.1 Save for the Share Sale Agreement, the salient features of which are set out in paragraph 3 above, no agreement exists between Resilient and any Resilient Shareholders which could be considered material to a decision regarding the Share Sale.
- 15.2 As at the Last Practicable Date, save for the Share Sale Agreement, the salient features of which are set out in paragraph 3, no arrangements, agreements or understandings which have any connection with or dependence on the Share Sale exist between Resilient and any of the Directors of Resilient, or any persons who were Directors of Resilient within the 12 months preceding the Last Practicable Date, the Shareholders of Resilient or any persons who were holders of Resilient Shares within the 12 months preceding the Last Practicable Date.

## 16. PRICE AND VOLUME HISTORY

A table of the aggregate volumes and values and the highest and lowest prices traded in Resilient Shares on the JSE for the period indicated therein are set out in **Annexure 4**.

## 17. NOTICE OF GENERAL MEETING AND FORM OF PROXY

- 17.1 A General Meeting of Resilient Shareholders will be held at 10:00 on Monday, 24 June 2019 at the registered office of Resilient being 4<sup>th</sup> Floor, Rivonia Village, Rivonia Boulevard, Rivonia, 2191 in order to consider and approve the resolutions set out in the notice of General Meeting attached to this Circular.
- 17.2 The notice convening the General Meeting and a form of proxy for use by Certificated Shareholders and Dematerialised Shareholders with own-name registration who are unable to attend the General Meeting form part of this Circular.
- 17.3 Details of the action required by Resilient Shareholders recorded in the Register on the Voting Record Date is set out on page 2 of this Circular.

## 18. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names are set out in this Circular, collectively and individually, accept full responsibility for the accuracy of the information given in this Circular and certify that, to the best of their knowledge and belief, no facts have been omitted which would make any statement in this Circular false or misleading, 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.

## 19. PRELIMINARY AND ISSUE EXPENSES

The costs that are expected or have been provided for in connection with the Share Sale (inclusive of VAT) are set out below:

Description	Name	R
Corporate advisor and sponsor fees	Java Capital	750 000
Independent Expert fee	BDO	368 000
Independent Reporting Accountants' fee	PKF	57 500
Legal fees	CDH	115 000
Printing fees	Ince	149 000
Documentation inspection fee	JSE	34 678
Sundry		25 822
<b>Total</b>		<b>1 500 000</b>

## 20. CONSENTS

The corporate advisor, sponsor, Independent Expert, Independent Reporting Accountants, Legal Advisor and Transfer Secretaries have consented in writing to act in the capacities stated and to their names being stated in this Circular and where applicable, reference to their reports in the form and context in which they appear, and have not withdrawn their consents prior to the publication of this Circular.

## 21. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection at the registered office of Resilient during normal office hours from the date of issue of this Circular to the date of the General Meeting:

- 21.1 the Memorandum of Incorporation of Resilient and its major subsidiaries;
- 21.2 audited annual financial statements of Resilient for the years ended 30 June 2018, 30 June 2017 and 30 June 2016 and unaudited interim results for the six months ended 31 December 2018;
- 21.3 the signed consent letters of the parties referred to in paragraph 20;
- 21.4 a signed copy of this Circular;
- 21.5 a copy of the Share Sale Agreement;
- 21.6 a copy of the Independent Expert report presented in **Annexure 1**; and
- 21.7 a copy of the Independent Reporting Accountants' report presented in **Annexure 3**.

**Signed in Johannesburg by Andries de Lange as a Director of Resilient and on behalf of each of the Directors of Resilient in terms of the powers of attorney granted to him by each of them.**

**Andries de Lange**  
*Chief operating officer*  
20 May 2019

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**INDEPENDENT EXPERT'S REPORT ON THE TERMS OF THE SHARE SALE**


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The Board of Directors  
Resilient REIT Limited  
4<sup>th</sup> Floor  
Rivonia Village  
Rivonia Boulevard  
Rivonia  
2191

15 May 2019

Dear Sirs

**REPORT OF THE INDEPENDENT PROFESSIONAL EXPERT TO THE DIRECTORS OF RESILIENT REIT LIMITED REGARDING THE REPURCHASE OF 52 182 504 RESILIENT SHARES FROM THE RESILIENT EMPOWERMENT TRUST AND THE PURCHASE OF 7 474 707 FORTRESS B SHARES FROM THE RESILIENT EMPOWERMENT TRUST**

**Introduction**

As announced on the Stock Exchange News Service operated by the JSE Limited (“**JSE**”) (“**SENS**”) on Monday, 13 May 2019, holders of ordinary shares of no par value in the share capital of Resilient REIT Limited (“**Resilient**” or “**Company**”) (“**Resilient Shares**”) (“**Shareholders**”) were advised that the Company has entered into an agreement with Resilient Properties Proprietary Limited (“**Resilient Properties**”) and the trustees for the time being of The Resilient Empowerment Trust (formerly The Siyakha 1 Education Trust) (“**Resilient Empowerment Trust**”) dated 9 May 2019 (“**Share Sale Agreement**”), in terms of which Resilient has agreed:

- in part directly and in part via Resilient Properties, to repurchase 52 182 504 Resilient Shares (“**Repurchase Shares**”) from the Resilient Empowerment Trust for a total consideration of R2 909 406 288 (the “**Share Repurchase Consideration**”), representing R55.75444 per Repurchase Share (“**Share Repurchase**”); and
- to purchase 7 474 707 “B” ordinary shares of no par value in the share capital of Fortress REIT Limited (“**Fortress**”) (“**Fortress B Shares**”) (“**Fortress Purchase Shares**”) from the Resilient Empowerment Trust for a total consideration of R80 117 124 (the “**Fortress Purchase Consideration**”), representing R10.71843 per Fortress Purchase Share (“**Fortress Share Purchase**”);

(the Share Repurchase and the Fortress Share Purchase are collectively referred to as the “**Share Sale**”)

(the Share Repurchase Consideration and Fortress Purchase Consideration are together the “**Share Sale Consideration**”).

Full details of the Share Sale are available in the circular to be issued to Shareholders on or about 20 May 2019 (“**Circular**”).

As at the date of this report, the authorised and issued share capital of the Company comprises the following:

	<b>Stated capital (Rand)</b>
<b>Authorised share capital</b>	
1 000 000 000 Resilient Shares	
<b>Issued share capital</b>	
424 954 000 Resilient Shares	13 822 359
of which 59 791 181 Resilient Shares are treasury shares	(4 710 747)

Pursuant to the Share Sale, it is intended that the 20 822 746 Resilient Shares repurchased by Resilient be cancelled and again form part of the authorised and unissued share capital and 31 359 758 Resilient Shares acquired by Resilient Properties will be held as treasury shares.

**Fairness Opinion Required in terms of the Listings Requirements**

The Resilient Empowerment Trust currently holds (and the Siyakha Trusts collectively held within the preceding 12 months) 52 182 504 Resilient Shares (representing 12.28% of the Resilient Shares currently in issue), which are regarded as treasury shares in terms of the JSE Listings Requirements. The Resilient Empowerment Trust is deemed a related party of Resilient in terms of paragraph 10.1(b)(i) of the JSE Listings Requirements.

Resilient is required to obtain a fairness opinion from an independent expert in compliance with the provisions of paragraph 5.69(e) of the JSE Listings Requirements in respect of the Share Repurchase, and include a statement in this Circular confirming whether the Share Repurchase is fair to Shareholders in accordance with paragraph 5.69(e) of the JSE Listings Requirements.

The Fortress Share Purchase constitutes a small related party transaction. Resilient is required to obtain a fairness opinion from an independent expert in compliance with the provisions of section 10.4(f) of the JSE Listings Requirements in respect of the Fortress Share Purchase, and include a statement confirming whether the Fortress Share Purchase is fair to Shareholders in accordance with paragraph 10.4(f) of the JSE Listings Requirements.

BDO Corporate Finance Proprietary Limited (“**BDO Corporate Finance**”) has been appointed by the board of directors (“**Directors**” or “**Board**”) of Resilient to provide a fairness opinion in respect of the Share Sale in terms of the provisions of paragraph 5.69(e) and section 10.4(f) of the Listings Requirements.

### **Responsibility**

Compliance with the Listings Requirements is the responsibility of the Board. Our responsibility is to report on the fairness of the terms of the Share Sale.

### **Definition as to how the term “Fair” applies in the context of the Share Sale**

The “fairness” of a transaction is based on quantitative issues. A transaction may be said to be fair if the benefits received, as a result of the transaction, are equal to or greater than the value given up.

The Resilient Share Repurchase may be said to be fair to Shareholders (excluding The Resilient Empowerment Trust) if the Resilient Share Repurchase Consideration is less than or equal to the fair value of a Share, or unfair if the Resilient Share Repurchase Consideration is more than the fair value of a Share.

The Fortress Share Purchase may be said to be fair to Shareholders if the Fortress Purchase Consideration is less than or equal to the fair value of the Fortress Purchase Shares, or unfair if the Fortress Purchase Consideration is more than the fair value of the Fortress Purchase Shares.

### **Details and sources of information**

In arriving at our findings we have relied upon the following principal sources of information:

- The Circular;
- The Share Sale Agreement;
- Integrated annual report of Resilient for the year ended 30 June 2018;
- Condensed unaudited consolidated interim financial statements of Resilient for the six months ended 31 December 2018;
- Management budgets and forecasts per managed property for the periods ended 30 June 2019 and 30 June 2020;
- Independent valuation report prepared by Jones Lang LaSalle Proprietary Limited (“**JLL**”) per Joshua Askew and Riaan Fourie, Registered Professional Valuers whom we have satisfied ourselves are independent external registered professional valuers in terms of the Property Valuers Profession Act, No. 47 of 2000 (“**Independent Property Valuer**”) as at 30 June 2018 (“**Independent Property Valuation**”);
- Discussions with executive management of the Company regarding the rationale for the Share Sale;
- Discussions with executive management of the Company regarding the historical and forecast financial information of the Company;
- Trading history and other publicly available financial information on Resilient and other South African based retail real estate investment trusts (“**REITs**”) selected as peer companies of Resilient (“**Comparable REITs**”);
- Historic and one-year forward forecast income distribution yields, where available, of Resilient and of Comparable REITs selected as peer companies of Resilient;
- Discussions with executive management of the Company on prevailing market, economic, legal and other conditions which may affect underlying value;
- Publicly available information relating to the REIT sector in general and specifically in respect of Resilient and NEPI Rockcastle PLC (“**NEPI Rockcastle**”) and Lighthouse Capital Limited (“**Lighthouse**”), being investments held by Resilient, as well as Fortress, being the subject of the Fortress Share Purchase; and
- Analysts reports and forecast financial information in respect of Resilient, NEPI Rockcastle, Lighthouse and Fortress published on Thomson Reuters and IRESS.

The information above was secured from:

- Executive management of the Company; and
- Third party sources, including information related to publicly available economic, market and other data which we considered applicable to, or potentially influencing the Company.

### **Procedures**

In arriving at our findings we have undertaken the following procedures and taken into account the following factors:

- Reviewed the terms and conditions of the Share Sale as detailed above;
- Reviewed the financial and other information related to Resilient, as detailed above;
- Reviewed and obtained an understanding from executive management as to the historical, year-to-date and forecast financial information of Resilient and the underlying retail assets owned by Resilient (the “**Property Portfolio**”);
- Considered the professional competency and qualifications of the Independent Professional Property Valuer;
- Reviewed the Independent Property Valuation in respect of the Property Portfolio and considered the valuation methodologies and assumptions applied. Based on our review of the Independent Property Valuation we are satisfied that the valuation approach adopted is consistent with standard valuation practice and the valuation assumptions are consistent with market parameters. Consequently, we are satisfied with the Independent Property Valuation and are placing reliance thereon;
- Analysed publicly available financial information on Comparable REITs;
- Prepared an indicative valuation of Resilient Shares using the price to book methodology within the market approach;
- Considered the forecast distributions of Resilient, based on the Company’s own distribution forecasts and prepared an indicative valuation of Shares using a capitalisation of income methodology within the income approach;
- Performed a desktop valuation of the issued ordinary shares in NEPI Rockcastle (“**NEPI Rockcastle Shares**”), issued ordinary shares in Lighthouse (“**Lighthouse Shares**”) and Fortress B Shares by using the price to book methodology;
- Performed such other studies and analyses as we considered appropriate and have taken into account our assessment of general economic, market and financial conditions and our experience in other transactions, as well as our experience in securities valuation and knowledge of the REIT sector generally;
- Considered the 30, 60 and 90 days’ VWAP share price information of Resilient Shares, NEPI Rockcastle Shares, Lighthouse Shares and Fortress B Shares and on shares of Comparable REITs (“**VWAP Indicators**”);
- Reviewed certain publicly available information relating to Resilient, NEPI Rockcastle, Lighthouse and Fortress including company announcements and media articles;
- Where relevant, representations made by management and/or directors were corroborated to source documents or independent analytical procedures were performed by us, to examine and understand the industry in which Resilient, NEPI Rockcastle, Lighthouse and Fortress operate, and to analyse external factors that could influence the companies; and
- Held discussions with the directors and management of Resilient as to their strategy and the rationale for the Share Sale and assessed prevailing economic and market conditions and trends in the South African and international REIT sectors.

### **Assumptions**

We arrived at our findings based on the following assumptions:

- That all agreements that are to be entered into in terms of the Share Sale will be legally enforceable;
- That the Share Sale will have the legal, accounting and taxation consequences described in discussions with, and materials furnished to us by representatives of the Company; and
- That reliance can be placed on the financial information of the Company.

### **Appropriateness and reasonableness of underlying information and assumptions**

We satisfied ourselves as to the appropriateness and reasonableness of the information and assumptions employed in arriving at our findings by:

- Reliance on audit reports in the financial statements of Resilient; and
- Determining the extent to which information in respect of Resilient and the Property Portfolio was confirmed by documentary evidence as well as our understanding of Resilient and the economic environment in which it operates.

### **Limiting conditions**

This report is provided in connection with and for the purposes of the Share Sale. This report does not purport to cater for each individual shareholder’s perspective, but rather that of the general body of shareholders.

Individual shareholders' decisions regarding the Share Sale may be influenced by such shareholders' particular circumstances and accordingly individual shareholders should consult an independent adviser if in any doubt as to the merits or otherwise of the Share Sale.

We have relied upon and assumed the accuracy of the information provided to us in deriving our conclusions. Where practical, we have corroborated the reasonableness of the information provided to us for the purpose of this report, whether in writing or obtained in discussion with management, by reference to publicly available or independently obtained information. While our work has involved an analysis of, *inter alia*, the annual financial statements, and other information provided to us, our engagement does not constitute an audit conducted in accordance with generally accepted auditing standards.

Where relevant, forward-looking information of Resilient relates to future events and is based on assumptions that may or may not remain valid for the whole of the forecast period. Consequently, such information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods. We express no opinion as to how closely the actual future results of Resilient will correspond to those projected. We have, however, compared the forecast financial information to past trends as well as discussing the assumptions inherent therein with management.

We have also assumed that the Share Sale will have the legal consequences described in discussions with and materials furnished to us by representatives and advisors of the Company and we express no opinion on such consequences.

Our report is based on current economic, regulatory and market as well as other conditions. Subsequent developments may affect the opinion, and we are under no obligation to update, review or re-affirm our opinion based on such developments.

### **Independence**

We confirm that we have no direct or indirect interest in Resilient Shares or the Share Sale. We also confirm that we have the necessary qualifications and competence to provide the fairness opinion on the Share Sale.

Furthermore, we confirm that our professional fees are not contingent upon the success of the Share Sale.

### **Valuation Approach**

#### ***Resilient***

In considering the terms and conditions of the Share Sale, we performed an independent valuation of a Resilient Share.

The valuation of a Resilient Share was performed by applying the market approach. In addition, we considered the income approach as a secondary methodology to support the results of the market approach.

#### ***The market approach***

The market approach entails a price to book approach, based on the published net asset value ("**NAV**") of Resilient (based on the management accounts), being the key internal value driver to the market approach. The published NAV of Resilient was derived from the latest available statement of financial position as at 31 December 2018 which reflects a NAV of R64.65 per Resilient Share.

The primary adjustments between the International Financial Reporting Standards ("**IFRS**") based NAV and NAV per management accounts relate to:

- The proportionate consolidation of partially-owned subsidiaries and joint ventures;
- The fair value accounting for its investments that were treated as associates (equity accounted). This included Rockcastle Global Real Estate Company Limited prior to the merger with New Europe Property Investments PLC to create NEPI Rockcastle PLC ("**NEPI Rockcastle**") and Lighthouse Capital Limited ("**Lighthouse**"); and
- The consolidation of the Siyakha Trusts which are deconsolidated for the purposes of the management accounts.

We are of the opinion that the NAV on the basis of the management accounts is a fair reflection of intrinsic NAV rather than the IFRS based NAV in terms of which Resilient consolidates the Siyakha Trusts and equity accounts for investments that are treated as associates. In assessing the NAV per the management accounts we made adjustments for the following:

- Considered the value attributed to associates which is based on the closing share prices of these investments on the main board of the exchange operated by the JSE on 31 December 2018 with reference to consensus analysts' valuations and peer analysis. The listed share prices imply a price to book ratio of:
  - 0.97x for NEPI Rockcastle; and
  - 0.89x for Lighthouse.

The value attributed to associates was adjusted to be consistent with consensus analysts' forecasts and the fair value implied by the peer analysis;

- The NAV per the management accounts reflects the values attributed to the Property Portfolio as at 30 June 2018, per the Independent Property Valuation plus any capitalised costs to 31 December 2018. We rolled-forward the valuations to 31 December 2018, which indicates an increase in the fair market value of the Property Portfolio attributable to Resilient of R740 million from R21.296 billion to R22.036 billion (an increase of 3.5%);
- Resilient holds a 6.4% exposure to contractual rentals from Edcon Limited (“**Edcon**”) as at 31 December 2018. Resilient has agreed terms with Edcon in respect of Edcon’s restructuring, which include a c. 41% rental concession over a 24-month period commencing during April 2019 (“**Edcon Concession**”), which was adjusted for.

The key external value driver of the market approach is an appropriate price to book ratio for Resilient. Published NAVs for Comparable REITs were compared to the clean share prices (i.e. excluding accrual for income distribution in the price) and clean 30-day VWAPs. A range of ratios of fair market value to NAV was determined for Comparable REITs which were applied to the adjusted NAV determined by BDO Corporate Finance to determine the fair value range of a Resilient Share.

The prevailing share prices and VWAP Indicators imply a fair market value to published NAV ratio (i.e. price to book ratio) of 0.93x which results in a fair market price to book value of R63.18 per Resilient Share.

#### *The income capitalisation approach*

Within the income approach, the methodology we adopted comprised of a capitalisation of income methodology, which entailed a review of historic and forecast forward distribution yields of Comparable REITs, based on the actual and one-year forward distribution of Comparable REITs as per consensus analysts’ forecasts.

A range for the fair market one-year forward income yields appropriate to Resilient were determined and we capitalised the projected one-year forward distribution of Resilient, based on Resilient’s own forecasts, in order to produce a fair value for a Resilient Share. These forecasts were adjusted for the anticipated reduction in rental income from Edcon in accordance with the Edcon Concession.

Resilient’s distribution is forecast to be between 530 and 550 cents per share for the 2019 financial year, being the key internal value driver. For the purposes of the income valuation, the mid-point of the distribution growth range was applied in order to determine expected distributions.

A sensitivity analyses was performed by considering key value drivers. The key external value driver for the income capitalisation approach is a fair market forecast one-year forward income yield range for Comparable REITs of 9.3%. This yield reflects the nature of the underlying property portfolio expected growth in distributions, expected changes in inflation and prevailing and expected changes in interest rates as well as market and industry conditions specific to the retail sector.

A sensitivity analysis was performed by applying the distribution range noted above. The sensitivity analysis did not indicate a sufficient effect on the valuation of a Resilient Share to alter our opinion in respect of the fairness of the Share Repurchase.

#### **Fortress**

Fortress’ share capital comprises of separately traded “A” ordinary shares of no par value (“Fortress A Shares”) and Fortress B Shares. The Fortress A Shares have a preferential right to income distribution and to capital participation in the event of winding up. The annual increase on the Fortress A Share dividend is the lower of 5% or Consumer Price Index (“**CPI**”). The Fortress B Shares are entitled to the residual distributable income and capital participation on winding up.

Fortress A Share NAV is based on the 60-day VWAP of R17.26 as at 31 December 2018 and the remaining NAV is attributed to the Fortress B Shares resulting in a NAV of R13.87 at 31 December 2018. We determined a fair market value to published NAV ratio (i.e. price to book ratio) of 0.88x which results in a fair market price to book value of R12.21 per Fortress B Share.

#### **Share Sale Consideration**

As set out in the Circular, the Resilient Empowerment Trust will owe Resilient and its subsidiaries c. R4.9 billion at 23 June 2019 (“**Resilient Empowerment Trust Loan**”), which is greater than the Share Sale Consideration of R2 989 523 412. On the date of implementation of the Share Sale, being Monday, 24 June 2019, the terms of the Resilient Empowerment Trust Loan will be varied such that the aggregate amount owing in respect of the capital component of the loans is agreed to be R2 989 523 412 and the aggregate amount owing in respect of the current year’s accrued but unpaid interest component is nil. The effect of this is that following the implementation of the Share Sale, the Resilient Empowerment Trust Loan will be extinguished.

Typically, we value a loan based on expected cash flows discounted at a market-related borrowing rate. However, other than dividends on the underlying shares and assumptions around the sale of the shares, there are no other cash flows to service the Resilient Empowerment Trust Loan.

Further, the fair value of any loan is the amount paid in a transaction between participants if the loan is sold in the open market. As there is no security for the Resilient Empowerment Trust Loan other than the shares held by the Resilient Empowerment Trust, any market participant (in a hypothetical sale scenario) would not pay more for the loan than the value of the underlying shares, irrespective of the face value of the loan.

The carrying value of the Resilient Empowerment Trust Loan, amounting to c. R4.9 billion at 23 June 2019 is not considered representative of the fair value of the Resilient Empowerment Trust Loan as the only security for the Resilient Empowerment Trust Loan is the shares held by the Resilient Empowerment Trust, with no recourse. The fair value of the Resilient Empowerment Trust Loan equates to the fair value of the 52 182 504 Resilient Shares and 7 474 707 Fortress B Shares held by the Resilient Empowerment Trust, representing the consideration transferred in respect of the Share Sale.

### **Conclusion**

BDO Corporate Finance has considered the terms and conditions of the Share Sale, and based on and subject to the conditions set out herein, is of the opinion that the terms and conditions of the Share Sale are fair to Shareholders.

Our opinion is necessarily based upon the information available to us up to Friday, 10 May 2019 (the “**Last Practicable Date**”), including in respect of the financial information as well as other conditions and circumstances existing and disclosed to us. We have assumed that all conditions precedent, including any material regulatory and other approvals or consents required in connection with the Share Sale have been fulfilled or obtained.

Accordingly, it should be understood that subsequent developments may affect this opinion, which we are under no obligation to update, revise or re-affirm.

Yours faithfully

**N Lazanakis CA(SA)**

*Director*

**BDO Corporate Finance Proprietary Limited**

52 Corlett Drive

Illovo

2196



## PRO FORMA STATEMENT OF FINANCIAL POSITION

The consolidated *pro forma* statement of financial position is based on Resilient's unaudited interim results for the six months ended 31 December 2018. The consolidated *pro forma* statement of financial position has been prepared for illustrative purposes only to provide information on how the Share Sale may have impacted the consolidated statement of financial position of Resilient, assuming that the Share Sale occurred on 31 December 2018, as set out below.

Due to its nature, the consolidated *pro forma* statement of financial position may not fairly present Resilient's consolidated statement of financial position subsequent to the Share Sale.

The consolidated *pro forma* statement of financial position, including the assumptions on which it is based and the financial information from which it has been prepared, is the responsibility of the Directors. The *pro forma* statement of financial position has been prepared in compliance with the recognition and measurement principles of IFRS, the SAICA Guide on *Pro Forma* Financial Information and in accordance with the accounting policies of Resilient that were used in the preparation of the unaudited interim results for the six months ended 31 December 2018.

The *pro forma* statement of financial position has been reviewed by the Independent Reporting Accountants whose report on the *pro forma* statement of financial position is contained in **Annexure 3**.

### Resilient

*Pro forma* statement of financial position as at 31 December 2018

R'000	Before	Share Sale	Transaction costs	<i>Pro forma</i> after the adjustments
	<i>Note 1</i>	<i>Note 2</i>	<i>Note 3</i>	<i>Note 4</i>
<b>ASSETS</b>				
<b>Non-current assets</b>	<b>36 239 542</b>	–	–	<b>36 239 542</b>
Investment property	23 722 813	–	–	23 722 813
Straight-lining of rental revenue adjustment	440 463	–	–	440 463
Investment property under development	415 561	–	–	415 561
Investment in and loans to associate and joint venture	810 683	–	–	810 683
Investments	10 458 374	–	–	10 458 374
Staff incentive loans	39 188	–	–	39 188
Loans to co-owners	147 066	–	–	147 066
Other financial assets	159 172	–	–	159 172
Other assets	46 222	–	–	46 222
<b>Current assets</b>	<b>1 475 288</b>	–	<b>(1 500)</b>	<b>1 473 788</b>
Staff incentive loans	2 022	–	–	2 022
Loans to co-owners	447 419	–	–	447 419
Trade and other receivables	274 182	–	–	274 182
Other financial assets	70 114	–	–	70 114
Other assets	20 967	–	–	20 967
Cash and cash equivalents	660 584	–	<b>(1 500)</b>	659 084
<b>Total assets</b>	<b>37 714 830</b>	–	<b>(1 500)</b>	<b>37 713 330</b>

R'000	Before	Share Sale	Transaction costs	<i>Pro forma</i> after the adjustments
	<i>Note 1</i>	<i>Note 2</i>	<i>Note 3</i>	<i>Note 4</i>
<b><i>EQUITY AND LIABILITIES</i></b>				
<b>Total equity attributable to equity holders</b>	<b>21 917 564</b>	–	<b>(1 500)</b>	<b>21 916 064</b>
Stated capital	13 822 359	(677 296)	–	13 145 063
Treasury shares	(4 508 341)	1 714 164	(901)	(2 795 078)
Currency translation reserve	204 996	–	–	204 996
Reserves	12 398 550	(1 036 868)	(599)	11 361 083
<b>Non-controlling interests</b>	<b>69 211</b>	–	–	<b>69 211</b>
<b>Total equity</b>	<b>21 986 775</b>	–	<b>(1 500)</b>	<b>21 985 275</b>
<b>Total liabilities</b>	<b>15 728 055</b>	–	–	<b>15 728 055</b>
<b>Non-current liabilities</b>	<b>12 607 505</b>	–	–	<b>12 607 505</b>
Interest-bearing borrowings	11 502 861	–	–	11 502 861
Other financial liabilities	28 462	–	–	28 462
Deferred tax	99 621	–	–	99 621
Amounts owing to non-controlling shareholders	976 561	–	–	976 561
<b>Current liabilities</b>	<b>3 120 550</b>	–	–	<b>3 120 550</b>
Trade and other payables	362 735	–	–	362 735
Other financial liabilities	64 600	–	–	64 600
Other liabilities	46 210	–	–	46 210
Income tax payable	417	–	–	417
Interest-bearing borrowings	2 646 588	–	–	2 646 588
<b>Total equity and liabilities</b>	<b>37 714 830</b>	–	<b>(1 500)</b>	<b>37 713 330</b>
<b>Shares in issue (net of treasury)</b>	<b>368 851 371</b>	–	–	<b>368 851 371</b>
<b>Net asset value per share (R)</b>	<b>59.42</b>	–	–	<b>59.42</b>
<b>Net tangible asset value per share (R)</b>	<b>59.42</b>	–	–	<b>59.42</b>

**Notes and assumptions:**

1. Extracted without adjustment from the condensed unaudited consolidated interim financial statements of Resilient for the six months ended 31 December 2018.
2. Represents the impact of the repurchase of 52 182 504 Resilient Shares and the purchase of 7 474 707 Fortress B Shares as set out in paragraph 3 of this Circular.
  - 2.1 The Siyakha Trusts are consolidated by Resilient in the condensed unaudited consolidated interim financial statements for the six months ended 31 December 2018.
  - 2.2 As a result, the 52 182 504 Resilient Shares are treated as treasury shares and the 7 474 707 Fortress B Shares as an investment by Resilient.
  - 2.3 The amount owed by the Siyakha Trusts to the Resilient Group is eliminated on consolidation and the Share Sale will have no impact on the consolidated statement of financial position.
  - 2.4 The transaction will result in a decrease in stated capital and reserves and a reversal of treasury shares as a result of the derecognition of 20 822 746 Resilient Shares, acquired directly by the Company, as treasury shares.
  - 2.5 The adjustment is based on the condensed unaudited consolidated interim financial statements of Resilient for the six months ended 31 December 2018.
  - 2.6 The remaining 31 359 758 Resilient Shares, acquired by Resilient Properties, will be kept in treasury and will have no further impact on the Resilient results presented.
3. Represents the impact of the transaction costs of R1 500 000, as detailed in paragraph 19 of the Circular.
4. Represents the statement of financial position of Resilient after the Share Sale. The Directors are not aware of any post-balance sheet events which require adjustment to the *pro forma* statement of financial position.
5. All adjustments have a continuing effect.

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## INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE *PRO FORMA* STATEMENT OF FINANCIAL POSITION

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To the Directors of Resilient REIT Limited

### **Report on the Assurance Engagement on the Compilation of *Pro Forma* Financial Information included in a Circular**

We have completed our assurance engagement to report on the compilation of the *pro forma* financial information of Resilient REIT Limited and its subsidiaries (“**Resilient**”) by the Directors of Resilient REIT Limited to be presented in the Circular pursuant to the proposed specific repurchase by Resilient of all the shares held in Resilient by The Resilient Empowerment Trust as well as the acquisition by Resilient of 7 474 707 Fortress REIT Limited B shares from The Resilient Empowerment Trust. The *pro forma* financial information, as set out in **Annexure 2** to the Circular, consists of the *pro forma* statement of financial position and related notes (the “**Pro Forma Financial Information**”). The applicable criteria on the basis of which the Directors have compiled the *Pro Forma* Financial Information are specified in the JSE Listings Requirements and described in the Circular.

The *Pro Forma* Financial Information has been compiled by the Directors to illustrate the impact of the repurchase by Resilient of all the shares held in Resilient by the Resilient Empowerment Trust as well as the acquisition by Resilient of 7 474 707 Fortress REIT Limited B shares from The Resilient Empowerment Trust.

### **Directors' responsibility**

The directors of Resilient are responsible for compiling the *Pro Forma* Financial Information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in the Circular.

### **Our independence and quality control**

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Part A and B).

The firm applies International Standard on Quality Control 1 and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Reporting accountants' responsibility**

Our responsibility is to express an opinion about whether the *Pro Forma* Financial Information has been compiled, in all material respects, by the Directors on the basis of the applicable criteria specified in the JSE Listings Requirements and described in **Annexure 2** to the Circular based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of *Pro Forma* Financial Information Included in a Prospectus which is applicable to an engagement of this nature. This standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the *Pro Forma* Financial Information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

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

The purpose of *Pro Forma* Financial Information is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of Resilient as if the event has occurred or the transaction had been undertaken at an earlier date selected for purposes of illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the *Pro Forma* Financial Information have been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the *Pro Forma* Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related *Pro Forma* adjustments give appropriate effect to those criteria; and
- the *Pro Forma* Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, event or transaction in respect of which the *Pro Forma* Financial Information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *Pro Forma* Financial Information.

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

### **Opinion**

In our opinion, the *Pro Forma* Financial Information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in paragraph 9 and **Annexure 2** of the Circular.

### **Purpose of the report**

This report has been prepared for the purpose of the Circular and for no other purpose.

### **PKF Octagon Inc.**

Director: **Henico Schalekamp**

*Registered Auditor*

Johannesburg

15 May 2019

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**SHARE PRICE TRADING HISTORY**


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<b>Period</b>	<b>High (cents)</b>	<b>Low (cents)</b>	<b>Close (cents)</b>	<b>Volume</b>	<b>Value (R)</b>
<b>Monthly</b>					
<b>2018</b>					
March	7 200	4 431	5 000	65 593 203	4 023 446 87
April	7 006	4 970	6 775	36 989 445	2 278 488 85
May	6 500	5 108	5 716	26 509 048	1 540 435 82
June	6 200	5 231	5 625	28 758 652	1 629 763 19
July	5 799	5 095	5 170	18 239 453	969 853 24
August	6 214	5 099	5 699	20 423 581	1 154 166 83
September	5 886	5 151	5 813	29 206 747	1 600 886 11
October	6 224	5 520	5 982	27 326 027	1 600 504 27
November	6 901	5 537	6 021	20 284 800	1 260 116 64
December	6 600	5 499	5 700	16 950 798	980 276 86
<b>2019</b>					
January	6 556	5 501	6 461	18 135 744	1 079 154 862
February	6 550	5 998	6 153	12 964 367	821 380 336
March	6 398	5 401	5 470	26 604 542	1 524 158 843
April	5 829	5 406	5 678	19 366 506	1 083 680 330
<b>Daily</b>					
8 March	6 009	5 857	5 883	783 037	46 219 631
11 March	5 949	5 799	5 907	333 349	19 735 137
12 March	5 987	5 830	5 893	2 345 886	138 475 456
13 March	5 887	5 516	5 865	560 553	32 784 574
14 March	5 999	5 565	5 872	1 682 498	98 508 515
15 March	5 981	5 700	5 825	2 098 308	122 195 464
18 March	5 838	5 617	5 680	2 908 183	165 452 768
19 March	5 884	5 571	5 588	1 009 767	57 562 162
20 March	5 800	5 480	5 539	2 446 040	135 207 515
22 March	5 786	5 511	5 571	955 600	53 172 987
25 March	5 786	5 450	5 483	1 421 442	78 114 084
26 March	5 530	5 401	5 474	1 614 432	88 494 723
27 March	5 601	5 448	5 468	1 527 893	83 757 571
28 March	5 535	5 444	5 500	1 221 586	66 908 611
29 March	5 691	5 460	5 470	1 289 924	70 615 432
1 April	5 541	5 418	5 537	1 113 692	61 241 882
2 April	5 569	5 500	5 538	1 272 610	70 173 608
3 April	5 717	5 521	5 663	603 699	34 138 776
5 April	5 676	5 520	5 554	2 023 805	112 804 652
8 April	5 678	5 473	5 495	1 785 123	98 146 489
9 April	5 568	5 406	5 550	1 423 429	77 993 775
10 April	5 760	5 557	5 738	774 761	44 005 750
11 April	5 829	5 635	5 706	843 107	48 111 455
12 April	5 670	5 603	5 660	738 323	41 712 978
15 April	5 661	5 490	5 570	1 293 613	71 696 557
16 April	5 674	5 561	5 670	668 674	37 751 038
17 April	5 698	5 612	5 613	427 602	24 083 093
18 April	5 699	5 554	5 585	842 248	47 090 165
23 April	5 660	5 551	5 660	450 507	25 276 604

<b>Period</b>	<b>High (cents)</b>	<b>Low (cents)</b>	<b>Close (cents)</b>	<b>Volume</b>	<b>Value (R)</b>
24 April	5 700	5 621	5 685	518 096	29 310 588
25 April	5 784	5 598	5 759	510 945	29 224 030
26 April	5 718	5 600	5 681	255 622	14 434 547
29 April	5 791	5 625	5 681	773 735	43 812 271
30 April	5 699	5 578	5 678	1 153 242	65 146 598
2 May	5 717	5 617	5 683	1 437 422	81 502 062
3 May	5 750	5 571	5 702	1 045 616	59 627 155
6 May	5 827	5 592	5 686	437 521	24 857 808
7 May	5 781	5 674	5 686	541 397	30 783 833
9 May	5 890	5 597	5 612	970 559	54 463 084
10 May	5 666	5 598	5 650	1 377 595	77 705 335

Source: *TimBukOne*

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**EXTRACT OF CLAUSE 16 OF RESILIENT'S MEMORANDUM OF INCORPORATION**

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**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 acquires 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:
  - 16.1.3 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
  - 16.1.4 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.
- 16.2 Any decision by the Company to acquire its own Shares must satisfy the JSE Listings Requirements and the requirements of section 46 and, accordingly, the Company may not acquire its own Shares unless:
- 16.2.1 for as long as it is required in terms of the JSE Listings Requirements, the acquisition has been approved by a special resolution of the Shareholders in terms of the JSE Listings Requirements, whether in respect of a particular repurchase or generally approved by Shareholders and unless such acquisition otherwise complies with sections 5.67 to 5.69 of the JSE Listings Requirements (or such other sections as may be applicable from time to time);
  - 16.2.2 the acquisition:
    - 16.2.2.1 is pursuant to an existing legal obligation of the Company, or a court order; or
    - 16.2.2.2 the Board, by resolution, has authorised the acquisition;
  - 16.2.3 it reasonably appears that the Company will satisfy the Solvency and Liquidity Test immediately after completing the said acquisition; and
  - 16.2.4 the Board, by resolution, has acknowledged that it has applied the Solvency and Liquidity Test and reasonably concluded that the Company will satisfy the Solvency and Liquidity Test immediately after completing the said acquisition.
- 16.3 A decision of the Board referred to in clause 16.1.1:
- 16.3.1 must be approved by a special resolution of the Shareholders if any Shares are to be acquired by the Company from a Director or Prescribed Officer of the Company, or a person related to a Director or Prescribed Officer of the Company; and
  - 16.3.2 is subject to the requirements of sections 114 and 115 if considered alone, or together with other transactions in an integrated series of transactions, it involves the acquisition by the Company of more than 5% (five percent) of the issued Shares of any particular class of the Company's Shares.
- 16.4 Notwithstanding any other provision of this Memorandum of Incorporation, the Company may not acquire its own Shares, and no subsidiary of the Company may acquire Shares of the Company if, as a result of that acquisition, there would no longer be any Shares of the Company in issue other than:
- 16.4.1 Shares held by one or more subsidiaries of the Company; or
  - 16.4.2 convertible or redeemable shares.
- 16.5 The Company may, in accordance with the JSE Listings Requirements, and subject to the passing of the necessary Shareholders resolution approving the odd-lot offer by the requisite majority of Shareholders at a general meeting, make an odd-lot offer to Shareholders holding less than such number of Shares as the Directors may determine, subject to the JSE having approved such number of Shares, in terms of which the offeree Shareholders are given the right to elect to retain their shareholding or sell their Shares, and such odd-lot offer may provide that if any offeree Shareholder fails to exercise such right of election, his shareholding will be compulsorily sold as if he had elected to sell such shareholding.



## **Resilient REIT Limited**

(Incorporated in the Republic of South Africa)

(Registration number 2002/016851/06)

JSE share code: RES ISIN: ZAE000209557

Bond company code: BIRPIF

(Approved as a REIT by the JSE)

("Resilient" or the "Company")

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## **NOTICE OF GENERAL MEETING OF RESILIENT SHAREHOLDERS**

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Where appropriate and applicable, the terms defined in the Circular to which this notice of General Meeting is attached bear the same meanings in this notice of General Meeting and, in particular, in the resolutions set out below.

Notice is hereby given that a General Meeting of Resilient Shareholders will be held at 10:00 on Monday, 24 June 2019 at the registered office of the Company being 4<sup>th</sup> Floor, Rivonia Village, Rivonia Boulevard, Rivonia, 2191, for the purpose of considering and, if deemed fit, passing with or without modification, the resolutions set out below.

Shareholders are referred to the Circular, which sets out the information and explanatory material that they may require in order to determine whether to participate in the General Meeting and vote on the resolutions set out below.

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

- a Shareholder who is entitled to attend and vote at the General Meeting is entitled to appoint a proxy or two or more proxies to attend, participate in and vote at the General Meeting in the place of the Shareholder;
- a proxy need not be a Shareholder of the Company; and
- Shareholders recorded in the Register of the Company on the Voting Record Date (including Shareholders and their proxies) are required to provide reasonably satisfactory identification before being entitled to attend or participate in the General Meeting. In this regard, all Shareholders recorded in the Register on the Voting Record Date will be required to provide identification satisfactory to the chairperson of the General Meeting. Forms of identification include valid identity documents, drivers' licences and passports.

<b>Important dates to note</b>	<b>2019</b>
Last day to trade in order to be eligible to participate in and vote at the General Meeting	Tuesday, 11 June
Voting Record Date	Friday, 14 June
Last day to lodge forms of proxy for the General Meeting with the Transfer Secretaries, by 10:00 (forms of proxy not lodged with the Transfer Secretaries in time may be handed to the chairperson of the General Meeting immediately before the commencement thereof)	Thursday, 20 June
General Meeting held at 10:00 on	Monday, 24 June
Results of the General Meeting released on SENS on	Monday, 24 June
Expected implementation date of the Share Sale	Monday, 24 June

### **Notes:**

1. All dates and times in this notice of General Meeting are local dates and times in South Africa and are subject to change. Any changes will be released on SENS.
2. Resilient Shareholders are referred to page 2 of the Circular to which this notice of General Meeting is attached for information on the action required to be taken by them.



## **SPECIAL RESOLUTION NUMBER 1 – APPROVAL OF THE SHARE SALE IN TERMS OF THE JSE LISTINGS REQUIREMENTS**

“Resolved that, by way of specific authority:

- in terms of the JSE Listings Requirements, Resilient, in part directly and in part via its subsidiary, Resilient Properties, be and is hereby authorised to acquire (i) 52 182 504 Shares from the Resilient Empowerment Trust for an aggregate consideration of R2 909 406 288; and (ii) 7 474 707 Fortress B shares from the Resilient Empowerment Trust for an aggregate consideration of R80 117 124, as detailed in paragraph 3 of the Circular;
- on the date of implementation of the Share Sale, being Monday, 24 June 2019, the terms of the loans owed by the Resilient Empowerment Trust to the Resilient Group be varied such that the aggregate amount owing in respect of the capital component of the loans is agreed to be R2 989 523 412 and the aggregate amount owing in respect of the current year’s accrued but unpaid interest component is nil. The effect of this is that following the implementation of the Share Sale, the loans owed by the Resilient Empowerment Trust to the Resilient Group will be extinguished.”

### **Explanatory note**

In terms of the Companies Act and the Company’s Memorandum of Incorporation, the minimum percentage of voting rights that is required for special resolution number 1 to be adopted is 75% of the votes exercised on such special resolution by Shareholders present or represented by proxy at the General Meeting.

The Resilient Empowerment Trust is deemed a related party of Resilient in terms of paragraph 10.1(b)(i) of the JSE Listings Requirements. In terms of the JSE Listings Requirements, the votes of the Resilient Empowerment Trust and its associates will be excluded from voting on special resolution number 1 as it is participating in the Share Sale. The Resilient Empowerment Trust and its associates will, however, form part of the quorum for purposes of considering special resolution number 1.

The reason for the passing of special resolution 1 is, subject to the fulfilment (and/or waiver) of the conditions precedent to the Share Sale, which conditions are set out in the Circular, to authorise the Company to implement the Share Sale in terms of paragraph 5.69 of the JSE Listings Requirements pursuant to which Resilient, in part directly and in part via its subsidiary, Resilient Properties, will repurchase the Repurchase Shares and purchase the Fortress Purchase Shares from the Resilient Empowerment Trust for the Share Sale Consideration.

Any Repurchase Shares acquired by a subsidiary of Resilient will be held in treasury and any Repurchase Shares acquired by Resilient will again form part of the authorised but unissued share capital of Resilient.

## **ORDINARY RESOLUTION NUMBER 1 – GENERAL AUTHORITY**

“Resolved that any executive director of the Company be and is hereby authorised and empowered to do all such things, sign all such documents and take all such actions as may be necessary for or incidental to the implementation of the Share Sale and the validation and implementation of special resolution 1 above.”

### **Explanatory note**

In order for ordinary resolution number 1 to be adopted, it requires the support of more than 50% of the voting rights exercised thereon at the General Meeting by the Shareholders present in person or represented by proxy.

## **NOTES TO THE NOTICE OF GENERAL MEETING**

### **VOTING AND QUORUM**

The quorum requirement for the General Meeting to begin or for a matter to be considered at the General Meeting is at least three Shareholders present in person. In addition:

- the General Meeting may not begin until sufficient persons are present in person or represented by proxy to exercise, in aggregate, at least 25% of the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the General Meeting; and
- a matter to be decided at the General Meeting may not begin to be considered unless sufficient persons are present in person or represented by proxy to exercise, in aggregate, at least 25% of all the voting rights that are entitled to be exercised in respect of that matter at the time the matter is called on the agenda.

Every Shareholder present in person or represented by proxy and entitled to exercise voting rights at the General Meeting shall be entitled to vote on a show of hands, irrespective of the number of voting rights that Shareholder would otherwise be entitled to exercise. On a poll, any person who is present at the General Meeting, whether as a Shareholder or as proxy for a Shareholder, has the number of votes determined in accordance with the voting rights associated with the Shares held by that Shareholder.

## SHAREHOLDERS

### General instructions

Shareholders who are entitled to attend, speak and vote at the General Meeting are encouraged to do so.

### Electronic participation

The Company has made provision for Shareholders or their proxies to participate electronically in the General Meeting by way of telephone conferencing. Should you wish to participate in the General Meeting by telephone conference call, you, or your proxy, should advise the Company as such by no later than 10:00 on Thursday, 20 June 2019, by submitting by email to Monica Muller, the company secretary of Resilient, at monicam@resilient.co.za, relevant contact details, including an email address, cellular number and landline, as well as full details of your title to Resilient Shares and proof of identity, in the form of copies of identity documents and share certificates (in the case of Certificated Shares) or written confirmation from your CSDP confirming your title to the Dematerialised Shares (in the case of Dematerialised Shares). Upon receipt of the required information, you will be provided with a secure code and instructions to access the electronic communication during the General Meeting. Shareholders should 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 General Meeting through this medium. Accordingly, Shareholders making use of the electronic participation facility are requested to submit their forms of proxy to the Company, as directed.

### Proxies and authority for representatives to act

The attached form of proxy is only to be completed by:

- Certificated Shareholders; or
- own-name Dematerialised Shareholders who cannot attend the General Meeting but wish to be represented thereat.

All other beneficial owners who have dematerialised their Shares through a CSDP or broker, without own-name registration, and who wish to attend the 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.

Forms of proxy are requested to be delivered to the Transfer Secretaries, Link Market Services South Africa Proprietary Limited at 13<sup>th</sup> Floor, 19 Ameshoff Street, Braamfontein, 2001, or posted to PO Box 4844, Johannesburg, 2000, or faxed to 086 674 2450, or emailed to meetfax@linkmarketservices.co.za, so as to arrive no later than 10:00 on Thursday, 20 June 2019. Forms of proxy not lodged with the Transfer Secretaries in time may be handed to the chairperson of the General Meeting immediately before the commencement thereof. Any Shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend, speak and vote in person at the General Meeting should the Shareholder decide to do so.

A company that is a Shareholder, wishing to attend and participate at the General Meeting should ensure that a resolution authorising a representative to so attend and participate at the General Meeting on its behalf, is passed by its directors.

**Resilient does not accept responsibility and will not be held liable for any failure on the part of the CSDP or broker of a Dematerialised Shareholder to notify such Shareholder of the General Meeting or any business to be conducted thereat.**

### GENERAL NOTES

1. Shareholders who are companies or other bodies corporate may, by resolution of its directors or other governing body, authorise any person to act as its representative at the General Meeting.
2. The chairperson of the General Meeting will be making a demand that all resolutions put to the vote shall be decided by way of a poll.

By order of the Board

### Resilient REIT Limited

20 May 2019

### Registered office

4<sup>th</sup> Floor  
Rivonia Village  
Rivonia Boulevard  
Rivonia, 2191  
(PO Box 2555, Rivonia, 2128)



## Resilient REIT Limited

(Incorporated in the Republic of South Africa)

(Registration number 2002/016851/06)

JSE share code: RES ISIN: ZAE000209557

Bond company code: BIRPIF

(Approved as a REIT by the JSE)

("Resilient" or the "Company")

### FORM OF PROXY

Where appropriate and applicable, the terms defined in the Circular to which this form of proxy is attached bear the same meanings in this form of proxy.

#### THIS FORM OF PROXY IS ONLY FOR USE BY:

- Certificated Shareholders; and
- own-name Dematerialised Shareholders.

For completion by the aforesaid registered Shareholders who are unable to attend the General Meeting to be held at 10:00 on Monday, 24 June 2019 at 4<sup>th</sup> Floor, Rivonia Village, Rivonia Boulevard, Rivonia, 2191.

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 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)

Email address

Telephone number

Cellphone number

of (address)

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

1. \_\_\_\_\_ or failing him/her
2. \_\_\_\_\_ or failing him/her
3. the chairperson of the General Meeting

as my/our proxy to attend, speak and to vote for me/us and on my/our behalf at the General Meeting of Shareholders 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 General Meeting, and to vote on the resolutions in respect of the Shares registered in my/our name(s).

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

	Number of votes		
	*In favour of	*Against	*Abstain
<b>Special resolution number 1 – approval of the Share Sale in terms of the JSE Listings Requirements</b>			
<b>Ordinary resolution number 1 – general authority</b>			

One vote per Resilient 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 \_\_\_\_\_ 2019

Signature

Assisted by me (where applicable)

(State capacity and full name)

A Shareholder entitled to attend and vote at the General Meeting is entitled to appoint a proxy to attend, vote and speak in his/her stead. A proxy need not be a Shareholder of Resilient. Each Shareholder is entitled to appoint one or more proxies to attend, speak and, on a poll, vote in place of that Shareholder at the General Meeting.

Forms of proxy are requested to be delivered to the Transfer Secretaries, Link Market Services South Africa Proprietary Limited at 13<sup>th</sup> Floor, 19 Ameshoff Street, Braamfontein, 2001, or posted to PO Box 4844, Johannesburg, 2000, or faxed to 086 674 2450, or emailed to meetfax@linkmarketservices.co.za, so as to arrive no later than 10:00 on Thursday, 20 June 2019. Forms of proxy not lodged with the Transfer Secretaries in time may be handed to the chairperson of the General Meeting immediately before the commencement of the General Meeting. Any Shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend, speak and vote in person at the General Meeting should the Shareholder decide to do so.

**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 Voting Record Date may complete a form of proxy or attend the General Meeting. This includes Certificated Shareholders or own-name Dematerialised Shareholders. A proxy need not be a Shareholder of the Company.
2. Certificated Shareholders wishing to attend the General Meeting have to ensure beforehand with the Transfer Secretaries that their Shares 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 vote at the 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 General Meeting, must instruct the CSDP or broker to provide them with the necessary letter of representation 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 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 chairperson of the General Meeting of Shareholders". The person whose name stands first on the form of proxy and who is present at the 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 of proxy will not preclude the relevant Shareholder from attending the 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:
  - 7.1 cancelling it in writing, or making a later inconsistent appointment of a proxy; and
  - 7.2 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 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 Company as required in section 58(4)(c)(ii) of the Companies Act.
9. Should the instrument appointing a proxy or proxies have been delivered to the Transfer Secretaries, as long as that appointment remains in effect, any notice that is required by the Companies Act or the Memorandum of Incorporation to be delivered by the Company to the Shareholder must be delivered to:
  - 9.1 the Shareholder; or
  - 9.2 the proxy or proxies if the Shareholder has in writing directed the 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 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 or waived by the chairperson of the 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 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 Transfer Secretaries prior to the 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 wishes to be present or represented at the General Meeting, that one of the said persons whose name appears first in the Register or his proxy, as the case may be, shall alone be entitled to vote in respect thereof.
17. The chairperson of the 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.
18. A proxy may not delegate his/her authority to act on behalf of the Shareholder, to another person.
19. A Shareholder's instruction to the proxy must be indicated by the insertion of the relevant number of Shares 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 General Meeting, if the chairperson is the authorised proxy, to vote in favour of the resolutions at the General Meeting or other proxy to vote or to abstain from voting at the General Meeting as he/she deems fit, in respect of the Shares concerned. A Shareholder or the proxy is not obliged to use all of 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.
20. Forms of proxy are requested to be delivered to the Transfer Secretaries, Link Market Services South Africa Proprietary Limited at 13<sup>th</sup> Floor, 19 Ameshoff Street, Braamfontein, 2001, or posted to PO Box 4844, Johannesburg, 2000, or faxed to 086 674 2450, or emailed to meetfax@linkmarketservices.co.za, so as to arrive no later than 10:00 on Thursday, 20 June 2019. Forms of proxy not lodged with the Transfer Secretaries in time may be handed to the chairperson of the General Meeting immediately before the commencement of the General Meeting. Any Shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend, speak and vote in person at the General Meeting should the Shareholder decide to do so.
21. This form of proxy may be used at any adjournment or postponement of the General Meeting, including any postponement due to a lack of quorum, unless withdrawn by the Shareholder.
22. The foregoing notes include a summary of the relevant provisions of section 58 of the Companies Act, as required in terms of that section.



