

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

Action required

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

Beneficial linked unitholders who have dematerialised their linked units through a CSDP or broker who wish to attend the 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 respective agreements with their CSDP or broker.

Vukile linked unitholders are referred to page 2 of this circular, which sets out the detailed action required of them in respect of this circular.

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



Vukile Property Fund Limited

(Incorporated in the Republic of South Africa)

(Registration number 2002/027194/06)

ISIN: ZAE000056370

JSE share code: VKE NSX share code: VKN

("Vukile" or "the Company")

CIRCULAR TO VUKILE LINKED UNITHOLDERS

relating to:

- the adoption of a new Memorandum of Incorporation;
- the amendment of the long-term incentive scheme and re-naming same the Conditional Unit Plan;
- the adoption of the Unit Purchase Plan;
- a specific authority to issue linked units under the reinvestment option;
- an odd-lot offer to linked unitholders holding less than 100 linked units in the linked unit capital of the Company;
- a specific authority to repurchase odd-lot linked units,
- a general authority to issue linked units for cash; and
- placing the unissued linked units under the control of the directors,

and enclosing:

- a notice of general meeting of Vukile shareholders and debenture holders;
 - a form of proxy to vote at the general meeting of Vukile linked unitholders for use by certificated linked unitholders and dematerialised Vukile linked unitholders who have elected "own-name" registration only; and
 - a form of election and surrender (*blue*) for the odd-lot offer to be used by certificated linked unitholders only.
-

Corporate advisor and sponsor

JAVACAPITAL

Advisor to Vukile in respect of the Conditional Unit Plan



Date of issue: Wednesday, 27 March 2013

This circular is only available in English. Copies of this circular may be obtained at Vukile's registered office, One-on-Ninth, Cnr Glenbove Road and Ninth Street, Melrose Estate, 2196 during normal business hours from 08:00 until 16:00 from Wednesday, 27 March 2013 to Thursday, 25 April 2013.

CORPORATE INFORMATION

Company secretary and registered office of Vukile

Johann Neethling (FCIS, MCom)
One-on-Ninth
Cnr Glenhove Road and Ninth Street
Melrose Estate
2196
(PO Box 2234, Parklands, 2121)

Corporate advisor to Vukile

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

JSE sponsor to Vukile

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

NSX sponsor to Vukile

IJG Securities Proprietary Limited
(Registration number 95/505)
12 Love Street
Klein Windhoek
Windhoek
Namibia
(PO Box 186, Windhoek, Namibia)

Advisor to Vukile in respect of the Conditional Unit Plan

PricewaterhouseCoopers Tax Services
(Registration number 1983/008289/07)
2 Eglin Road
Sunninghill, 2157
(Private Bag X36, Sunninghill, 2157)

Trustee for Vukile debenture holders

Maitland Trust Limited
(Registration number 1981/009543/06)
1st Floor
32 Fricker Road
Illovo
2196
(PO Box 781396, Sandton, 2146)

Transfer secretaries of Vukile

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

Date and place of incorporation of Vukile

Incorporated in the Republic of South Africa on 31 October 2002

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ACTION REQUIRED BY VUKILE LINKED UNITHOLDERS

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

ACTION REQUIRED BY VUKILE LINKED UNITHOLDERS REGARDING THE GENERAL MEETING

The approval and implementation of each of the corporate actions is subject to, *inter alia* Vukile shareholders passing the requisite resolutions at the general meeting of Vukile shareholders and debenture holders to be held at 11:00 on Thursday, 25 April 2013 at the office of Vukile (One-on-Ninth, Cnr Glenhove Road and Ninth Street, Melrose Estate, Johannesburg, 2196).

A notice convening the general meeting to be held at 11:00 on Thursday, 25 April 2013 is attached to and forms part of this circular.

Certificated linked unitholders and dematerialised linked unitholders who have elected “own-name” registration in the sub-register of Vukile maintained by a CSDP, 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 must be received by the transfer secretaries by no later than 11:00 on Wednesday, 24 April 2013 in respect of the general meeting of Vukile shareholders and debenture holders.

Dematerialised linked unitholders who have not elected “own-name” registration in the sub-register of Vukile maintained by a CSDP, and who wish to attend the general meeting, must instruct their CSDP or broker timeously in order that such CSDP or broker may issue them with the necessary letter of representation or equivalent authority to attend.

Dematerialised linked unitholders who have not elected “own-name” registration in the sub-register of Vukile maintained by a CSDP, and who do not wish to attend the general meeting, must provide their CSDP or broker with their instruction for voting as a shareholder at the general meeting in the manner stipulated in the agreement between the linked unitholder concerned and the CSDP or broker governing the relationship between such linked unitholder and his 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.

ACTION REQUIRED BY VUKILE LINKED UNITHOLDERS REGARDING THE ODD-LOT OFFER

If you own less than 100 linked units at the close of business on Friday, 24 May 2013, you are an odd-lot holder and this circular is important and requires your immediate attention. The action that odd-lot holders need to take is set out below. If you are in any doubt as to what action to take, please consult your broker, CSDP, banker, accountant, attorney or other professional adviser.

If you are an odd-lot holder you must choose either to:

- sell your odd-lot holding to Vukile for the offer price; or
- retain your odd-lot holding. If you want to retain your odd-lot holding you have to specifically make this choice by completing the attached blue form of election and surrender.

Those odd-lot holders who do not make an election by completing the attached blue form of election and surrender and returning it to the transfer secretaries, Link Market Services South Africa Proprietary Limited, to be received by no later than 12:00 on the odd-lot offer record date will automatically be regarded as having accepted the odd-lot offer and chosen to receive the cash consideration.

1. IF YOU HAVE A LINKED UNIT CERTIFICATE/S FOR YOUR LINKED UNITS (I.E. YOU ARE A CERTIFICATED LINKED UNITHOLDER)

If you hold a linked unit certificate for your linked units, you are a certificated linked unitholder. If you have lost your linked unit certificate, but you know that your linked units are held in the form of a certificate, you are also a certificated linked unitholder. If you have any doubt as to whether you are a certificated linked unitholder, please contact Link Market Services South Africa Proprietary Limited on +27 11 713 0800.

1.1 If you are a certificated odd-lot holder on the odd-lot offer record date:

- 1.1.1 you must complete the blue odd-lot offer form of election and surrender and select one of the two choices to either sell or retain your odd-lot holding; and

1.1.2 if you choose to retain your odd-lot holding you must make sure that you complete the blue form of election and surrender and return it to the transfer secretaries, Link Market Services South Africa Proprietary Limited, at 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, 2001, Johannesburg, Republic of South Africa (PO Box 4844, Johannesburg, 2000) to be received by no later than 12:00 on the odd-lot offer record date. If Link Market Services South Africa Proprietary Limited does not receive your completed form in time, you will be deemed to have chosen to sell your odd-lot linked units to Vukile, for which you will receive the cash consideration.

1.2 If any documents of title of odd-lot holders who have not dematerialised their Vukile linked units have been lost or destroyed and the odd-lot holder concerned produces evidence to this effect to the satisfaction of Link Market Services South Africa Proprietary Limited and Vukile, then Link Market Services South Africa Proprietary Limited, subject to obtaining Vukile's consent, may dispense with the surrender of such existing documents of title against provision of an acceptable indemnity.

2. IF YOU HAVE DEMATERIALISED YOUR LINKED UNITS WITH OR WITHOUT "OWN NAME" REGISTRATION

2.1 Your CSDP or broker is obliged to contact you in the manner stipulated in the agreement concluded between you and your CSDP or broker to find out what choice you wish to make in terms of the odd-lot offer and thereafter to advise Link Market Services South Africa Proprietary Limited of such choice in accordance with your instructions.

2.2 If you have not been contacted, you should contact your CSDP or broker and furnish it with your instructions relating to your choice.

2.3 If your CSDP or broker does not obtain instructions from you regarding your choice, it will be obliged to make an election on your behalf in accordance with the instructions contained in the agreement concluded between you and your CSDP or broker.

2.4 You must NOT complete the (*blue*) form of election and surrender.

It is a term of the odd-lot offer that Vukile shall be entitled to refuse to implement the purchase or sale of linked units pursuant to the odd-lot offer in respect of any odd-lot holder whom Vukile reasonably believes has become an odd-lot holder in order to take advantage of the odd-lot offer and such odd-lot holder will have no claim against Vukile arising out of or in connection with such refusal.

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

SALIENT DATES AND TIMES

2013

Record date in order to receive circular	Friday, 22 March
Circular posted on	Wednesday, 27 March
Announcement relating to the issue of the circular (together with the notice of general meeting) released on SENS	Wednesday, 27 March
Announcement relating to the issue of the circular (together with the notice of general meeting) released in the press	Thursday, 28 March
Last day to trade in order to be eligible to vote at the general meeting	Friday, 12 April
Record date to determine which linked unitholders are entitled to attend and vote as shareholders at the general meeting	Friday, 19 April
Last day to lodge forms of proxy for the general meeting (by 11:00)	Wednesday, 24 April
General meeting of Vukile shareholders and debenture holders at 11:00 on	Thursday, 25 April
Results of the general meeting released on SENS on	Thursday, 25 April
Results of the general meeting published in the press on	Friday, 26 April
Lodge MOI for registration with CIPC on	Friday, 26 April
Finalisation announcement published on SENS on*	Friday, 10 May
Last day to trade in order to participate in odd-lot offer*	Friday, 17 May
Odd-lot offer closes at 12:00*	Friday, 24 May
Odd-lot offer record date*	Friday, 24 May
Payment date – accounts at CSDP or broker updated*	Monday, 27 May
Results of the odd-lot offer released on SENS on*	Monday, 27 May
Results of the odd-lot offer published in the press on*	Tuesday, 28 May
Cancellation and termination of listing of linked units repurchased in terms of the odd-lot offer expected on or about	Friday, 31 May

* These dates are subject to change and are dependant upon when the resolution adopting the new Memorandum of Incorporation (and the new Memorandum of Incorporation) is filed and registered by CIPC and thus the date on which the odd-lot offer closes.

Notes:

1. All dates and times in this circular are local times in South Africa. The above dates and times are subject to change. Any changes will be released on SENS.
2. Dematerialised odd-lot holders are required to notify their duly appointed CSDP or broker of their choice in the manner and time stipulated in the agreement governing the relationship between them and their CSDP or broker.
3. In the case of holders of certificated linked units who complete the form of election and surrender and choose the cash consideration, payment will be made either by:
 - 3.1 electronic funds transfer into the bank accounts of odd-lot holders on or about Monday, 27 May 2013 if such odd-lot-holders' banking details have been provided in the form of election and surrender; or
 - 3.2 by cheque which will be posted at the risk of odd-lot holders on or about Monday, 27 May 2013 if such holders' banking details have not been provided in the form of election and surrender.

Those odd-lot holders who do not make an election by completing the attached blue form of election and surrender and returning it to Link Market Services South Africa Proprietary Limited to be received by no later than 12:00 on Friday, 24 May 2013 will automatically be regarded as having chosen and accepted the cash consideration.

INTERPRETATIONS AND DEFINITIONS

In this circular and the annexures hereto, unless inconsistent with the context, an expression which denotes one gender includes the other gender, a natural person includes a juristic person and *vice versa*, the singular includes the plural and *vice versa* and the expressions set out in the first column bear the meaning assigned to them in the second column

“Assumption Agreement”	any assumption agreement, from time to time, entered into between the Company and/or the employer companies and the Hedge Facilitator, from time to time, pursuant to which the Hedge Facilitator assumed the obligation to transfer units to the Participants from the vesting thereof under the Conditional Unit Plan;
“award”	an award of: <ul style="list-style-type: none">• a specified number of conditional units to an employee in terms of the Conditional Unit Plan; or• plan debt, which will be utilised for the sole purpose of purchasing plan units, to an employee in terms of the Unit Purchase Plan, and “awarded” shall bear a similar meaning;
“award date”	the date on which an award is made to an employee (being a date not earlier than the date on which the Committee resolved to make such award to the employee) irrespective of the date on which the award is actually accepted by the employee;
“award letter”	means a letter sent by the Company or its nominee to an employee informing the employee of the making of an award to him;
“board” or “directors”	the board of directors of Vukile at the date of this circular and set out on page 8 hereto;
“cash consideration”	the offer price to be received by odd-lot holders who elect to sell their linked units or who do not make an election and who fail to return the blue form of election and surrender to the transfer secretaries timeously;
“cash distribution”	the distribution paid by the Company to its linked unitholders in respect of the six month period ending 31 March 2013;
“circular” or “document”	this circular to Vukile linked unitholders dated 27 March 2013, incorporating the notice of general meeting and the form of proxy;
“certificated linked units”	Vukile linked units that have not yet been dematerialised, title to which is represented by documents of title;
“certificated linked unitholders”	Vukile linked unitholders who hold certificated linked units;
“CIPC”	the Companies and Intellectual Property Commission;
“Committee”	the Company’s Social, Ethics and Human Resources Committee, the members of which are independent non-executive directors of the Company;
“Companies Act” or “the Act”	the Companies Act, 2008 (Act 71 of 2008), as amended;
“Conditional Unit Plan”	the amended long-term incentive scheme details of which are set out in this circular;
“Conditional Unit Plan Rules”	the rules of the Conditional Unit Plan, as amended from time to time;
“conditional units”	an award of units under the Conditional Unit Plan, the vesting of which is conditional upon the fulfilment of the vesting condition, as defined in the Conditional Unit Plan Rules, and which may be subject to performance conditions, as defined in the Conditional Unit Plan Rules, as specified in the award letter;
“corporate actions”	together: <ul style="list-style-type: none">• the adoption of a new Memorandum of Incorporation;• the amendment of the long term incentive scheme and renaming same the Conditional Unit Plan;• the approval of the Unit Purchase Plan;• a specific authority to issue linked units under the reinvestment option;• an odd-lot offer to linked unitholders holding less than 100 linked units in the linked unit capital of the Company;• a specific authority to repurchase odd-lot linked units;• a general authority to issue linked units for cash; and• placing the unissued linked units under the control of the directors;
“CSDP”	Central Securities Depository Participant;
“current Memorandum of Incorporation”	the current Memorandum of Incorporation of Vukile which is intended to be substituted with the new Memorandum of Incorporation;

“debenture trust deed”	the trust deed in respect of the Vukile debentures entered into on 14 January 2004 between Vukile and Maitland Trust Limited, as trustees, as amended by the first addendum dated 2 February 2007;
“dematerialised linked unitholders”	Vukile linked unitholders who hold dematerialised linked units;
“dematerialised linked units”	Vukile linked units which have been incorporated into the Strate system, title to which is not represented by linked unit certificates or other physical documents of title;
“discretion”	a sole, absolute and unfettered discretion;
“employee”	means any person holding permanent salaried employment or office with any employer company, including any executive director, but excluding any non-executive director of the group;
“employer company”	the Company or any company in the group which employs a participant and which will have an obligation to: <ul style="list-style-type: none"> • settle units to such participant pursuant to the Conditional Unit Plan, unless otherwise provided for; and • advance the plan debt to such participant pursuant to the Unit Purchase Plan;
“Encha Group”	Encha Properties Proprietary Limited and its subsidiaries;
“finalisation date”	the date upon which the odd-lot offer becomes unconditional and the finalisation date announcement is released over SENS, or such other date as the JSE may determine;
“finalisation date announcement”	an announcement setting out the finalisation information, as contemplated in the JSE Listings Requirements, which announcement will include details relating to, <i>inter alia</i> , the last day to trade to participate in the odd-lot offer, the odd-lot offer record date and the offer price;
“general meeting”	the general meeting of Vukile shareholders and debenture holders to be held at One-on-Ninth, corner Glenhove and Ninth Street, Melrose Estate, 2196 at 11:00 on Thursday, 25 April 2013;
“group”	Vukile and its subsidiaries;
“Hedge Facilitator”	any person or entity appointed by the Company from time to time, to assume the settlement obligations of the Company or an employer company in terms of the Conditional Unit Plan;
“interest rate”	means as at any particular date, the weighted average all-in five-year cost of finance of debt raised to finance the plan debt or if plan debt is not financed by way of dedicated debt finance the Company’s weighted average all-in cost of debt finance prevailing at that particular date;
“JSE”	JSE Limited (Registration number 2005/022939/06), a company incorporated in South Africa and licensed as an exchange under the Securities Services Act, 2004 (Act 36 of 2004), as amended;
“JSE Listings Requirements” or “Listings Requirements”	the JSE Listings Requirements, as amended from time to time;
“last practicable date”	the last trading date before the practical finalisation of this circular, being 15 March 2013;
“linked unitholders” or “Vukile linked unitholders” or “unitholders”	the registered holders of Vukile linked units;
“linked units” or “Vukile linked units”	Vukile linked units listed on the JSE, each comprising one Vukile share indivisibly linked to one Vukile debenture;
“long-term incentive scheme” or “Existing Scheme”	the existing long-term incentive scheme of Vukile;
“NSX”	Namibia Stock Exchange;
“new Memorandum of Incorporation”	the proposed new Memorandum of Incorporation of Vukile;
“notice of general meeting”	the notice convening the general meeting of Vukile shareholders and debenture holders, which forms part of this circular;
“odd-lot holders”	linked unitholders holding an odd-lot holding at the close of business on the odd-lot offer record date;
“odd-lot holding”	aggregate linked unitholding of less than 100 linked units;
“odd-lot offer”	the offer by the Company to odd-lot holders to repurchase all their linked units for the offer price;
“odd-lot offer record date”	the time and date as at which odd-lot holders must be reflected on Vukile’s linked unitholder register in order to participate in the odd-lot offer, which is anticipated to be 12:00 on Friday, 24 May 2013 or such later date as the JSE may determine;

“offer price”	the offer price of an amount equal to five-day volume weighted average price of a Vukile linked unit immediately prior to the finalisation date;
“participant”	an employee who has accepted an award made to him in terms of the Conditional Unit Plan or the Unit Purchase Plan and includes the executor of such employee’s deceased estate where appropriate;
“performance condition”	as directed by the committee from time to time, conditions of vesting of an award of conditional units as set out in the award letter;
“plan debt”	the loan advanced by the Company to a participant in order to fund the acquisition of plan units forming the subject of an award under the Unit Purchase Plan;
“plan unit”	a linked unit acquired by a participant in terms of the Unit Purchase Plan whilst its related plan debt and any interest accrued thereon remains owing to the Company and includes any related plan capitalisation unit and any unit issued pursuant to a rights offer in accordance with the rules of the Unit Purchase Plan;
“prohibited period”	means: <ul style="list-style-type: none"> • a closed period as defined in the JSE Listings Requirements as may be applicable to the Company from time to time; or • any other period when there exists any matter, which constitutes unpublished price sensitive information in relation to the Company’s securities;
“reinvestment option”	the election to be provided to linked unitholders to reinvest the cash distribution in return for linked units;
“resolutions”	the special and ordinary resolutions to be proposed at the general meeting;
“Sanlam”	Sanlam Life Insurance Limited (Registration number 1998/021121/06), a public company registered and incorporated in South Africa;
“Sanlam Properties”	Sanlam Properties Proprietary Limited (Registration number 2000/011965/07), a private company registered and incorporated in South Africa;
“Securities Services Act”	the Securities Services Act, No. 36 of 2004, as amended;
“short-term incentive scheme”	the short-term incentive scheme of the Company;
“STT”	Securities Transfer Tax;
“SENS”	the Stock Exchange News Service, the news service operated by the JSE;
“South Africa”	the Republic of South Africa;
“specific repurchase authority”	authority for Vukile to repurchase linked units in terms of the odd-lot offer which authority will be sought from Vukile shareholders at the general meeting;
“Strate”	Strate Limited (Registration number 1998/022242/06), a company incorporated in South Africa, which is a registered central securities depository and which is responsible for the electronic settlement system used by the JSE;
“transfer secretaries”	Link Market Services South Africa Proprietary Limited, a company incorporated in South Africa, the details of which are set out on the inside front cover of this circular;
“Unit Purchase Plan”	the plan whereby participants are offered to purchase linked units and are advanced credit by the Company to pay the purchase price therefor;
“Unit Purchase Plan Rules”	means the rules of the Unit Purchase Plan, as amended from time to time;
“vest” or “vesting”	a participant becoming entitled to the Vukile Units (free of any restrictions and further conditions that could result in lapse of forfeiture) on the fulfilment of the vesting condition;
“vesting condition”	the condition of continued employment with the group for the duration of the vesting period;
“vesting date”	the date on which vesting occurs;
“vesting period”	the period or periods commencing on the award date and ending on the date as specified in the award letter (both dates included) during which the participant is required to fulfil the vesting condition;
“Vukile debenture”	an unsecured, subordinated, variable rate debenture with a nominal value of R4.90 each, which is indivisibly linked to a Vukile share in the ratio of one Vukile share for every debenture held;
“Vukile debenture holders”	the registered holders of Vukile debentures;
“Vukile register”	Vukile’s linked unit register, including all sub-registers;
“Vukile share”	an ordinary share of the Company with a par value of R0.01 linked to a Vukile debenture in the ratio of one share to one unsecured, subordinated, variable rate debenture with a nominal value of R4.90 each; and
“Vukile shareholders”	the registered holders of Vukile shares.



Vukile Property Fund Limited

(Incorporated in the Republic of South Africa)

(Registration number 2002/027194/06)

ISIN: ZAE000056370

JSE share code: VKE NSX share code: VKN

("Vukile" or "the Company")

Directors

AD Botha+ ∞

SF Booysen∞

PJ Cook∞

JM Hlongwane

HC Lopion#

PS Moyanga∞

NG Payne∞

MJ Potts# (FD)

LG Rapp# (CEO)

HM Serebro∞

+ Chairman

Executive director

∞ Independent

CIRCULAR TO VUKILE LINKED UNITHOLDERS

1. OVERVIEW

1.1 Introduction

Vukile is a property and investment holding company, which was listed on the JSE on 24 June 2004 and the Namibian Stock Exchange on 11 July 2007. Vukile is a long-term investor in commercial properties with strong contractual cash flows for long-term sustainability and capital appreciation.

1.2 Prospects

1.2.1 Notwithstanding that the local and international economic environment remains subdued, the property portfolio of the Company has performed in line with expectations since the release of the September 2012 interim results.

1.2.2 The Company will continue to focus on not only growing the property portfolio in line with its stated strategy but also on opportunities to improve the quality of the property portfolio and establishing a dominant retail bias to the portfolio mix. The East Rand Mall acquisition, as announced late in 2012, certainly delivers substantially in both respects. As part of the process, the Company will continue looking to sell non-core properties which may come at a yield dilution but certainly reduce the risk and improve the quality of the property portfolio.

1.2.3 The Company has also made significant progress on achieving its empowerment objectives. Most notably is the announcement of the Empowerment Transformation transaction with the Encha Group, which was announced on SENS on 12 March 2013, whereby 5 properties will be acquired from the Encha Group for the total value of R1.4 billion.

1.2.4 The Company together with the board is of the opinion that the Company is well positioned to fulfil its strategy and prospects as set out above.

1.3 Purpose of circular

The purpose of this circular is to provide linked unitholders with information relating to:

- 1.3.1 the adoption of a new Memorandum of Incorporation;
- 1.3.2 the amendment of the long term incentive scheme and renaming same the Conditional Unit Plan;
- 1.3.3 the adoption of the Unit Purchase Plan;
- 1.3.4 a specific authority to issue linked units under the reinvestment option;
- 1.3.5 an odd-lot offer to linked unitholders holding less than 100 linked units in the linked unit capital of the Company;
- 1.3.6 a specific authority to repurchase odd-lot linked units;
- 1.3.7 a general authority to issue linked units for cash;
- 1.3.8 placing the unissued linked units under the control of the directors; and
- 1.3.9 convene a general meeting in order for Vukile shareholders and debenture holders to consider and, if deemed appropriate, as shareholders pass (with or without modification) the resolutions set out in the notice of general meeting.

2. MEMORANDUM OF INCORPORATION

- 2.1 The Companies Act came into effect on 1 May 2011 (“**the general effective date**”). From the general effective date, the Company’s Memorandum of Association and Articles of Association became known as its Memorandum of Incorporation (referred to in this circular as “**the current Memorandum of Incorporation**”). In terms of item 4(2)(a) of Schedule 5 to the Companies Act, at any time within the two-year period immediately following the general effective date, a pre-existing company (such as Vukile) may file, without charge, an amendment to its Memorandum of Incorporation to harmonise it with the Companies Act.
- 2.2 In addition, Schedule 10 to the Listings Requirements requires a listed company to harmonise its Memorandum of Incorporation with the Listings Requirements within this same two-year period. The new Memorandum of Incorporation has been prepared in order to achieve the aforementioned harmonisation.
- 2.3 The new Memorandum of Incorporation contains substantially similar principles as those which are contained in the current Memorandum of Incorporation, other than as required as a result of harmonising the new Memorandum of Incorporation with the requirements of the Companies Act and Schedule 10 of the Listings Requirements.
- 2.4 It is proposed that the Company’s current Memorandum of Incorporation be substituted in its entirety with the new Memorandum of Incorporation which is to be tabled at the general meeting. The new Memorandum of Incorporation is set out in **Annexure 1** to this circular.
- 2.5 Vukile shareholders will be requested to approve the special resolution necessary to adopt the new Memorandum of Incorporation tabled at the general meeting. In order for the special resolution to be adopted, the support of at least 75% of the total votes exercisable by shareholders present, in person or by proxy, is required.
- 2.6 The new Memorandum of Incorporation will become effective from the date of filing and registration of the special resolution regarding the adoption of the new Memorandum of Incorporation (together with the new Memorandum of Incorporation) with CIPC or such later date as may be determined by the board of directors of the Company.

3. THE CONDITIONAL UNIT PLAN

3.1 Introduction

- 3.1.1 As communicated to unitholders in the previous integrated annual report of the Company (for the financial year ended 31 March 2012), the Company embarked on a process of reviewing the Company’s long-term share-based incentive scheme (“**the Existing Scheme**”) during the 2012 calendar year. The final outcome of the process described above has been that the Existing Scheme, as approved by unitholders on 31 August 2010, has been amended as detailed in this circular. The amended scheme known as the Conditional Unit Plan has since been recommended by the Company’s Social Ethics and Human Resources Committee (“**the Committee**”) and approved by the board of directors.
- 3.1.2 The approval of the Conditional Unit Plan and the granting of awards in terms thereof are presented in this document and the implementation thereof is requested through unitholder approval of the two resolutions in respect of section 44 and section 45 of the Companies Act for the issue or purchase of securities in the Company, dealing with financial assistance to directors and employees as contained in the notice of general meeting attached to this circular.

- 3.1.3 If the proposed Conditional Unit Plan is approved by the unitholders, it is intended that from 2013, all new awards will be made under the Conditional Unit Plan.

3.2 Reasons for change

The reasons for the revised scheme are to:

- 3.2.1 ensure compliance with the recommendations of the King III Report on Corporate Governance;
- 3.2.2 provide more flexibility with respect to the over-all limits, quantum of awards to participants and application to special circumstances; and
- 3.2.3 bring the Conditional Unit Plan more into line with the award multiples and vesting periods of comparable plans and prevailing market practices, thereby enhancing the alignment between management and unitholders.

3.3 Overview of the Conditional Unit Plan

Similar to the Existing Scheme, the Conditional Unit Plan will remain a full-award type plan, which operates in the following manner:

- 3.3.1 participants will be granted awards consisting of rights to acquire linked units at some point in the future (“**conditional units**”);
- 3.3.2 the awards will be made on an annual basis, with conditional units allocated as a percentage or multiple of the participant’s guaranteed package, as informed by their job level and market benchmarks, and as determined by the Committee;
- 3.3.3 as a hedge to the exposure in terms of the Conditional Unit Plan, the Company and/or employer company of the relevant participants will make a cash contribution to the Hedge Facilitator, who will assume the settlement obligations which may arise in terms of the Conditional Unit Plan;
- 3.3.4 on the terms as set out in an Assumption Agreement, the Hedge Facilitator will utilise the cash contribution from the Company and/or employer company to acquire an amount of linked units in the open market on the award date to be used in settlement to participants on the eventual vesting of awards. The linked units to be acquired by the Hedge Facilitator in terms of the Assumption Agreement will be held for the duration of the vesting period, and will be delivered to participants subsequent to the vesting date and in accordance with the number of conditional units to vest given that the required performance conditions have been met;
- 3.3.5 participants will not be required to pay for the conditional units, or the eventual acquisition of linked units in terms thereof, and they will be awarded free of charge. Participants will, however, become liable for income tax on the market value of the linked units that vest eventually;
- 3.3.6 in order for the conditional units to vest and the linked units to be delivered, participants must remain employed by the Company or within the group. This is normally referred to as the “**vesting condition**”. In addition, vesting of certain awards will be made conditional upon the satisfaction of Company and personal performance conditions;
- 3.3.7 to the extent that the performance conditions are not satisfied over a performance period, to the extent applicable, or the participant’s employment with the Company is terminated before the end of the vesting period, other than for certain “**good leaver**” or deemed “**good leaver**” reasons, the conditional units will lapse and the participant will lose all rights in respect thereof and to the underlying linked units held by the Hedge Facilitator; and
- 3.3.8 as and when distributions are declared by the Company on linked units, such distributions will be paid to the Company and/or employer company by the Hedge Facilitator. The Company and/or employer company will in turn pay the equivalent amounts (“**distribution equivalents**”) over to the participants who will be entitled to such distribution equivalents (after income tax has been deducted). The distribution equivalents attributable to conditional units that lapse will become repayable by the participants, but the repayment will be limited to the market value of the linked units from that tranche that actually vest.

3.4 Uses of the Conditional Unit Plan

At the discretion of the Committee, the Conditional Unit Plan will be used as follows:

- 3.4.1 for regular annual awards to address incentivisation and/or retention. The annual awards are proposed to have a mix of Company and personal performance conditions, as set out in **Annexure 2**;

- 3.4.2 for sign-on awards;
- 3.4.3 for deferral of portions of any short-term incentive payments in excess of the cash cap limits as per the short-term incentive scheme. The vesting of such deferred units will only be subject to continued employment, and otherwise can only be forfeited in the case of a manifest error in the financials on which the short-term incentive was based;
- 3.4.4 for awards made to recognise the achievement of significant strategic goals, where related benefits will only be realised in future periods; and/or
- 3.4.5 for *ad hoc* awards in special circumstances when deemed necessary by the Committee, and where the award and vesting conditions are determined by the Committee.

3.5 Terms of the Conditional Unit Plan

- 3.5.1 The salient features of the Conditional Unit Plan are set out in **Annexure 2**.
- 3.5.2 The Conditional Unit Plan Rules will be available for inspection at the Company's offices in accordance with clause 18 below.

4. THE UNIT PURCHASE PLAN

4.1 Introduction

The Company intends to adopt the Unit Purchase Plan.

The purpose of the Unit Purchase Plan is to provide executive directors and key senior management employees with the opportunity to acquire units in the Company at future reporting periods and align the interest of the employees with that of the Company and of investors.

The Unit Purchase Plan will provide participants with the opportunity to share in the success of the Company and provide alignment between these participants and unitholders.

4.2 Linked units utilised for the Unit Purchase Plan

The maximum aggregate number of plan units at any time which may be purchased under the Unit Purchase Plan shall not exceed 1.5% of the number of issued linked units from time to time.

The maximum number of plan units which may be purchased under the Unit Purchase Plan on behalf of one participant in respect of all awards granted to any participant in respect of the Unit Purchase Plan, shall not exceed 0.5% of the number of issued linked units from time to time.

These limits will be adjusted proportionately in the event that the Company implements a sub-division or consolidation.

4.3 Basis upon which awards are made

The Committee may from time to time, in its discretion call upon employer companies to make recommendations to the Committee as to which of their respective employees they recommend to incentivise or retain the services of by the award of plan units, and approve the making of awards to employees.

Eligible employees include any person holding permanent salaried employment or office with the group, including an executive director, but excluding any non-executive director of the group.

4.4 Details of the Unit Purchase Plan

Under the Unit Purchase Plan, participants will be awarded the opportunity to purchase a certain number of plan units by way of the granting of an interest bearing loan from the Company. The amount of plan debt comprising such an award will be based on the participant's grade, performance, retention and attraction requirements (as applicable) and market benchmarks, and other criteria as determined by the Committee from time to time.

On the acceptance of an award under the Unit Purchase Plan by a participant:

- the Company or the person or entity appointed by the Company to hold plan units for the absolute benefit of participants (the "**escrow agent**") (on behalf of a participant) shall acquire on the market so many plan units (on behalf of a participant) over a period of 60 days from the date of acceptance of the award or such longer period as may reasonably be required having regard to the fact that no plan units may be acquired during a prohibited period as is equivalent (at the purchase price) to the plan debt stipulated in the award letter;

- ownership in the plan units concerned shall vest in the participant but the plan units shall be pledged and ceded to the Company as security for the plan debt; and
- the Company or the escrow agent shall discharge the purchase price for the plan units on the participant's behalf and the plan debt shall become owing by the participant to the Company.

The outstanding balance due on the plan debt shall bear interest from time to time, at the interest rate.

A participant shall be entitled to pay all or part of the outstanding balance of the plan debt at any time subsequent to the commencement of the plan debt, in one or more instalments, and shall be entitled to unrestricted delivery of all or a portion of the plan units in respect of which the plan debt has been settled, provided that each instalment must be in an amount equivalent to not less than 20% of the initial amount of the plan debt.

On termination of employment or the 10th anniversary of the date on which the plan units are awarded the employee will be required to repay the outstanding plan debt plus all accrued but unpaid interest.

Although the Committee will have the ultimate discretion as to who may participate in the Unit Purchase Plan, it will be aimed at executive directors and senior management.

4.5 Terms of the Unit Purchase Plan

4.5.1 The salient features of the Unit Purchase Plan are set out in **Annexure 3**.

4.5.2 The Unit Purchase Plan Rules will be available for inspection at the Company's offices in accordance with clause 18 below.

5. SPECIFIC AUTHORITY TO ISSUE LINKED UNITS UNDER THE REINVESTMENT OPTION

5.1 Vukile intends to provide linked unitholders with the option to reinvest the cash distribution which will be declared by the Company for the year ended 31 March 2013 for linked units in the Company. By electing to receive linked units, linked unitholders will be able to increase their linked unitholding in Vukile without incurring dealing costs and uncertificated securities tax. In turn, Vukile will benefit from an increase in the amount of linked unitholders' funds available to support continued growth. Linked unitholders will be entitled, in respect of all or part of their linked unitholding, to elect to participate in the reinvestment option failing which they will receive the cash distribution that will be paid to those linked unitholders not electing to participate in the reinvestment option. To the extent that a linked unitholder is a "non-public shareholder", as such term is contemplated in the JSE Listings Requirements, and elects to participate in the reinvestment option the consequential issue of linked units to such unitholder will be made to a "non-public shareholder".

5.2 The Company requires approval from shareholders by way of a specific authority to issue linked units under the reinvestment election option. The support of more than 50% of the total number of votes exercisable by shareholders, present in person or by proxy, will be required to pass the resolution.

5.3 Linked unitholders are advised that the Company will release its financial results for the year ended 31 March 2013 on or about Friday, 24 May 2013 ("the **results announcement**"). In the results announcement the Company will also disclose, *inter alia*, the following:

5.3.1 the amount of the cash distribution for the period;

5.3.2 that a reinvestment election is available to linked unitholders;

5.3.3 a timetable for the reinvestment option; and

5.3.4 the offer price, being the five-day volume weighted average price of a linked unit immediately prior to the finalisation date in respect of the reinvestment option.

5.4 An election circular will then be posted and applicable announcements released in accordance with the timetable which will have been set out in the results announcement. The tax implications regarding the reinvestment option will be detailed in the election circular.

6. THE ODD-LOT OFFER

6.1 Introduction

Vukile currently has a large number of minority linked unitholders holding one or two linked units and intends to reduce the ongoing administration costs associated with this unitholder base. A high-level analysis of Vukile's linked unit register as at 25 January 2013 reveals that:

- Vukile has 5 701 linked unitholders; and
- approximately 713 linked unitholders (i.e. 12.5% of all linked unitholders) hold less than 100 linked units.

The annual cost of servicing the Company's linked unitholder base is significant and given its composition is not considered very efficient or cost-effective for Vukile to manage. Corporate actions requiring linked unitholder approval are also more expensive due to processing large numbers of linked unitholder proxies and votes.

Accordingly, Vukile has decided to undertake an odd-lot offer to rationalise its minority linked unitholding base.

Additionally, the odd-lot offer will facilitate an inexpensive method for minority linked unitholders in Vukile to realise their investment whereby they receive an offer price which will not have to incur transaction costs, such as transfer fees, brokerage fees and STT.

6.2 Terms of the odd-lot offer

In terms of the odd-lot offer, odd-lot linked unitholders are offered the opportunity to:

- sell their odd-lot holdings for the cash consideration; or
- retain their odd-lot holdings. If odd-lot holders want to retain their odd-lot holding they have to make this choice by completing the attached blue form of election and surrender and return it to Link Market Services South Africa Proprietary Limited to be received by no later than 12:00 on the odd-lot offer record date.

Those odd-lot holders who do not make an election by completing the attached blue form of election and surrender and returning it to Link Market Services South Africa Proprietary Limited to be received by no later than 12:00 on the odd-lot offer record date will automatically be regarded as having chosen to receive the cash consideration.

6.3 Odd-lot offer record date

The odd-lot offer record date to participate in the odd-lot offer is anticipated to be 12:00 on Friday, 24 May 2013. If a linked unitholder holds less than 100 linked units on the odd-lot offer record date, such linked unitholder is entitled to take part in the odd-lot offer.

6.4 Last day to trade

Linked unitholders are advised that the last day to trade in order to take part in the odd-lot offer is anticipated to be Friday, 17 May 2013. Any odd-lot holder who sells his linked units or acquires additional linked units after Friday, 17 May 2013, or such later date as may become applicable, will still be treated as an odd-lot holder for the purposes of the odd-lot offer. If an odd-lot holder acquires additional linked units by close of trade on Friday, 17 May 2013, or such later date as may become applicable, and the odd-lot holder's linked unitholding at the close of business on 17 May 2013, or such later date as may become applicable, exceeds 100 linked units as a result of such acquisition, then the odd-lot holder will become ineligible to participate in the odd-lot offer.

6.5 Offer price

The offer price will comprise a cash consideration equivalent to the five-day volume weighted average price of a Vukile linked unit immediately prior to the finalisation date. Odd-lot holders who choose the cash consideration will receive the product of the offer price multiplied by the number of Vukile linked units held by them on the odd-lot offer record date. The offer price will be announced on SENS as part of the finalisation date announcement.

6.6 Compulsory sale of odd-lot holdings

Vukile will repurchase the odd-lot holdings of any odd-lot holder who does not make an election or who chooses the cash consideration. Any repurchase by Vukile will be treated as an acquisition of linked units under a specific approval in terms of section 48 of the Companies Act and as a specific repurchase of linked units in terms of the Listings Requirements. Paragraph 18 of the new Memorandum of Incorporation provides for the expropriation of odd-lot holdings.

Those odd-lot holders who do not make an election by completing the attached blue form of election and surrender and returning it to Link Market Services South Africa Proprietary Limited to be received by no later than 12:00 on the odd-lot offer record date will automatically be regarded as having chosen and accepted the cash consideration.

6.7 Transaction costs

- 6.7.1 Odd-lot holders will not have to bear any transaction costs.
- 6.7.2 The transfer costs of odd-lot holders who sell their holdings to Vukile (being STT) will be borne by Vukile.

- 6.7.3 Vukile, by proposing the odd-lot offer, is therefore making it possible for its odd-lot holders who wish to dispose of their linked unitholding to do so in a cost effective manner.

6.8 Mechanism

- 6.8.1 The odd-lot offer is expected to open for acceptance from 09:00 on Friday, 10 May 2013 and is expected to close at 12:00 on Friday, 24 May 2013. All linked unitholders who hold less than 100 linked units at 12:00 on the odd-lot offer record date are invited to participate in the odd-lot offer. The election and surrender procedure on how such linked unitholders must make their choice is set out in paragraph 6.9 below.
- 6.8.2 The linked units of those odd-lot holders who do not make an election or who choose the cash consideration will be repurchased by Vukile for the offer price. Any such repurchase will be regarded as an acquisition of linked units in terms of the Companies Act and as a specific repurchase of linked units in terms of the Listings Requirements. Linked unitholders will vote on the odd-lot offer at the general meeting.
- 6.8.3 Odd-lot holders who do not make an election or do not submit their blue form of election and surrender as set out in paragraph 6.9 below, should note that, subject to resolutions being passed at the general meeting, their linked units will automatically be repurchased by Vukile, without any further action on their part and without any further notice to them.

6.9 Election and surrender procedure

- 6.9.1 All linked unitholders who hold less than 100 linked units at 12:00 on the odd-lot offer record date may choose to:
- sell their odd-lot holdings to Vukile for the offer price; or
 - retain their odd-lot holdings. If such linked unitholders wish to retain their odd-lot holding they have to make this choice. Those odd-lot holders who do not make an election by completing the attached blue form of election and surrender and returning it to Link Market Services South Africa Proprietary Limited to be received by no later than 12:00 on the odd-lot offer record date will automatically be regarded as having chosen and accepted the cash consideration.
- 6.9.2 The choice made by odd-lot holders is final and may not be withdrawn once made.
- 6.9.3 Certificated odd-lot holders must complete the attached blue form of election and surrender and return it to Link Market Services South Africa Proprietary Limited, to be received by no later than 12:00 on the odd-lot offer record date.
- 6.9.4 Dematerialised odd-lot holders should instruct their CSDP or broker as to what action they wish to take in the time and manner stipulated in the agreement entered into between them and their CSDP or broker. Odd-lot holders who have dematerialised their linked units must NOT return their respective forms of election and surrender to Link Market Services South Africa Proprietary Limited.
- 6.9.5 Odd-lot holders who do not make an election should note that their odd-lot holdings will be repurchased by Vukile without any further action on their part and without any further notice to them. However, until such odd-lot holders make a claim, the money owing to them (being the proceeds of the sale of their odd-lot holdings) will be held by Vukile on their behalf. The details on how moneys held as unclaimed will be treated by Vukile are set out in paragraph 17.1.6 of Vukile's new Memorandum of Incorporation.
- 6.9.6 If any documents of title of odd-lot holders who have not dematerialised their Vukile linked units have been lost or destroyed and the odd-lot holder concerned produces evidence to this effect to the satisfaction of Link Market Services South Africa Proprietary Limited and Vukile, then Link Market Services South Africa Proprietary Limited, subject to obtaining Vukile's consent, may dispense with the surrender of such existing documents of title against provision of an acceptable indemnity.
- 6.9.7 Receipts for the surrender of documents of title of odd-lot holders who have not dematerialised their Vukile linked units will be issued only on request. In compliance with the Listings Requirements, lodging agents are requested to prepare special transaction receipts if required.
- 6.9.8 In the event of an odd-lot holder not making an election to retain his odd-lot holdings it must be drawn to his attention that his linked unit certificates will no longer be good for trading after the odd-lot offer record date, other than to receive the proceeds of the sale of such Vukile linked units (at the offer price), upon surrender.

- 6.9.9 Subject to the implementation of the odd-lot offer, it will be necessary for certificated odd-lot holders who have elected to sell their odd-lot holdings, either by completing the relevant option set out in the appropriate form of election and surrender or in the case of odd-lot holders by not responding, to submit all existing documents of title under cover of the attached form of election and surrender to Link Market Services South Africa Proprietary Limited. Those odd-lot holders who elect to retain their linked units, by completing the relevant option set out in the appropriate form of election and surrender, should retain their current linked unit certificates.
- 6.9.10 Securities Transfer Tax, if any, will be paid by Vukile.
- 6.9.11 Nominee companies will be treated as a single linked unitholder, but should a nominee company choose to dispose of odd-lot holdings on behalf of principals whose linked unitholdings constitute odd-lot holdings, it may do so by applying in writing to Link Market Services South Africa Proprietary Limited, giving details of the number of linked units involved, such application to be received by no later than 12:00 on the odd-lot offer record date.
- 6.9.12 For those odd-lot holders who choose the cash consideration, all forms of election and surrender, received by Link Market Services South Africa Proprietary Limited by no later than 12:00 on the odd-lot offer record date, will be processed and payment will be made by electronic fund transfers into the linked unitholder's bank account on or about Monday, 27 May 2013 (if the odd-lot offer record date is 24 May 2013), if such linked unitholder has provided the banking details on the form. Alternatively, if the linked unitholder has not provided their banking details on the form, cheques will be posted on or about Monday, 27 May 2013 (if the odd-lot offer record date is 24 May 2013), by ordinary post, to the respective linked unitholders at the risk of such linked unitholders. All claims received after 12:00 on the odd-lot offer date will be processed within 5 (five) business days of receipt of the claim and payment will be made by cheque which will be posted by ordinary post to the linked unitholder at the risk of such linked unitholder.
- 6.9.13 In respect of dematerialised odd-lot linked unitholders who elect to participate in the odd-lot offer, or in the case of odd-lot holders who fail to make an election, their accounts held at their CSDP or broker will be updated with their new linked unitholding and credited with the cash amount on or about Monday, 27 May 2013 (if the odd-lot offer record date is 24 May 2013).

6.10 Effect on linked unit capital

The maximum number of linked units which potentially could be repurchased by Vukile if all odd-lot holders sell their holdings to Vukile will not exceed 1 634 linked units.

As the current issued linked unit capital of Vukile (prior to the implementation of this odd-lot offer) comprises 431 040 219 linked units as at the last practicable date, the repurchase of odd-lot holdings will have no material effect on Vukile's issued linked unit capital. Subject to the passing of the specific authority resolution granting Vukile the authority to repurchase linked units in terms of the odd-lot offer, all linked units sold by odd-lot holders in terms of the odd-lot offer will be repurchased by Vukile in terms of section 48, read with section 46, of the Companies Act.

6.11 Financial effects

Assuming a 100% take up of the odd-lot offer and assuming an offer price of R18.20 per linked unit, the impact of the repurchase will be a reduction of Vukile's cash resources in the amount of R29 738. The effect of this on earnings per share, diluted earnings per share, net asset value per share, tangible net asset value per share and distribution per linked unit will be less than 1%. The cost of the odd-lot offer (including the other corporate actions referred to herein) to Vukile will be R807 350 (VAT exclusive). The effect of this on earnings per share, diluted earnings per share, net asset value per share, tangible net asset value per share and distribution per linked unit will be less than 1%.

6.12 Sources of funds

Vukile's existing cash resources will be utilised to satisfy any cash requirements arising out of the odd-lot offer.

6.13 Directors' statement on working capital

Having considered the possible effects of repurchasing linked units in terms of the odd-lot offer, the directors are of the opinion that the:

- Company and the group will be able in the ordinary course of business to pay its debts for a period of 12 months after the date of approval of the circular;

- assets of the Company and the group will be in excess of the liabilities of Vukile and the group for a period of 12 months after the date of approval of the circular;
- linked unit capital and reserves of the Company and the group will be adequate for ordinary business requirements for a period of 12 months after the date of approval of the circular;
- working capital of the Company and the group will be adequate for ordinary business purposes for a period of 12 months after the date of approval of the circular; and
- Company and the group has passed the solvency and liquidity test and that since the test was done there have been no material changes to the financial position of the Company and the group.

6.14 Prohibited period

It is recognised that shareholders will be required to vote on the odd-lot offer during a prohibited period for the Company (being the period commencing on 1 April 2013 being the date from the financial year end of the Company for the year ending 31 March 2013 (the “2013 FY”) until the publication of the financial results for the 2013 FY) and to determine whether or not to accept the odd-lot offer during the prohibited period. In terms of paragraph 5.69(h) of the Listings Requirements a company or its subsidiary may not repurchase securities during a prohibited period unless they have in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and full details of the programme have been disclosed in an announcement over SENS prior to the commencement of the prohibited period. Accordingly, as details of the odd-lot offer (as set out in this circular) are being disclosed prior to the prohibited period commencing, the Company will, subject to the passing of the special resolution authorising the Company to repurchase linked units, proceed with the repurchase of linked units during the Company’s prohibited period.

6.15 Non-resident linked unitholders

The making of the odd-lot offer in, or to linked unitholders resident in, jurisdictions outside South Africa, or to persons who are, or are nominees of or trustees for, citizens, residents or nationals of other countries, may be affected by the laws of the relevant country in which they reside. Such persons must acquaint themselves with and observe any applicable legal requirements. It is the responsibility of any such person wishing to accept the odd-lot offer to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including obtaining any governmental or other consents which may be required or the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction. Any such linked unitholder will be responsible for any such issue, transfer or other taxes outside South Africa by whomsoever payable.

6.16 Exchange Control Regulations

The following is a summary of the South African Exchange Control Regulations. If in doubt, linked unitholders should consult their professional advisers without delay.

6.16.1 *Emigrants from the common monetary area*

A cheque in respect of cash arising from the sale of odd-lot holdings will be forwarded to the authorised dealer in foreign exchange in South Africa controlling the linked unitholder’s blocked assets.

The attached form of election and surrender makes provision for details of the authorised dealer concerned to be given.

If the information regarding the authorised dealers is not given, any cash will be held by Vukile for the odd-lot holders concerned pending receipt of the necessary information or instructions. No interest will be paid on any cash so held.

6.16.2 *All other non-residents of the common monetary area*

A cheque in respect of cash arising from the sale of odd-lot holdings will be forwarded to the linked unitholder’s authorised dealer in foreign exchange. Where the linked unitholder does not have an authorised dealer in South Africa, a cheque will be posted, at the risk of such linked unitholder, to the address of such linked unitholder in the linked unit register on the odd-lot offer record date.

The attached form of election and surrender makes provision for details of the authorised dealer concerned to be given.

All CSDPs and brokers with whom linked units have been dematerialised should note that they are required to comply with the South African Exchange Control Regulations set out above.

6.17 Tax consequences for linked unitholders selling their Vukile linked units in terms of the odd-lot offer

6.17.1 *Introduction*

Below is a high-level summary of the potential tax consequences arising for linked unitholders who are odd-lot holders in respect of the disposal of Vukile linked units by way of a specific repurchase by the Company in terms of the odd-lot offer. The summary of the tax implications serves as a general guide and is not intended to constitute a complete analysis of the tax consequences of the repurchase under South African tax law. It is not intended to be, nor should it be considered to be, legal or tax advice. As each such linked unitholder's personal circumstances may lead to a different tax analysis, linked unitholders should seek appropriate advice in respect of their particular circumstances from their personal tax advisors.

6.17.2 *Acquisition of shares*

6.17.2.1 The offer price in relation to the shares will be paid out of, in the first instance, share capital and share premium of up to R56.1 million (i.e. contributed tax capital) in the same ratio that the odd-lot shares repurchased under the odd-lot offer bears to the entire issued share capital of the Company and thereafter retained earnings.

6.17.2.2 Accordingly, the offer price per share will be paid out of contributed tax capital of 13 cents per share (based on the number of ordinary shares in issue of 431 040 219) and retained earnings of the balance of the offer price per share. The difference between the offer price attributable to the share component of the linked unit (10 cents/R5.00 times offer price) and the contributed tax capital will constitute a dividend in terms of paragraph (b) of the definition of "dividend" contained in section 1 of the Income Tax Act, 58 of 1962, as amended (the "**Income Tax Act**"). Since this is not a general repurchase, the exclusion contained in paragraph (b)(iii) of the same definition will not apply and that portion of the purchase price in excess of the return of contributed tax capital would thus be a dividend.

6.17.2.3 The proceeds from the disposal of shares, to the extent that these proceeds do not constitute a dividend, will automatically be on capital account if the shares have been held for a continuous period of at least three years. Otherwise normal principles will apply and specifically as to whether the linked units have been held as an investment and whether the proceeds are fortuitous or designedly sought for and worked for. Proceeds arising from the disposal of an asset in carrying out a scheme for profit making will be on revenue account.

6.17.2.4 The local dividends tax rate is 15%. Provided certain formalities are met, certain linked unitholders will be exempted from dividends tax. Amongst others, linked unitholders that are South African tax resident companies and collective investment schemes that will also be the beneficial owners of the dividend will have the exemption from dividends tax available to them to the extent that the relevant confirmations and undertakings are provided beforehand in writing.

6.17.2.5 The gross dividend portion per share acquired by the Company pursuant to the odd-lot offer is the offer price (less the amount of contributed tax capital per share referred to in 6.17.2.2 above) per share for shareholders exempt from paying dividends withholding tax. In this instance the full offer price will be received by such shareholders in respect of the odd-lot share repurchased under the odd-lot offer.

6.17.2.6 The net dividend portion per share acquired by the Company pursuant to the odd-lot offer for shareholders liable to pay the dividends is the offer price (less the amount of contributed tax capital per share referred to in 6.17.2.2 above) less the dividends tax of 15% on that difference per share.

6.17.2.7 The issued share capital of Vukile after the odd-lot offer is set out in paragraph 7 below.

6.17.2.8 Vukile's tax reference number is 933/161/711/43.

6.17.2.9 Linked unitholders are advised to obtain independent advice in relation to the implications of both the dividend and capital portion of the offer price received pursuant to the odd-lot offer.

6.17.2.10 Securities transfer tax in relation to the repurchase of the shares will be borne by the Company.

6.17.3 *Acquisition of debentures*

6.17.3.1 The acquisition of the debentures by the Company should be distinguished from the acquisition of the shares by the Company, which together comprise the linked units. The debentures are expected to be reacquired by the Company at a premium to their face value or issue price

(R4.90/R5.00 times offer price) on the basis that no portion of this purchase consideration will constitute a dividend. The offer price in relation to the debentures will be funded out of existing cash reserves of the Company.

- 6.17.3.2 Even though general principles will apply with reference to determining the gain on the redemption of the debentures, i.e., whether the debentures have been held as an investment and whether the proceeds are fortuitous or designedly sought for and worked for, the tendency of the revenue authorities is to treat such gain to be on revenue account. There is no separate legal principle to that effect, especially in circumstances where a holder held a linked unit for a long-term investment purpose. However, caution is expressed with reference to the treatment of the proceeds on the redemption of the debentures as it may not necessarily be consistent with the tax treatment of the repurchase price in respect of the shares.

7. SHARE AND DEBENTURE CAPITAL

- 7.1 The authorised and issued share and debenture capital of Vukile, before the odd-lot offer is set out below.

Before the odd-lot offer

Share Capital	R'000
<i>Authorised</i>	
800 000 000 ordinary shares of R0.01 each	8 000
<i>Issued</i>	
431 040 219 ordinary shares of R0.01 each	4 310
Share premium	51 806
Debenture capital	
<i>Issued</i>	
431 040 219 debentures of R4.90 each	2 112 097
Debenture premium	1 165 252
Total issued	3 333 465

Note:

1. Vukile has no linked units in treasury.

- 7.2 The authorised and issued share and debenture capital of Vukile, after the odd-lot offer is set out below.

After the odd-lot offer

Share Capital	R'000
<i>Authorised</i>	
800 000 000 ordinary shares of R0.01 each	8 000
<i>Issued</i>	
431 038 585 ordinary shares of R0.01 each	4 310
Share premium	51 806
Debenture capital	
<i>Issued</i>	
431 038 585 debentures of R4.90 each	2 112 089
Debenture premium	1 165 247
Total issued	3 333 452

Note:

- * Assuming the maximum number of 1 634 linked units are to be repurchased.

7.3 Set out in the table below is a summary of issues of securities in the previous three years.

Subscription date	Description	Linked units allotted	Reasons for issue
19 December 2012	General issue for cash	20 525 000	Acquisition of East Rand Mall
21 November 2012	Vendor placement	59 500 000	Acquisition of 20 properties from Sanlam
3 September 2010	Vendor placement	18 994 341	Acquisition of properties from Sanlam
4 January 2010	Vendor placement	36 470 000	Acquisition of asset management business from Sanlam Properties

8. DIRECTORS

8.1 Directors' details

The details of the directors are set out in **Annexure 4** to this circular. All directors are South African citizens.

8.2 Directors' interest in transactions

None of the directors of Vukile, have any material beneficial interests, whether direct or indirect, in any transactions that have been effected by the group during the current or preceding financial year, or during an earlier financial year that remain, in any respect, outstanding or unperformed.

It is not anticipated that the corporate actions will result in any changes to the remuneration of the directors save that the executive directors will become entitled to participate under the Conditional Unit Plan and the Unit Purchase Plan subject to the adoption of each of the Conditional Unit Plan and the Unit Purchase Plan (details of which are set out in paragraphs 3 and 4 above) and further subject to the Committee resolving to make such an award to an executive director under either of the Conditional Unit Plan or the Unit Purchase Plan. The directors' interests in linked units in terms of the current long-term share-based incentive scheme are set out in paragraph 8.5 below.

8.3 Directors' beneficial interests

The beneficial interests in linked units held by all directors (and their associates) of Vukile as at the last practicable date are set out below:

Name	Direct beneficial	Indirect beneficial	%
Executive			
LG Rapp (CEO)	–	205 000	0.00048
MJ Potts (FD)	526 156		0.00122
HC Lopion	27 835		0.00006
Non-executive			
AD Botha	–		–
SF Booysen	–		–
PJ Cook	–		–
JM Hlongwane	–		–
PS Moyanga	–		–
NG Payne	–		–
HM Serebro	–	20 000	0.00005
Total	553 991	225 000	0.00181

8.4 Movement of directors' interests in linked units

The movement of directors' and associates' interests in linked units from the beginning of the current financial year (being 1 April 2012) to the last practicable date is set out below.

Linked units	Held at 1 April 2012	Acquired during the period	Disposed of during the period	Held at the last practicable date
Non-executive directors				
HM Serebro	20 000	–	–	20 000
	20 000	–	–	20 000
Executive directors				
LG Rapp	196 400	9 100	–	205 500
MJ Potts	324 754	335 670	(134 268)	526 156
HC Lopion	18 783	15 087	(6 035)	27 835
Total	539 937	359 587	(140 303)	759 491

8.5 Directors' beneficial interests under the current long-term incentive scheme

The following table sets out directors' interests in linked units through the long-term incentive scheme as at the last practicable date. The vesting of such linked units remains subject to the fulfilment of performance conditions.

Vukile linked units	MJ Potts	HC Lopion	LG Rapp
Balance at 1 April 2012	440 571	122 845	480 903
Vested during the year	(335 670)	(15 087)	–
Allocated during the year	130 342	90 745	140 345
Distributions reinvested during the year – March	19 767	5 927	21 576
Distributions reinvested during the year – September	8 251	6 614	20 798
Balance as last practicable date	263 261	211 044	663 622

9. MAJOR LINKED UNITHOLDERS

Insofar as is known to Vukile, the major linked unitholders of Vukile that beneficially hold, directly or indirectly, 5% or more of the issued linked unit capital of Vukile as at the last practicable date are set out below:

Name of the linked unitholder	Direct beneficial	Indirect beneficial	%
GEPF equity	–	91 054 631	21.12
Liberty Group and Stanlib	–	57 269 150	13.29
Investec	–	35 309 169	8.19
Sanlam	–	32 535 185	7.55
Prudential	–	24 152 409	5.60
Old Mutual	–	22 410 478	5.20
Total	–	262 731 022	60.95

10. MATERIAL CHANGES

There have been no material changes in the financial or trading position of the group since the publication of Vukile's interim financial results for the six months ended 30 September 2012.

11. LINKED UNIT PRICE HISTORY

The price history of the linked units is summarised in **Annexure 5**.

12. LITIGATION STATEMENT

As at the last practicable date, the group is not involved in any material litigation or arbitration proceedings, nor are the directors aware of any material proceedings which are pending or threatened, which may have or have had, in the 12-month period preceding the date of this circular, a material effect on the group's financial position.

13. EXPENSES

The expenses relating to the corporate actions, before VAT, are set out below:

	R
Corporate advisor and sponsor fees payable to Java Capital	225 000
Webber Wentzel – legal fees in respect of new MOI	60 000
PwC – advisory fees in respect of Conditional Unit Plan	150 000
JSE – Documentation fee	50 000
Transfer secretaries’ fees payable to Link Market Services	82 350
Printing and publishing costs payable to Ince	250 000
Total	807 350

14. GENERAL MEETING

14.1 A general meeting of Vukile shareholders and Vukile debenture holders will be held at 11:00 on Thursday, 25 April 2013 at the registered offices of Vukile (One-on-Ninth, Cnr Glenhove Road and Ninth Street, Melrose Estate, 2196) for Vukile shareholders to consider and, if deemed fit, pass with or without modification the resolutions set out in the notice of general meeting attached to this circular.

14.2 Details of the action required by Vukile linked unitholders are set out on page 2 of this circular.

15. OPINION OF THE BOARD

The board is of the opinion that the approval of all of the corporate actions is in the best interests of the Company.

16. DIRECTORS’ RESPONSIBILITY STATEMENT

The directors, whose names are given on page 8 of this circular, collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the circular contains all information required by law and the JSE Listings Requirements.

17. CONSENTS

Each of Java Capital Proprietary Limited, Java Capital Trustees and Sponsors Proprietary Limited, PricewaterhouseCoopers Tax Services Proprietary Limited and Link Market Services Proprietary Limited have consented in writing to act in the capacities stated and to their names appearing in this circular and have not withdrawn their consent prior to the publication of this circular.

18. DOCUMENTS AVAILABLE FOR INSPECTION

18.1 The documents listed below will be available for inspection during normal office hours on business days from the date of this circular until Thursday, 25 April 2013 at the registered office of Vukile at One-on-Ninth, Cnr Glenhove Road and Ninth Street, Melrose Estate, 2196.

18.2 The documents available for inspection are as follows:

18.2.1 the new Memorandum of Incorporation of the Company;

18.2.2 the Conditional Unit Plan Rules;

18.2.3 the Unit Purchase Plan Rules;

18.2.4 the debenture trust deed in respect of the Vukile debentures;

18.2.5 consent letters referred to in paragraph 17;

18.2.6 the audited financial statements for Vukile for the years ended 31 March 2012, 2011 and 2010; and

18.2.7 a signed copy of this circular.

This circular was signed in Johannesburg on behalf of all the directors in terms of powers of attorney granted on or about Friday, 15 March 2013.

By order of the board

Michael John Potts

Financial director

27 March 2013

Registered address

Vukile Property Fund Limited

One-on-Ninth

Cnr Glenhove Road and Ninth Street

Melrose Estate

2196

(PO Box 2234, Parklands, 2121)

THE NEW MEMORANDUM OF INCORPORATION

Companies and Intellectual Property Commission

Republic of South Africa

Memorandum of Incorporation

of

Vukile Property Fund Limited

(Registration Number 2002/027194/06)

which is a profit company and a public company as contemplated in the Companies Act, 2008,
and is referred to in the rest of this MOI as “the Company”.

PART I – INTERPRETATION AND PRELIMINARY, BUSINESS, INCORPORATION AND NATURE OF THE COMPANY, AMENDMENT OF MOI AND COMPANY RULES

1. INTERPRETATION

The headings of the articles in this MOI are for the purpose of convenience and reference only and shall not be used in the interpretation of nor modify nor amplify the terms of this MOI nor any article hereof or paragraph of any schedule hereto. Unless a contrary intention clearly appears:

1.1 words importing:

- 1.1.1 any one gender include the other two genders;
- 1.1.2 the singular include the plural and *vice versa*; and
- 1.1.3 natural persons include created entities (corporate or unincorporate) and the state and *vice versa*;

1.2 the following terms shall have the meanings assigned to them hereunder and cognate expressions shall have corresponding meanings, namely:

- 1.2.1 “**Board**” means the board of directors of the Company, from time to time;
- 1.2.2 “**Business Day**” means any day other than a Saturday, Sunday or official public holiday in the Republic;
- 1.2.3 “**Companies Act**” means the Companies Act, 2008;
- 1.2.4 “**Debentures**” shall include debenture bonds, notes and other similar Securities authorised and / or issued by the Company;
- 1.2.5 “**Debenture Trust Deed**” means the debenture trust deed executed between the Company and Maitland Trust Limited, a public company incorporated in accordance with the laws of the Republic (registration number 1981/009543/06) on 14 June 2004, including any addendum or supplemental trust deed thereto from time to time, all attached to this MOI and incorporated by reference;
- 1.2.6 “**Director**” means a director of the Company, and where the context so provides, an alternate director appointed in respect of such Director;
- 1.2.7 “**Equity Securities**” shall have the meaning ascribed thereto in the Listings Requirements;
- 1.2.8 “**Income Tax Act**” means the Income Tax Act, 1962;
- 1.2.9 “**JSE**” means the JSE Limited (or any other name by which it may be known in the future) or its successor body;
- 1.2.10 “**Linked Unit**” means a linked unit comprising 1 (one) Ordinary Share and 1 (one) Debenture in the Company, as contemplated in article 5.2;
- 1.2.11 “**Listings Requirements**” means the listings requirements of the JSE, as amended from time to time;
- 1.2.12 “**this MOI**” means this memorandum of incorporation of the Company and any schedules hereto, as amended from time to time;
- 1.2.13 “**Odd-Lot**” means any total holding by a Securities Holder of less than 100 (one hundred) Securities (or such other number as may be permitted by the JSE), or any total holding by a Securities Holder of 100 (one hundred) Securities (or such other number as may be permitted by the JSE) or more, provided that it can be illustrated to the JSE that the cost associated with a Securities Holder disposing of such number of Securities is equal to or exceeds the total value of such number of Securities;
- 1.2.14 “**Odd-Lot Holdings**” means holdings by Securities Holders of Odd-Lots;
- 1.2.15 “**Odd-Lot Offer**” means an offer by the Company to the holders of Odd-Lots in terms of which the holders of the Odd-Lots may elect to retain their holdings or sell their Odd-Lot;
- 1.2.16 “**Options**” means options for the allotment or subscription of any Securities;
- 1.2.17 “**Ordinary Shareholder**” means a person reflected, from time to time, in the Securities Register, as defined in the Companies Act, or the Uncertificated Securities Register, as defined in the Companies Act, as holding Ordinary Shares;
- 1.2.18 “**Ordinary Shares**” means Shares with a par value of R0,01 (one cent) each in the Company which have been designated as such;

- 1.2.19 “**Prescribed Officer**” shall have the meaning as defined in the Companies Act, as read with the regulations promulgated from time to time under the Companies Act;
 - 1.2.20 “**Proxy**” means a person appointed in accordance with the provisions of the MOI to represent a Securities Holder at any meeting or any adjournment thereof;
 - 1.2.21 “**Proxy Form**” means a written instrument complying with the provisions of the Companies Act appointing a person to represent a Securities Holder at any specified meeting or any adjournment thereof;
 - 1.2.22 “**Republic**” means the Republic of South Africa;
 - 1.2.23 “**Securities**” shall have the meaning as defined in the Companies Act, from time to time and shall include Equity Securities and Linked Units, as the context may indicate or require;
 - 1.2.24 “**Securities Holder**” means the registered holder of any Securities in the Company and shall include holders of Linked Units as the context may indicate or require;
 - 1.2.25 “**Shareholder**” means the registered holder of Shares in the Company, from time to time;
 - 1.2.26 “**Shares**” means any shares of whatever designation and with whatever rights, privileges and limitations, as set out in this MOI;
 - 1.2.27 “**Takeover Regulations**” means the Takeover Regulations promulgated by the Minister in terms of the Companies Act, as amended from time to time;
 - 1.2.28 “**Transfer Office**” means the transfer office of the Company as contemplated in paragraph 3.51 of the Listings Requirements;
- 1.3 where any term is defined within the context of any particular article in this MOI, the term so defined, unless it is clear from the article in question that the term so defined has limited application to the relevant article, shall bear the meaning ascribed to it for all purposes in terms of this MOI, notwithstanding that that term has not been defined in this interpretation article;
 - 1.4 when any number of days is prescribed in this MOI, same shall be reckoned exclusively of the first and inclusively of the last day unless the last day falls on a Saturday, Sunday or public holiday, in which case the last day shall be the next Business Day;
 - 1.5 where figures are referred to in numerals and in words, if there is any conflict between the two, the words shall prevail;
 - 1.6 the expiration or termination of this MOI shall not affect such of the provisions of this MOI as expressly provide that they will operate after any such expiration or termination or which of necessity must continue to have effect after such expiration or termination, notwithstanding that the articles themselves do not expressly provide for this;
 - 1.7 any reference in this MOI to the Company or any one or more Securities Holders, as the case may be, shall if the Company or any one or more Securities Holders, as the case may be, is put under business rescue, liquidated or sequestered, be applicable also to and binding upon the Company’s or the relevant Securities Holders’, as the case may be, business rescue practitioner, liquidator or trustee, as the case may be; and
 - 1.8 any reference to a statute shall be a reference to such statute as at the date of the adoption of this MOI by the Company and as amended from time to time thereafter.

2. BUSINESS OF THE COMPANY

The object and main business of the Company is investment in equity, property and secure investments as principal.

3. POWERS OF THE COMPANY AND RESTRICTIONS

3.1 Powers of the Company

The Company is subject to such restrictions, limitations or qualifications, as contemplated in this MOI and in the Listings Requirements, including without limitation the Listings Requirements as regards Real Estate Investment Trusts.

3.2 Specific restrictions on the powers of the Directors and the Company

3.2.1 This MOI, including without limitation the rights, privileges and limitations applying to any Securities, whether issued or not, may not be altered or amended in any manner whatsoever, unless:

- 3.2.1.1 while Securities remain listed on the JSE, the JSE has approved the proposed amendment or alteration before submitting any amendment or alteration for approval by relevant Securities Holders in terms of the remainder of this article 3.2; and
- 3.2.1.2 if the amendment or alteration relates to the variation of any preferences, rights, limitation and/or any other terms of Securities attaching to any other class of Securities already in issue, a special resolution has been passed by the holders of the Securities in that class at a separate meeting of such Securities Holders, approving the amendment or alteration, prior to the special resolution for the amendment or alteration being proposed to or voted on by Ordinary Shareholders;
- 3.2.1.3 in the circumstances in article 3.2.1.2, the holders of the relevant Securities shall in addition be allowed to vote at the general meeting or annual general meeting of the holders of the Ordinary Shares at which the amendment or alteration is proposed, provided that:
 - 3.2.1.3.1 their votes shall not carry any special rights or privileges and they shall be entitled to one vote for each Share that they hold; and
 - 3.2.1.3.2 their total voting right at such general meeting or annual general meeting may under no circumstances exceed 24,99% (twenty four comma nine nine per cent) of the aggregate voting rights of all Shareholders at such meeting; and
- 3.2.1.4 such alteration or amendment has been approved by a special resolution passed by the Ordinary Shareholders,

provided that, if the amendment or alteration is ordered by a court in terms of sections 16(1)(a) and 16(4) of the Companies Act, the approvals in articles 3.2.1.2, 3.2.1.3 and 3.2.1.4 shall not be required.

3.2.2 For purposes of this article 3.2, an amendment or alteration shall include, but not be limited to:

- 3.2.2.1 the creation of any class of Securities;
- 3.2.2.2 the alteration of the Company's Share capital;
- 3.2.2.3 the variation of any preferences, rights, limitation and other share terms attaching to any class of Securities;
- 3.2.2.4 the determination of the preferences, rights, limitations or other terms of a class of Shares contemplated in section 36(1)(d) of the Companies Act;
- 3.2.2.5 the conversion of one class of Securities into one or more other classes;
- 3.2.2.6 the increase or decrease of the number of Securities of a class;
- 3.2.2.7 the consolidation of Securities;
- 3.2.2.8 the sub-division of Securities;
- 3.2.2.9 the change of the name of the Company;
- 3.2.2.10 conversion of Securities from par value to no par value;
- 3.2.2.11 the reclassification of any classified Securities which have been authorised but not issued;
- 3.2.2.12 the classification of any unclassified Shares that have been authorised as contemplated in section 36(1)(c) of the Companies Act but are not issued; and/or
- 3.2.2.13 a reduction of any Share premium account and any capital redemption reserve fund and, in particular, the cancellation of any paid up Share capital which has been lost or which is not represented by available assets, in any manner, at any time and from time to time.

4. COMPANY RULES

The Board shall not have the power to make, amend or repeal any rules, as contemplated in section 15(3) to (5A) of the Companies Act.

PART II – SECURITIES, SECURITIES REGISTER, CERTIFICATES, RESTRICTIONS ON THE POWERS OF THE BOARD AS REGARDS SECURITIES, PRE-EMPTIVE RIGHTS AND TRANSFERS AND CORPORATE ACTIONS UNDER THE LISTINGS REQUIREMENTS

5. SECURITIES

5.1 Classes and numbers of Securities

The Company is authorised to issue up to the maximum number of each of the classes of Securities as set out in article 5.1.1, subject to the preferences, rights, limitations and other terms associated with each such class, as set out in article 5.1.2.

5.1.1 *Numbers and designations of authorised Securities*

5.1.1.1 800 000 000 (eight hundred million) Ordinary Shares; and

5.1.1.2 such number of Debentures as set out in the Debenture Trust Deed from time to time.

5.1.2 *Rights attaching to all classes of Securities*

The following rights, privileges and limitations attach to the different classes of Securities:

5.1.2.1 *Variation of preferences, rights and limitations*

The preferences, rights, limitations and other terms of any class of Shares of the Company must not be varied, and no resolution may be proposed to Shareholders for rights to include such variation, in response to any ascertainable “external fact or facts” as provided for in section 37(6) and (7) of the Companies Act.

5.1.2.2 *Pari passu*

5.1.2.2.1 All the listed Securities in each class rank *pari passu* in respect of all rights, subject to the provisions of the Debenture Trust Deed. The phrase “Securities in each class rank *pari passu*” shall have the meaning ascribed thereto in paragraph 3.29 of the Listings Requirements or any amendment paragraph in the Listings Requirements.

5.1.2.2.2 For as long as there are cumulative or non-cumulative Preference Shares in issue by the Company and listed on the JSE, no further Securities ranking in priority to, or *pari passu* with, such Preference Shares, of any class, shall be created without a special resolution passed at a separate general meeting of such Preference Shareholders.

5.1.2.3 *Rights attaching to the Ordinary Shares*

The following rights are applicable to the Ordinary Shares in the Company:

5.1.2.3.1 every holder of an Ordinary Share shall have one vote in respect of each Ordinary Share held and shall be entitled to vote at every general meeting or annual general meeting of the Company, whether in person or by Proxy; and

5.1.2.3.2 any other rights attaching to the Ordinary Shares in terms of the Companies Act or any other law.

5.1.2.4 *Rights attaching to Debentures*

The rights attaching to the Debentures are as set out in the Debenture Trust Deed.

5.2 Linked Units

Unless and until otherwise resolved by the Company by means of a special resolution of the Ordinary Shareholders amending this MOI, Ordinary Shares may only be created and issued that are linked to Debentures, and each such Debenture and linked Ordinary Share shall comprise a Linked Unit which shall remain inseparably linked, unless and until resolved otherwise by the Ordinary Shareholders of the Company by means of a special resolution.

5.3 Listings Requirements

No alteration of Share capital, authorised Securities or rights attaching to any class/es of Shares may be made without complying with the Listings Requirements.

5.4 Capitalisation Shares

5.4.1 The Board has the power to approve by resolution the issuing of any authorised Shares as capitalisation Shares, to issue Shares of one class as capitalisation Shares in respect of Shares of another class, and to resolve to permit Shareholders to elect to receive a cash payment in lieu of a capitalisation Share, as set out in section 47(1) of the Companies Act, subject to the Listings Requirements.

5.4.2 Subject to section 47(2) of the Companies Act, the Directors shall be entitled to grant to the Shareholders the right to receive scrip dividends in lieu of cash dividends or a cash dividend in lieu of capitalisation or bonus Shares, subject to the Listings Requirements.

5.4.3 *Certificated Securities*

5.4.3.1 Every person to whom Securities are issued and whose name is entered in the Securities Register shall be entitled to one certificate for all the Securities in any class registered in his or her name, or if the Directors so resolve, to several certificates, each for a part of such Securities, provided that in the case of a Security held jointly by several persons, the Company shall not be bound to issue more than 1 (one) certificate therefore and delivery of a certificate for a Security to 1 (one) of several joint Securities Holders shall be sufficient delivery to all.

5.4.3.2 Subject to the provisions of the Companies Act, certificates shall be issued under the authority of the Directors at no charge in accordance with the Companies Act, but for every subsequent certificate issued in respect of the same Securities to the same Securities Holder, the Directors shall be entitled, as they may see fit, to require that the person to whom the certificate is issued bears the reasonable costs incurred in such issue.

5.4.3.3 If any certificate is damaged or defaced in the opinion of anyone nominated by the Board for the purpose of this article to an extent which renders it useless, it shall be replaced at no charge to the holder concerned, subject to delivery of the old certificate to the Company.

5.4.3.4 If proof is given to the satisfaction of anyone nominated by the Directors for the purpose of this article that a certificate has been lost, stolen or destroyed, and:

5.4.3.4.1 an indemnity, in a form or for an amount approved by anyone nominated by the Directors for the purpose of this article is delivered to the Company; and

5.4.3.4.2 (if required by the Company) an advertisement in respect of that loss or destruction has been published in accordance with the Company's requirements as regards its form and publication; and

5.4.3.4.3 in each case at the cost of the registered holder of the Securities in question, then a new certificate shall be issued in place of that lost or destroyed certificate.

5.4.3.5 Any signatures affixed to a certificate for Shares may be affixed by autographic or mechanical means.

5.4.4 *Uncertificated Securities*

A holder of Uncertificated Securities shall not be entitled to certificates and the Company shall not issue certificates evidencing or purporting to evidence title to Uncertificated Securities of the Company, unless the holder gives the Participant notice that such holder wishes to withdraw its Uncertificated Securities and to obtain a certificate in respect of all or part of that holder's Uncertificated Securities maintained by the Participant in terms of the Companies Act and the Securities Services Act.

6. PROVISIONS AS REGARDS ISSUES OF SECURITIES, CONVERTIBLE SECURITIES AND OPTIONS

6.1 General provisions

6.1.1 No Securities, convertible Securities granted or issued for cash or Options may be issued by the Company unless such issues comply with the requirements of the Companies Act and the Listings Requirements, from time to time.

6.1.2 The Board may only issue unissued Securities if such Securities have first been offered to existing ordinary Shareholders in proportion to their existing holding of Securities on such terms and in accordance with such procedures as the Board may determine, unless:

6.1.2.1 the Board is otherwise empowered by a resolution passed by Ordinary Shareholders; or

6.1.2.2 such Securities are issued for the acquisition of assets by the Company.

6.2 Restrictions on the power of the Board to issue Securities for special consideration

The power of the Board:

6.2.1 in terms of section 40(5) of the Companies Act to issue Shares for consideration in the form of an instrument such that the value of the consideration cannot be realised by the Company until a date after the time the Shares are to be issued, or in the form of an agreement for future services, future benefits or future payment;

6.2.2 to determine the terms of a trust agreement as regards consideration contemplated in article 6.2.1,

shall be subject to the provisions of the Companies Act and the Listings Requirements, provided that Securities for which a listing is sought must be fully paid up and freely transferable, it being recorded that the JSE will not list Securities which are not fully paid for upon listing, notwithstanding the provisions of section 40(5) of the Companies Act.

6.3 Holders of Equity Securities' rights of pre-emption on issue of Equity Securities

Notwithstanding anything to the contrary in this MOI, unissued Equity Securities shall be offered to existing holders of Equity Securities, pro rata to their holding of the Equity Securities, unless such Equity Securities are to be issued for an acquisition of assets. Notwithstanding the foregoing, the Ordinary Shareholders in a general meeting may authorise the Directors to issue unissued Securities and/or grant Options to subscribe for unissued Securities as the Directors in their discretion think fit, provided that such corporate action/s has/have been approved by the JSE and are subject to the Listings Requirements.

7. REPURCHASE OF SECURITIES

Any repurchase of Securities by the Company shall be made subject to the requirements of the Companies Act and the Listings Requirements, from time to time.

8. TRANSFER OF SECURITIES

8.1 Authorities to sign instruments of transfer

All authorities to sign transfer deeds granted by holders of Securities for the purpose of transferring Securities that may be lodged, produced or exhibited with or to the Company at any of its Transfer Offices shall, as between the Company and the grantor of such authorities, be taken and deemed to continue and remain in full force and effect, and the Company may allow the same to be acted upon until such time as express notice in writing of the revocation of the same shall have been given and lodged at the Company's Transfer Offices at which the authority was lodged, produced or exhibited. Even after the giving and lodging of such notices, the Company shall be entitled to give effect to any instruments signed under the authority to sign, and certified by any officer of the Company as being in order before the giving and lodging of such notice. The Directors shall not be bound to allow the exercise of any act or matter by an agent for a Securities Holder unless a duly certified copy of such agent's authority be produced and filed with the Company.

9. FINANCIAL ASSISTANCE IN RELATION TO THE SUBSCRIPTION OF ANY OPTION OR SECURITIES, OR FOR THE PURCHASE OF ANY SECURITIES

The Board shall not have the power or authority to authorise the Company to provide Financial Assistance in relation to the subscription of any Option or Securities, or for the purchase of any Securities, of the Company or of a Related Company or Inter-related Company, as set out in section 44 of the Companies Act, unless such provision of Financial Assistance complies with the provisions of the Listings Requirements. A "Related Company" or "Inter-related Company" shall mean a company which is related or inter-related to a person, as contemplated in section 2 of the Companies Act and "a company" and "a person" shall for purposes hereof bear the meaning as defined in the Companies Act.

10. NO LIENS

Fully paid up Securities shall not be subject to any lien in favour of the Company, it being recorded that, for the purposes of this article, no pledge or cession in security (or any similar agreement) entered into between a Securities Holder and the Company in respect of any Securities held by that Securities Holder shall be regarded as a lien.

11. COMMISSION

The Company may not pay a commission exceeding 10% (ten per cent) of the total subscription price to be paid for any Securities, to any person in consideration for:

- 11.1 such person's subscription or agreeing to subscribe, whether absolutely or conditionally, for such Securities;
- 11.2 procuring or agreeing to procure subscriptions (whether absolutely or conditionally) for Securities of the Company.

PART III – PROXIES AND RECORD DATE

12. PROXIES

12.1 Representation by concurrent Proxies

The right of a Shareholder to appoint two or more persons concurrently as proxies, as set out in section 58(3)(a) of the Companies Act is not amended by this MOI.

12.2 Requirements to deliver Proxy Form to the Company

The Proxy Form shall be deposited at the transfer secretaries of the Company not less than 48 (forty-eight) hours before the person named in such instrument purports to vote in respect thereof or such shorter period as may be determined by the chairperson of the relevant meeting at which the vote is to be exercised.

12.3 Proxy Form

Shareholders shall use the form as provided in notices to Shareholders, from time to time.

12.4 Position of Securities Holders as regards Proxies

The provisions of the Companies Act, as read with this MOI, as regards Proxies, shall apply *mutatis mutandis* to all Securities Holders, save as contemplated in the documents in terms of which such Securities have been and/or are to be issued, and insofar as such terms and conditions amend the relevant provisions of the Companies Act.

13. RECORD DATE FOR EXERCISE OF SHAREHOLDER RIGHTS

- 13.1 Notwithstanding anything to the contrary in section 59 of the Companies Act and/or this MOI, while the Shares of the Company remain listed on the JSE, the record date for purposes of determining Shareholder rights shall be determined in accordance with the Listings Requirements.
- 13.2 Should the Listings Requirements not provide a manner for determining the record date in a specific instance, or should the Shares of the Company no longer be listed on the JSE, the Board may in terms of section 59(1) of the Companies Act set a record date for the purpose of determining Shareholder rights.
- 13.4 The provisions of the Companies Act and the Listings Requirements, as read with this MOI, as regards the record date, shall apply *mutatis mutandis* as regards Securities Holders, meetings of Securities Holders and all matters referred to in section 59 of the Companies Act, save as contemplated in the documents in terms of which such Securities have been and/or are to be issued, and insofar as such terms and conditions amend the relevant provisions of the Companies Act.

PART IV – MEETINGS AND RESOLUTIONS

14. SHAREHOLDERS' MEETINGS

14.1 Chairperson of Shareholders' meetings

The chairperson or, failing him or her, a deputy chairperson or any vice-chairperson of the Directors (or if more than one of them is present and willing to act, the most senior of them) shall be the chairperson of each general meeting. If the Company does not have a chairperson or deputy chairperson of the Board at that time or neither the chairperson nor deputy chairperson of the Board is present within 10 (ten) minutes after the time appointed for the holding of that general meeting, or both the chairperson and deputy chairperson are present but are unwilling to act, or either the chairperson or deputy chairperson is present and is unwilling to act, then the Directors who are at that general meeting shall choose 1 (one) of their number to be its chairperson or, if no Directors are present at that meeting or if all the Directors who are present at that meeting refuse to act as its chairperson, then the Shareholders who are present shall choose 1 (one) of their number to be the chairperson of that meeting.

14.2 Right to call meeting

- 14.2.1 Subject to the Companies Act, the Board may, in terms of section 61(1) of the Companies Act, call a Shareholders' meeting at any time.
- 14.2.2 The Company authorises the secretary, any prescribed officer of the Company or any 2 (two) shareholders to call a Shareholders' meeting for the purposes of section 61(11) of the Companies Act.
- 14.2.3 The Company is not restricted from calling any meeting of Shareholders for purposes of adhering to the Listings Requirements.

14.3 Requirements to hold meetings

The Company is required to hold Shareholders' meetings, in addition to those specifically required by the Companies Act, for purposes of adhering to the Listing Requirements.

14.4 Round robin resolutions of Shareholders

Notwithstanding any provision to the contrary in this MOI or the Companies Act, all Shareholder meetings that are called for in terms of the Listings Requirements, including without limitation, the calling of a Shareholders' meeting to appoint a Director/s or for Directors to retire, must be held in person and may not be held by means of a written resolution as contemplated in section 60 of the Companies Act.

14.5 Location of Shareholders' meetings

The authority of the Board to determine the location of any Shareholders' meeting, and the authority of the Company to hold any such meeting in the Republic or in any foreign country, as set out in section 61(9) of the Companies Act is not amended by this MOI.

14.6 Quorum for Shareholders' meetings

- 14.6.1 The quorum at a general meeting must be at least 3 (three) Shareholders and Shareholders holding at least 25% (twenty five per cent) of the voting rights which may be exercised at the relevant meeting.
- 14.6.2 The provisions of section 64(4) of the Companies Act is retained such that, if within 1 (one) hour after the appointed time for a meeting to begin:
 - 14.6.2.1 the requisite quorum for such meeting is not present, the meeting shall be postponed without motion, vote or further deliberation for 1 (one) week; or
 - 14.6.2.2 the requisite quorum for consideration of a particular matter to begin is not present:
 - 14.6.2.2.1 if there is other business on the agenda of the meeting, consideration of that matter may be postponed to a later time in the meeting without motion or vote; or
 - 14.6.2.2.2 if there is no other business on the agenda of the meeting, the meeting is adjourned for 1 (one) week, without motion or vote.
- 14.6.3 Should any meeting of the Shareholders of the Company which has been constituted as quorate in terms of article 14.6.1 cease to be quorate at any time during such meeting due to the departure of any Shareholder/s, then such meeting shall be adjourned as soon as the meeting ceases to be quorate without any matters being further considered or voted upon.

14.7 Notice of Shareholders' meetings

- 14.7.1 The minimum number of days for the Company to deliver a notice of a Shareholders' meeting to the Shareholders who have elected to receive such notices shall be the minimum number of days required in terms of the Companies Act for the passing of ordinary and special resolutions, being 15 (fifteen) business days. The notice periods referred to in this article are not applicable where the Company adheres to section 62(2A) of the Companies Act.
- 14.7.2 Notices of general and annual general meetings must be delivered to each Shareholder entitled to vote at such meeting and who has elected to receive such documents.
- 14.7.3 For as long as the Shares of the Company remain listed on the JSE, notices of Shareholders' meetings must be:

14.7.3.1 sent to the JSE at the same time as such notices are sent to the Shareholders; and

14.7.3.2 announced through the official news service of the JSE, namely SENS.

14.8 Shareholders' resolutions

14.8.1 For an ordinary resolution to be adopted, it must be supported by more than 50% (fifty per cent) of the voting rights exercised on the resolution by all holders of Equity Securities entitled to vote at and present or represented by Proxy at the general meeting or annual general meeting convened to approve such ordinary resolution, as provided in section 65(7) of the Companies Act.

14.8.2 For a special resolution to be adopted, it must be supported by the holders of at least 75% (seventy five per cent) of the voting rights exercised on the resolution by all Equity Securities holders entitled to vote at and present or represented by Proxy at the general meeting or annual general meeting convened to approve such special resolution, as provided in section 65(9) of the Companies Act, subject to the Listings Requirements.

14.9 Ratification of *ultra vires* acts

The proposal of any resolution to Shareholders in terms of sections 20(2) and 20(6) of the Companies Act shall be prohibited in the event that such a resolution would lead to the ratification of an act that is contrary to the Listings Requirements or this MOI; unless otherwise agreed with the JSE.

14.10 Votes of Shareholders

Subject to the provisions of the Companies Act, the Listings Requirements and this MOI, all questions, matters and resolutions arising or submitted to any general meeting shall be decided on a poll. In the case of an equality of votes, the chairperson shall not have a casting vote.

14.11 Application of provisions to all Securities Holders

The provisions of the Companies Act, as read with this MOI and the Listings Requirements, as regards Shareholders' meetings and resolutions and the provisions in articles 14 and 16, shall apply mutatis mutandis to meetings of Securities Holders, save as contemplated in the documents in terms of which such Securities have been and/or are to be issued, and insofar as such terms and conditions amend the relevant provisions of the Companies Act.

15. REQUIREMENTS AS TO MEETINGS, NOTICES, QUORUM, VOTING AND RESOLUTIONS IN RESPECT OF SECURITIES OTHER THAN SHARES

Notwithstanding anything to the contrary contained in this MOI, the requirements as to meetings, notices, quorum, voting and resolutions in respect of Securities other than Shares shall be in accordance with the specific terms and conditions set out in the document/s in terms of which such Securities have been and/or are issued, insofar as such terms and conditions amend the relevant provisions of the Companies Act. For the avoidance of doubt, the provisions of this article 15 shall apply to Debentures, with reference to the terms and conditions in the Debenture Trust Deed.

PART V – DIRECTORS AND OFFICERS

16. DIRECTORS AND OFFICERS

16.1 Composition of the Board

The Board shall comprise not less than the minimum number of Directors required in terms of the Companies Act, but always subject to the minimum number of Directors required in terms of the Listings Requirements, being 4 (four) Directors as at the date of the adoption of this MOI.

16.2 Appointment of Directors

16.2.1 *Election by Shareholders*

All of the Directors must be elected by Ordinary Shareholders entitled to exercise voting rights at any general meeting or annual general meeting (provided that such meeting may not be conducted in terms of section 60 of the Companies Act), as contemplated in the Listings Requirements, and Shareholders shall have the right to nominate any person for election as aforesaid.

16.2.2 *Alternate Directors*

- 16.2.2.1 At least 50% (fifty per cent) of any alternate Directors must be elected by Ordinary Shareholders entitled to exercise voting rights, as contemplated in section 68 of the Companies Act read with section 66(4)(b) of the Companies Act.
- 16.2.2.2 Each Director elected as contemplated in article 16.2.1, is entitled to nominate an alternate Director to act in his or her stead for election in terms of article 16.2.
- 16.2.2.3 Each alternate Director is entitled to act as a Director in the absence of the Director for whom he or she is an alternate.
- 16.2.2.4 Subject to article 16.2.2.1 and further subject to a prior resolution passed by the Board approving the identity of the person to be nominated as an alternate Director, any Director shall have the power to nominate another person to act as alternate Director in his or her place during his or her absence or inability to act as such Director, and on such appointment being made, the alternate Director shall, in all respects, be subject to the terms and conditions existing with reference to the other Directors. A person may be appointed as alternate to more than 1 (one) Director. Where a person is alternate to more than 1 (one) Director or where an alternate Director is a Director, he or she shall have a separate vote, on behalf of each Director he or she is representing in addition to his or her own vote, if any.
- 16.2.2.5 The alternate Directors, whilst acting in the place of Directors, shall exercise and discharge all the duties and functions of the Directors they represent. The appointment of an alternate Director shall cease on the happening of any event which, if he or she were a Director, would cause him or her to cease to hold office or if the Director who appointed him or her ceases to be a Director, or gives notice to the secretary of the Company that the alternate Director representing him or her shall have ceased to do so.
- 16.2.2.6 An alternate Director shall look to the Director who appointed him or her for his or her remuneration.

16.2.3 *Eligibility or qualification criteria for Directors*

- 16.2.3.1 In addition to satisfying the qualification and eligibility requirements set out in section 69 of the Companies Act, without limiting the rights of Ordinary Shareholders and Directors to remove a Director under certain circumstances under the Companies Act, a Director or Prescribed Officer shall not be entitled to remain serving as a Director or a Prescribed Officer of the Company if:
 - 16.2.3.1.1 he or she is employed with the Company in terms of any contract of employment, and such employment contract is terminated;
 - 16.2.3.1.2 subject to compliance with section 71 of the Companies Act, a majority of the Directors resolve that his or her office shall be vacated; and/or
 - 16.2.3.1.3 if by notice in writing to the Company he or she resigns office.
- 16.2.3.2 The Directors shall not be obliged to hold any Shares to qualify them as Directors.

16.2.4 *Employment of Directors in other capacities*

A Director may be employed in any other capacity in the Company or as a Director or employee of a company controlled by, or itself a subsidiary of the Company, in which event the appointment and remuneration of such Director in respect of such other office must be determined by a disinterested quorum of Directors.

16.2.5 *Board's authority to appoint Directors and fill a casual vacancy*

- 16.2.5.1 The appointment of any person by the Board to fill a casual vacancy or as an addition to the Board must be confirmed by Ordinary Shareholders at the next annual general meeting of the Company, failing which the appointed person must vacate his or her office.
- 16.2.5.2 The Company in general meeting may fill the vacated offices by electing a like number of persons to be Directors, and may fill other vacancies.

16.2.6 *Appointment of additional Directors to constitute prescribed minimum*

Should the number of Directors fall below the minimum number provided for in article 16.1, the remaining Directors must as soon as possible and in any event not later than 3 (three) months from the date on which the number of Directors fall below the prescribed minimum, fill the vacancies or call a general meeting for the purpose of filling the vacancies. The failure by the Company to have the minimum number of Directors provided for in article 16.1 of this MOI during the 3 (three) month period does not limit or negate the authority of the Board or invalidate anything done by the Board or the Company during such period. After the expiry of the 3 (three) month period, the remaining Directors shall only be permitted to act for the purpose of filling vacancies or calling general meetings of the Company.

16.3 **Rotation of Directors**

16.3.1 Life Directorship and Directorships for an indefinite period shall not be allowed in the Company.

16.3.2 At the annual general meeting (provided that such meeting is not conducted in terms of section 60 of the Companies Act) held in each year-

16.3.2.1 1/3 (one-third) of the non-executive Directors, or if their number is not a multiple of 3 (three), then the number nearest to, but not less than 1/3 (one-third) of the non-executive Directors, shall retire from office; and

16.3.2.2 1/3 (one-third) of the executive Directors, or if their number is not a multiple of 3 (three), then the number nearest to, but not less than 1/3 (one-third) of the executive Directors, shall retire from office.

16.3.3 The Directors to retire in terms of article 16.3.2 shall be those who have been longest in office since their last election provided that:

16.3.3.1 if more than one of them were elected Directors on the same day, those to retire shall be determined by lot unless those Directors agree otherwise between themselves;

16.3.3.2 if at any annual general meeting any Director will have held office for 3 (three) years since his or her election, he or she shall also retire at such annual general meeting;

16.3.3.3 the length of time a Director has been in office shall, subject to the provisions of article 16.3.3.2, be reckoned from the date of his or her last appointment as a Director;

16.3.3.4 if a Director is required to retire at any general meeting then he or she shall continue to be a Director until the election of Directors at that meeting is concluded; and

16.3.4 a retiring Director may be re-elected, provided that he or she is eligible for re-election, and the Board, through the nomination committee, should recommend eligibility, taking into account past performance and contribution made, provided that the re-election of any such Director may not be conducted in terms of section 60 of the Companies Act.

16.4 **Appointment of the chairperson of the Board**

The Directors may elect a chairperson (provided that he or she shall not be in the full-time employ of the Company), deputy chairperson and/or any vice chairperson of the Board and determine the period for which each is to hold office, provided that, should the chairperson be subject to rotation as contemplated in article 16.3 and he or she is not re-elected as provided for in such article, he or she shall immediately after the meeting contemplated in article 16.3.2 cease to be the chairperson, and the Board shall elect a new chairperson. If no chairperson or deputy chairperson has been elected, or if at any meeting neither is within 10 (ten) minutes of the time appointed for holding the meeting present or willing to act as such, the Directors present at any Directors' meeting shall choose one of their number to be chairperson of the meeting.

16.5 **Round robin resolutions of the Board**

A decision that could be voted on at a meeting of the Board of Directors of a Company may, instead be adopted by written consent of a majority of the Directors, given in person or by electronic communication, provided that each Director has received notice of the matter to be decided. Such resolution, inserted in the minute book, shall be as valid and effective as if it had been passed at a meeting of Directors. Any such resolution may consist of several documents and shall be deemed to have been passed on the date on which it was signed by the last Director who signed it (unless a statement to the contrary is made on that resolution).

16.6 Directors' meetings

The Directors may meet, adjourn, and otherwise regulate their meetings as they think fit and a Director may at any time require the secretary to convene a meeting of the Directors.

16.7 Board meetings by electronic communication

The authority of the Board to conduct a meeting entirely by electronic communication, or to provide for participation in a meeting by electronic communication, as set out in section 73(3) of the Companies Act is not amended by this MOI.

16.8 Tied votes

In the case of a tied vote at any meeting of the Directors, the chairperson of the Board may cast a deciding vote in addition to any deliberative vote unless:

16.8.1 the quorum of Directors as provided for in the Companies Act, requires only 2 (two) Directors to be present at a meeting before a vote may be called at any meeting of the Directors; and

16.8.2 only 2 (two) Directors are present at that meeting of Directors,

in which case, the chairperson of the Board may not cast a deciding vote in addition to any deliberative vote and the matter being voted on shall fall.

16.9 Directors' expenses

The Directors shall be paid all their travelling and other expenses properly and necessarily incurred by them in and about the business of the Company and in attending meetings of the Board or committees thereof, and if any Director is required by the Company to perform any services in addition to his or her services as a Director, or to reside abroad, or shall be specifically occupied about the Company's business, such Director shall be entitled to receive such remuneration as is determined by a disinterested quorum of Directors, which remuneration may be in addition to or in substitution for any other remuneration payable.

16.10 Committees of the Board

16.10.1 *Authority of the Board to appoint committees of Directors and to delegate to any such committee any of the authority of the Board*

16.10.1.1 The authority of the Board to appoint committees of Directors, and to delegate to any such committee any of the authority of the Board, as set out in section 72(1) of the Companies Act, and to include in any such committee persons who are not Directors, as set out in section 72(2)(a) of the Companies Act is not amended by this MOI.

16.10.1.2 Any delegation by the Board of its authority to a committee may be wholly or partially withdrawn by the non-executive Directors at any time.

16.11 Authority of the Board to manage and direct the business and affairs of the Company

16.11.1 The management of the business and the control of the Company shall be vested in the Directors who may exercise all such powers as may be exercised by the Company and are not hereby or by the Companies Act expressly directed or required to be exercised by the Company in general meeting, but subject, nevertheless, to the provisions of these presents and to any resolution not inconsistent with these presents passed at any general meeting of the Ordinary Shareholders in accordance therewith.

16.11.2 Subject to the Companies Act and the Listings Requirements, the Board may, from time to time, put in place and amend such internal policies, procedures and delegations of authority guidelines and processes applicable to the Company and its operations as they determine appropriate, including for the Board to delegate their authority to the chief executive officer and members of the executive management of the Company. The Directors, the Prescribed Officers and all other persons, acting on behalf of the Company in any capacity, shall be bound to such policies, procedures, guidelines and processes.

16.11.3 Subject to article 16.11.2 and further subject to any resolution by the Board to the contrary, each of the executive Directors shall be authorised to:

16.11.3.1 bind the Company, to take and implement decisions and to do all things reasonably necessary for or incidental with the day to day operational requirements of the Company and the designation of that Director; and

- 16.11.3.2 to represent the Company as shareholder and to exercise any rights, attend any meetings and to make and implement any decisions associated with shares held by the Company.

16.12 Borrowing powers

- 16.12.1 Subject to the Companies Act and the Listings Requirements:
 - 16.12.1.1 the Board may from time to time and in such manner and on such terms as they deem fit, exercise all the powers of the Company to borrow, raise or secure the payment of money, either with or without any specific security on the undertaking or property of the Company; and
 - 16.12.1.2 any Debentures, bonds or other, similar, Securities may be issued at a premium or at a discount in convertible or non-convertible form.
- 16.12.2 The granting of special privileges to holders of debt instruments, as defined in section 43(1) of the Companies Act, such as attending and voting at general meetings and the appointment of Directors, is prohibited.

PART VI – FINANCIAL MATTERS

17. DISTRIBUTIONS TO SHAREHOLDERS

17.1 Payment policy

- 17.1.1 The Directors shall have the power to make any distribution, subject to section 46 of the Companies Act, and the Listings Requirements as applicable, and in accordance with the rights of Shareholders to or in respect of distributions as set out in this MOI.
- 17.1.2 Dividends are to be payable to Shareholders registered as at a date subsequent to the date of declaration or date of confirmation of the dividend, whichever is the later.
- 17.1.3 Subject to the Listings Requirements, if as a result of the declaration of a dividend any Shareholders become entitled to fractions of any specific assets of the Company, the Directors shall round such fractions up or down, as the case may be, to the nearest full number of Securities to determine their participation in such dividend.
- 17.1.4 All dividends, interest or other moneys payable to the registered holder of Shares may be paid by cheque, electronically or otherwise as the Directors may from time to time determine, and may be sent by post to the last registered address requested by him or her, or, in the case of joint holders, to the first of them named in the Securities Register in respect of such joint holdings, and the payment of such cheque or warrant shall be a good discharge to the Company in respect thereof. For the purpose of this article, no notice of change of registered address or instructions as to payment being made at any other address which is received by the Company on or before last day to trade for the dividend or return of capital and which would have the effect of changing the currency in which such payment would be made, shall become effective until after such date of payment.
- 17.1.5 The Company shall not be responsible for the loss in transmission of any cheque, warrant or other document sent through the post either to the registered address of any Shareholder or to any other address requested by him or her.
- 17.1.6 All unclaimed monies due to Shareholders will be held by or on behalf of the Company in trust for the benefit of the Shareholder concerned until claimed, provided that, subject to the provisions of the Prescription Act, 1969 and any other applicable laws of prescription, monies unclaimed for a period of 5 (five) years from the date on which they were declared (or such longer period as may be required under the laws of prescription) may be declared forfeited by the Board for the benefit of the Company. The Directors may at any time annul such forfeiture upon such conditions (if any) as they think fit.

17.2 Payments to holders of Securities

Payments to the holders of Securities must be made in accordance with the provisions of the Listings Requirements and capital shall not be repaid on the basis that it may be called up again.

18. ODD-LOT OFFERS

If, upon the implementation of any Odd-Lot Offer made by the Company, or pursuant to or following any Odd-Lot Offer made by the Company which is unconditional, and provided that the specific Odd-Lot Offer has been approved by Ordinary Shareholders in a general meeting, in accordance with the Listings Requirements of the JSE, and at a meeting of the holders of the class of Securities which will be the subject matter of the Odd-Lot Offer, there are Securities Holders with Odd-Lot Holdings, then, unless such Securities Holders have elected to retain their Odd-Lot Holdings the Directors shall, with the approval of an ordinary resolution of Ordinary Shareholders passed at a general meeting, and by the relevant Securities Holders at a meeting of the holders of the class of Securities which will be the subject matter of the Odd-Lot Offer, be entitled to cause the Odd-Lot Holdings to be sold on such basis as the Directors may determine and the Company shall account to such Securities Holders for the proceeds attributable to them pursuant to the sale of such Odd-Lot Holdings.

19. ANNUAL FINANCIAL STATEMENTS

A copy of the annual financial statements must be distributed to the Shareholders and every holder of Debentures (whether or not such Shareholder or holder of Debentures is entitled to receive notices of general meetings of the Company), and to all persons other than Shareholders or holders of Debentures who are entitled to receive such notices by no less than 15 (fifteen) Business Days prior to the annual general meeting or in accordance with such other provisions under the Listings Requirements.

20. INDEMNITIES

20.1 For the purposes of this article 20, a Director includes:

20.1.1 a Prescribed Officer;

20.1.2 the Company secretary;

20.1.3 a person who is a member of a committee of the Board; and

20.1.4 a former Director, Company secretary and/or member of a committee of the Board,

irrespective of whether or not the person is also a member of the Board.

20.2 The Board may, on behalf of the Company, as contemplated in sections 78(4), 78(5) and 78(7) of the Companies Act,:

20.2.1 advance expenses to a Director to defend litigation in any proceedings arising out of the Director's service to the Company;

20.2.2 directly or indirectly indemnify a Director for expenses contemplated in article 20.2.1, irrespective of whether or not it has advanced those expenses, if the proceedings:

20.2.2.1 are abandoned or exculpate that Director; or

20.2.2.2 arise in respect of any liability for which the Company may indemnify the Director, in terms of article 20.2.3;

20.2.3 indemnify a Director against any liability arising from the conduct of that Director, other than a liability set out in section 78(6) of the Companies Act;

20.2.4 purchase insurance to protect:

20.2.4.1 a Director against any expense or liability for which the Company is permitted to indemnify the Director in accordance with article 20.2.3; and/or

20.2.4.2 the Company against any contingency, including:

20.2.4.2.1 any expenses:

20.2.4.2.1.1 that the Company is permitted to advance in accordance with the provisions of article 20.2.1;

20.2.4.2.1.2 for which the Company is permitted to indemnify a Director in accordance with the provisions of article 20.2.2; and/or

20.2.4.2.2 any liability for which the Company is permitted to indemnify a Director in accordance with the provisions of article 20.2.3,

and the authority of the Board in this regard is not limited or restricted by this MOI.

- 20.3 The Company shall and is hereby obliged to indemnify each Director against (and pay to each Director, on demand by that Director, the amount of) any cost (including all legal costs reasonably incurred by the Director in dealing with or defending any claim), damage, expense, liability or loss (“Loss”), which that Director may suffer as a result of any act or omission of that Director in his capacity as a Director, provided that:
- 20.3.1 this indemnity will not extend to any Loss:
- 20.3.1.1 against which the Company is not permitted by section 78(6) of the Companies Act to indemnify a Director;
 - 20.3.1.2 arising from any gross negligence or recklessness on the part of that Director;
 - 20.3.1.3 or damage to reputation; and/or
 - 20.3.1.4 in the event and to the extent that the Director has recovered or is entitled and able to recover the amount of that Loss in terms of any Insurance policy (whether taken out or paid for by the Company or otherwise),
- and Directors will not be entitled to recover the Losses referred to in this article 20.3.1 from the Company. All losses other than those referred to in this article 20.3.1 are referred to as “**Indemnified Losses**”;
- 20.3.2 each Director’s right to be indemnified by the Company in terms of this indemnity will exist automatically upon his/her becoming a Director and will endure even after he/she ceases to be a Director until he/she can no longer incur or suffer any Indemnified Loss;
- 20.3.3 if any claim is made against a Director in respect of any Indemnified Loss, the Director shall not admit any liability in respect of that claim and the Director shall notify the Company of that claim within a reasonable time after the Director becomes aware of that claim, in order to enable the Company to contest that claim. Notwithstanding the foregoing provisions of this article 20.3.3, the Company’s liability in term of this indemnity will not be affected by any failure of the Director to comply with this article 20.3.3, save in the event and to the extent that the Company proves that such failure has resulted in the Indemnified Loss being greater that it would have been had the Director complied with his obligations in this article 20.3.3;
- 20.3.4 the Company will, at its own expense and with the assistance of its own legal advisers, be entitled to contest any such claim in the name of the Director until finally determined by the highest court to which appeal may be made (or which may review any decision or judgment made or given in relation thereto) or to settle any such claim and will be entitled to control the proceedings in regard thereto, provided that:
- 20.3.4.1 the Director shall (at the expense of the Company and, if the Director so requires, with the involvement of the Director’s own legal advisers) render to the Company such assistance as the Company may reasonably require of the Director in order to contest such claim;
 - 20.3.4.2 the Company shall regularly, and in any event on demand by the Director, inform the Director fully of the status of the contested claim and furnish the Director with all documents and information relating thereto, which may reasonably be requested by the Director; and
 - 20.3.4.3 the Company shall consult with the Director prior to taking any major steps in relation to or settling such contested claim and, in particular, before making or agreeing to any announcement or other publicity in relation to such claim;
- 20.3.5 to the extent that any Indemnified Loss consists of, or arises from, a claim or potential claim that the Company might otherwise have had against the Director, then the effect of this indemnity will be to prevent the Company from making such claim against the Director, who will be immune to such claim, and such claim will therefore be deemed not to arise;
- 20.3.6 if this article 20 is amended at any time, no such amendment will detract from the rights of the Directors in terms of this article 20 in respect of any period prior to the date on which the resolution effecting such amendment is adopted by the Shareholders;

- 20.3.7 all provisions of this article 20 are, notwithstanding the manner in which they have been grouped together or linked grammatically, severable from each other. Any provision of this article 20 that is or becomes unenforceable, whether due to illegality, invalidity, unlawfulness, voidness or for any other reason whatsoever, will, only to the extent that it is so unenforceable, be treated as *pro non scripto* and the remaining provisions of this article 20 will remain of full force and effect; and
- 20.3.8 this indemnity will not detract from any separate indemnity that the Company may sign in favour of the Director.

SALIENT FEATURES OF THE CONDITIONAL UNIT PLAN

1. PLAN LIMITS

In line with corporate governance standards and market benchmarks, the following limits will apply to the aggregate number of units which may be allocated under the Conditional Unit Plan, based on unvested awards:

- Overall limit – 2.5% of the issued unit capital of the Company from time to time; [*The Existing Scheme does not have an overall limit, but is limited by individual participation – see below*]
- Individual limit – 0.5% of the issued unit capital of the Company from time to time; [*Existing Scheme 0.24%*] and
- Annual limit – no more than 0.5% of the issued units of the Company can be allocated in any financial year. [*Existing Plan 0.25%*]

2. ELIGIBILITY

Eligibility will be the same as for the Existing Scheme, but at the discretion of the Committee.

Currently participants are executive directors, senior management and professional staff with a Paterson Job Grade in the “D” band or higher.

New employees joining the Company during the financial year will also be eligible to participate.

3. ALLOCATION POLICY

Existing unvested awards in terms of the Existing Scheme will continue with the same vesting periods and governed by the existing rules. The Conditional Unit Plan will be implemented from the June 2013 allocation cycle.

For the future awards, in line with local and global market practice and the principles of King III Report on Corporate Governance (“King III”), the Company has adopted a policy whereby regular (i.e. consistent in fair value) annual awards are made based on multiples or portions of the participant’s guaranteed package.

These percentages will be reviewed annually in the light of market benchmarks.

For the June 2013 allocation cycle, the following annual grant levels will be applied:

CEO	100% – 120%	Existing Scheme: 75.0%
Executive directors	70% – 90%.	Existing Scheme: 62.5%
Senior management	40% – 60%	Existing Scheme: 37.5%
Other	20% – 40%	Existing Scheme: 25.0%

In special circumstances, as determined by the Committee, awards will be made for the purposes detailed under paragraph 3.4.5 of the circular.

In the case of impending retirement of participant:

- One year from retirement: only 1/3 of a standard award.
- Two years from retirement: only 2/3 of a standard award.
- The Committee has the discretion to deviate from this policy for specific reasons and/or individuals.

In the case of sign-on, promotion or similar awards, the Committee has the discretion to make awards of up to 3x the value of the above annual guidelines, and the discretion to spread the vesting period appropriately for larger awards to allow for staggered vesting, subject to the average vesting period not being less than three years.

4. TYPICAL AWARD DATE

The typical award date would be after the annual announcement of the financial results of the Company, generally on 1 June of each year, unless there are compelling reasons, such as closed periods, to defer to a later date.

To cater for flexibility, the rules of the Conditional Unit Plan provide for awards to be made at other times during the financial year of the Company.

5. DISTRIBUTIONS

Distribution equivalents will be paid to participants as and when distributions to unitholders are declared by the Company. Distribution equivalents attributable to conditional units that lapse or are forfeited will be repayable by the participants, but the repayment will be limited to the market value of the units from that tranche that actually vest in the participants. Under the Existing Scheme, distributions are required to be re-invested by the Hedge Facilitator on behalf of the participant.

6. MIX BETWEEN COMPANY AND INDIVIDUAL PERFORMANCE CONDITIONS

The first portion of an award, up to 33% of the participant's guaranteed package, will be subject to personal performance conditions, and the balance of the award will be subject to Company performance conditions. This will have the effect of ensuring that more senior employees with commensurately larger awards have a greater portion of their award subject to Company Performance conditions. Under the Existing Scheme, the portion subject to personal performance conditions ranges from 33.3% (CEO) to 100% (for the professional staff other than senior management).

The Committee may apply its discretion to the mix of conditions in the case of special awards, such as sign on or promotion awards.

7. PERFORMANCE CONDITIONS

For regular annual awards, the Company will use Company performance conditions and personal performance conditions which will govern the vesting of the awards.

King III encourages the use of a sliding scale to determine vesting. In this regard, the Company will have a threshold, on-target and a stretch performance target. Vesting of 30% will take place at threshold performance and 100% at stretch performance. Linear vesting is applied between the above levels.

Initially, the Performance conditions proposed are:

Personal portion (measured by individual CPA score):

- Threshold = 70%
- Stretch = 90%

The CPA rating will be determined as the arithmetic average of the annual CPA rating in each year of the performance period. The principles applied are in line with the Existing Scheme, although the performance levels have been recalibrated to take the Company's new performance management system into account.

Company portion

- Relative growth in distributions over the 3 year period compared to the SAPI or successor Index ("SAPI") (weighting of 70% – under the Existing Scheme: 70%).
- Relative growth in the linked unit price over the three year period compared to SAPI (weighting of 30% – under the Existing Scheme: 30%).
- Threshold performance = 100% of index performance.
- Stretch performance = 110% of index performance.

The index value is determined by simple average over 30 days, and the VKE price as the 30 day VWAP.

For future awards in terms of the Conditional Unit Plan, the Committee will retain the discretion to change the nature of the performance conditions to be imposed with reference to the prevailing business environment.

8. VESTING DATE

The vesting date of awards will be three years from the award date, compared to four years under the Existing Scheme.

On the vesting date, and subject to the achievement of the applicable performance conditions, the vested unit awards will be delivered to the participants who will, from this date forward, be free to sell the units.

Participants will need to elect whether to sell all the units, or a sufficient number to pay the resulting income tax, or arrange to pay the income tax from their own resources. The net cash or units will then be released.

9. TERMINATION OF EMPLOYMENT

Where a participant's employment is terminated by reason of death, retrenchment, ill-health, injury, disability or sale of an employer company or business, he/she will be classed as a "good leaver".

In addition, the Committee will retain the discretion to classify participants whose employment is terminated for other reasons as “good leavers” in appropriate special circumstances.

In the case of good leavers:

- By way of retirement, Company performance linked units will remain subject to the natural duration of the Conditional Unit Plan and Company performance targets. CPA linked units will be tested on the day of retirement and vest accordingly on that date.
- For all other good leaver categories, CPA units will be pro-rated to time and applying the average of performance appraisals up to the termination date. For Company performance units, normal performance testing will apply on a pro-rata basis.
- In the case of death, the executor of the deceased estate may elect to bring the vesting date forward in order to finalise the estate. In such cases the Company will agree a vesting date with the executors and test performance on such date, which will then be subject to a time-based pro-rating.

For all other leavers, including resignation or dismissal, complete forfeiture will apply. The conditions under the above section are similar to the Existing Scheme.

10. CHANGE OF CONTROL

Where there is a change of control of the Company, resulting in material management and structural changes such as retrenchments, change in job status or delisting during the relevant financial year, the awards will vest as follows:

- In line with King III, a portion of the unvested awards will vest early and be released to the participants, based on the time served as a portion of the full vesting period, and on the performance to date against the applicable personal and Company performance conditions.
- The vesting date will coincide with the change of control date.
- The portion of the awards which does not vest at this time due to time pro-rating will either remain subject to the terms of the Conditional Unit Plan, or will be converted into appropriate new awards with a similar economic value on the conversion date. These awards may be made under the rules of the acquiring company’s plans, or be cash-settled, or otherwise, depending on the nature of the transaction.

The conditions under the above section are similar to the Existing Scheme.

11. VARIATION IN UNIT CAPITAL

In the event of a variation in the unit capital of the Company e.g. payment of a dividend *in specie* or a linked unit splits, the Committee may make adjustments to awards so as to ensure that participants are in no worse position than they were prior to the occurrence of the relevant event.

The conditions under the above section are similar to the Existing Scheme.

12. PLAN LIFE

No allocations may be made after the 9th anniversary of the date of approval of the Conditional Unit Plan.

13. OUTPERFORMANCE

In the case of Company outperformance of a specific grant over the three year performance period, defined as performance above 120% of the index performance, double the number of units will be delivered to participants who are executive directors who have been in office during the preceding financial year. The Company will need to verify that 120% performance is historically consistent with 90th percentile performance of a peer group as approved by the Committee.

The conditions under the above section are new and are not contained in the Existing Scheme.

SALIENT FEATURES OF THE UNIT PURCHASE PLAN

1. PLAN LIMITS

In line with corporate governance standards and market benchmarks, the following limits will apply to the aggregate number of units which may be allocated under the Unit Purchase Plan:

- Overall limit – 1.5% of the number of issued units from time to time;
- Individual limit – 0.5% of the number of issued units from time to time.

These limits will be adjusted proportionately in the event that the Company implements a sub-division or consolidation.

2. ELIGIBILITY

Eligible employees include any person holding permanent salaried employment or office with the group, including an executive director, but excluding any non-executive director of the group.

Although the Committee will have the ultimate discretion as to who may participate in the Unit Purchase Plan, it will be aimed at executive directors and key senior management employees.

3. BASIS UPON WHICH AWARDS ARE MADE

The Committee may from time to time, in its discretion call upon the employer companies to make recommendations to the Committee as to which of their respective employees they recommend to incentivise or retain the services of by the award of plan units, and approve the making of awards to employees.

4. AWARDS UNDER THE UNIT PURCHASE PLAN

Under the Unit Purchase Plan participants will be awarded the opportunity to purchase a certain number of plan units by way of the Company granting an interest bearing loan to the participant. The amount of plan debt comprising such an award will be based on the participant's, grade, performance, retention and attraction requirements (as applicable) market benchmarks, and other criteria as determined by the Committee from time to time.

On the acceptance of an award under the Unit Purchase Plan by a participant:

- the Company or the escrow agent (on behalf of a participant) shall acquire on the market so many plan units (on behalf of a participant) over a period of 60 days from the date of acceptance of the award or such longer period as may reasonably be required having regard to the fact that no plan units may be acquired during a prohibited period as is equivalent (at the purchase price) to the plan debt stipulated in the award letter;
- ownership in the plan units concerned shall vest in the participant but the plan units shall be pledged and ceded to the Company as security for the plan debt;
- the Company or the escrow agent shall discharge the purchase price for the plan units on the participant's behalf and the plan debt shall become owing by the participant to the Company.

The Company may, in the award letter, stipulate that it requires additional security from a participant to secure the plan debt, which additional security shall not exceed 10% of the initial amount of the plan debt, the form and substance of which security shall be in the discretion of the Committee.

5. PLAN DEBT

The outstanding balance due on the plan debt shall bear interest from time to time, at the interest rate, being as at any particular date, the weighted average all-in five year cost of finance of debt raised to finance the plan debt or if plan debt is not financed by way of dedicated debt finance the Company's weighted average all-in cost of debt finance prevailing at that particular date.

A distribution, or so much of it as is equivalent to any accrued or unpaid interest on the plan debt, will be set off against such accrued interest. If the Company is requested in writing by a participant, an amount equivalent to any income tax that would be payable by the participant on the distribution will be released to the participant. The balance of the distribution, or so much of it as equivalent to the outstanding balance of the plan debt, will be set-off against the plan debt. The balance of the distribution, if any, will be paid to the participant.

A participant shall be entitled to pay all or part of the outstanding balance of the plan debt at any time subsequent to the commencement of the plan debt, in one or more instalments, and shall be entitled to unrestricted delivery of all or a portion of the plan units in respect of which the plan debt has been settled, provided that each instalment must be in an amount equivalent to not less than 20% of the initial amount of the plan debt.

On termination of employment or the 10th anniversary of the date on which the plan debt is awarded the employee will be required to repay the outstanding plan debt plus all accrued but unpaid interest.

6. TERMINATION OF EMPLOYMENT

6.1 Death

Where a participant ceases to be an employee by reason of death, the plan debt outstanding in respect of such plan units shall become payable by the deceased participant within 12 months after the termination date. No further credit may be extended to the deceased participant for any purpose whatsoever. If at any time after the termination date the plan debt outstanding in respect of the relevant plan units exceeds the market value of those units, then the amount of such excess shall become immediately payable.

6.2 Retirement, disability, sale of employer company, retrenchment or “good leavers” and other terminations and exceptional circumstances

Where a participant ceases to be an employee by reason of serious incapacity, serious disability, retirement, retrenchment, the participant’s employer company ceasing to be a member of the group or the Committee determines that the participant is a no-fault participant or is deemed by the Committee to be a “good leaver”, (the “no-fault participant”) the plan debt outstanding in respect of such plan units shall become payable by the no-fault participant within 12 months after the termination date. No further credit may be extended to the no-fault participant for any purpose whatsoever. If at any time after the termination the plan debt outstanding in respect of the relevant plan units exceeds the market value of those units, then the amount of such excess shall become immediately payable.

6.3 Dismissal

Where a participant ceases to be an employee by reason of the dismissal of such employee on grounds of misconduct, poor performance or proven dishonest or fraudulent conduct, the plan debt outstanding in respect of such plan units shall become payable within 30 days after the termination date.

6.4 Resignation

Where a participant ceases to be an employee by reason of the resignation of such employee, the plan debt outstanding in respect of such plan units shall become payable within 30 days after the termination date.

7. RIGHTS OFFER

Each participant shall be entitled to participate in any rights offer in accordance with the terms thereof to the extent of those plan units and all plan capitalisation units linked thereto in respect of which an award was accepted, as if those plan units were ordinary units and the plan debt in respect of those plan units was at the record date already paid in full.

The Company may, acting on the instructions of the Committee, subject to the provisions of the Companies Act, lend a participant monies to enable the participant to follow his rights under a rights offer and the amount so lent shall be deemed to form part of the outstanding balance of the plan debt payable by the participant.

If the Company lends to a participant monies to enable the participant to follow his rights under a rights offer, then such units shall be plan units and shall be pledged to the Company. Where the Company has not lent monies to a participant to follow his rights under a rights offer, but the participant follows his rights in any event, the Committee may, in its discretion determine that such units are plan units and require that such plan units be pledged to the Company.

8. CAPITALISATION ISSUES

Every participant shall participate in any capitalisation issue in respect of all plan units and all plan capitalisation units linked thereto, as if the plan debt of those plan units was, at the record date, already paid in full.

No participant shall be entitled to renounce his rights to any capitalisation units, or dispose thereof in any other way (save that the participant or the Company shall be entitled to sell any capitalisation unit for the sole purpose of applying the net proceeds of such sale to reduce the plan debt owing in respect of the plan units of such participant) and all such units shall be allotted and issued subject to the Unit Purchase Plan Rules and shall, for so long as the plan debt of the plan units in respect of which they are issued is not paid in full, be linked to those units and shall be subject in all respects to the terms and conditions as are attached to the plan units.

9. ADJUSTMENT ON REORGANISATION OF COMPANY OR SHARE CAPITAL

If the Company, at any time before the plan debt owing on any plan units has been paid in full, is put into liquidation, is party to a scheme of arrangement affecting the structure of its share capital, or in the event of any other variation in the share capital of the Company, as detailed in Rule 14 of the Unit Purchase Plan Rules, the Committee may make adjustments to the plan debt in respect of those units and/or the number of plan units as the auditors of the Company certify as being fair and reasonable in the circumstances.

10. TAKEOVER OF THE COMPANY OR BUSINESS

Should an offer be made to the unitholders of the Company or a scheme of arrangement between the Company and its unitholders (or any class of them) be proposed, by virtue of which control of the Company would pass to another person or company, the directors will use their best endeavours to procure, insofar as they are able, that the same or similar offer be made or scheme of arrangement proposed, as the case may be, to all participants in respect of all plan units and all capitalisation and rights offer units linked thereto.

11. FURTHER CONDITIONS

An employer company may withhold any amount required:

- to meet any transaction costs associated with the acquisition or disposal of plan units for which the participant is liable including without limitation brokerage costs; and
- for employees' or other personal tax (for which the participant always remains liable),

from the participant's remuneration or any other amount due by the employer company to the participant.

The costs of the preparation of the Unit Purchase Plan document, the obtaining of all approvals necessary for the implementation of the Unit Purchase Plan and all costs incurred in the execution and administration of the Unit Purchase Plan shall be borne by the Company.

INFORMATION ON THE DIRECTORS

Executive directors

Laurence Gary Rapp (42)

Position:	Chief Executive Officer
Qualifications:	BCom (Hons), Wharton Executive Program
Business address:	One-on-Ninth, Cnr Glenhove Road and Ninth Street, Melrose Estate, 2196

Laurence has extensive experience in the financial services environment, spanning investment banking, private equity, retail banking and insurance and asset management. For the past nine years, he was a director of Standard Bank, most recently as the head of the Insurance and Asset Management division and, prior to that, in charge of the Strategic Investments and Alliances division. Laurence assumed the role of Chief Executive Officer of Vukile on 1 August 2011.

Michael John Potts (58)

Position:	Financial Director
Qualifications:	CA(SA), HDip Tax Law (Wits)
Business address:	One-on-Ninth, Cnr Glenhove Road and Ninth Street, Melrose Estate, 2196

Michael was a founding director of Vukile and previously an independent adviser to the Bridge Capital group on property transactions, property portfolio assembly, financial structuring and capital raising. Prior to that, he was managing and financial director of the South African group that forms part of the UK-based Hanover Acceptances group and was involved in the restructuring of the South African group and the introduction of effective management reporting systems and strategic planning methodologies. Michael was also a non-executive director of Hanover Acceptances Limited (United Kingdom) and Outspan International Limited for six and seven years, respectively.

Hermina Christina (Ina) Lopion (53)

Position:	Executive Director
Qualifications:	BSc, University of Stellenbosch
Business address:	One-on-Ninth, Cnr Glenhove Road and Ninth Street, Melrose Estate, 2196

Ina has 20 years' property experience and six years' life insurance experience within the Sanlam group. She is responsible for asset management of the Sanlam investment property portfolio and the Vukile Group property portfolio.

Non-executive directors

Anton Dirk Botha (59)

Position:	Chairman
Qualifications:	BCom, BProc, BCom (Hons), Stanford Executive Program
Business address:	Imalivest Proprietary Limited, 17 Termo Avenue, Techno Park, Stellenbosch, 7600

Anton is a director and co-owner of Imalivest, an investment group. He also serves as a non-executive director on the boards of University of Pretoria, JSE Limited, Sanlam Limited and certain Sanlam subsidiaries, African Rainbow Minerals Limited. Mr Botha made his career in investments. As Chief Executive he led the team that built Gensec Limited into a leading South African investment banking group.

Peter John Cook (66)

Position:	Non-executive Director
Qualifications:	BSc Eng (Wits), MBA (Wharton)
Business address:	3A Summit Road, Dunkeld West, Johannesburg, 2196

Peter retired as an executive director of Sanlam's financial engineering Subsidiary Sanlam Capital Markets ("SCM") in 2005. He continues to serve on the board and board committees of SCM and other Sanlam Subsidiaries. Peter was the deputy chief executive of Gensec Bank (now SCM) from 2001 to 2004 and the executive director responsible for finance, risk management and other support functions of investment banking group Genbel Securities from 1997 to 2000. From 1993 to 1997, Peter was the finance and administration director of the oil company, Engen. Prior to 1993 he held various executive financial and investment positions in the mining finance house, Gencor.

Jonathan Mlungisi Hlongwane (49)

Position: Non-executive Director

Qualifications:

Business address: One-on-Ninth, Cnr Glenhove Road and Ninth Street, Melrose Estate, 2196

Mlungisi is a director and shareholder of Isolenu Group Holdings, which owns a commercial property portfolio across the country, both in the unlisted and listed sectors. He has been involved in civic and community movements since 1979 and is the past national president of the South African National Civic Organisation (SANCO).

Peter Sipho Moyanga (48)

Position: Non-executive Director

Qualifications:

Business address: 7 Roxley Road, Selbourne Park, Springs, 1559

Peter is a well-recognised expert in the field of franchising, property and business development. He was employed by McDonalds Corporation in 1995 where his initial function was as a senior property network developer responsible for strategic physical brand positioning. In 1999, Peter was appointed franchising manager for McDonalds (South Africa) Proprietary Limited and later in 2001 he was promoted to multi-department head, responsible for field service, information and technology department, operations development and franchising.

Mervyn Hymie Serebro (66)

Position: Non-executive Director

Qualifications:

Business address: Vusani Property Investments Proprietary Limited, 1st Floor,
158 Jan Smuts Avenue, Rosebank, 2196

Mervyn is the former Chief Executive Officer of Vusani Property Investments and spent 32 years with the OK Bazaars group within which he held a number of key positions and directorships, including that of group managing director. Mervyn was integrally involved in the establishment of a South African Bone Marrow Registry after the untimely death of his son Darren of leukemia. He is also the vice chairman of Reach for a Dream. Mervyn also serves as a director of HiGro Property Fund and is a founding member of the Innovative Cancer Care Foundation.

Nigel George Payne (52)

Position: Non-executive Director

Qualifications: BCom (Hons), CA(SA), MBL

Business address: 17 Westbrooke Drive, Sandton

Nigel is a Chartered Accountant, having obtained his BComm and Higher Diploma in Accounting from Rhodes University. He further holds a Masters in Business Leadership degree from the University of South Africa and is a Certified Internal Auditor. He has previously served as partner at KPMG and Head of Internal Audit at Transnet. Nigel is a member of the King Committee on Corporate Governance and also serves on the boards of Bidvest Group Limited, JSE Limited, BSi Steel Group Limited and Mr Price Group Limited, where he holds the position of Chairman.

Stefanes Francois Booyesen (49)

Position: Non-executive Director

Qualifications: BCom, CA(SA)

Business address: 17 Pencarron Street, Cornwall Hill, Irene

Steve is the former group chief executive officer of Absa Group Limited. Steve also serves on the boards of Steinhoff International Holdings Limited, Clover Industries Limited, Efficient Financial Holdings Limited and Senwes Limited.

VUKILE LINKED UNIT PRICE HISTORY

Period	High (cents)	Low (cents)	Close (cents)	Volume	Value (R)
Quarterly					
2010					
March	1 220	1 024	1 195	17 991 819	196 336 726
June	1 300	1 150	1 240	21 821 006	261 766 456
September	1 400	1 222	1 400	16 268 672	214 527 633
December	1 540	1 371	1 460	16 632 436	240 914 807
2011					
March	1 500	1 300	1 423	12 011 561	166 973 946
June	1 509	1 381	1 420	33 253 774	476 327 113
September	1 581	1 355	1 435	42 222 950	596 852 990
December	1 530	1 400	1 465	149 880 120	2 149 921 804
Monthly					
2012					
January	1 550	1 440	1 535	26 545 917	389 452 386
February	1 599	1 513	1 532	10 884 001	166 521 896
March	1 613	1 503	1 527	23 566 465	357 219 593
April	1 592	1 459	1 555	18 669 297	281 996 276
May	1 690	1 552	1 610	22 682 504	361 385 844
June	34 716	1 600	1 700	12 455 438	202 735 735
July	1 989	1 686	1 875	23 467 525	412 014 783
August	1 991	1 850	1 961	9 352 767	177 455 710
September	1 990	1 760	1 799	6 531 131	121 309 667
October	1 875	1 701	1 705	21 089 600	374 893 699
November	1 827	1 701	1 812	8 432 070	147 722 484
December	1 816	1 690	1 727	7 096 160	123 448 266
January	1 771	1 670	1 699	8 103 995	139 736 813
Daily					
2013					
24 January	1 750	1 740	1 740	730 312	12 775 646
25 January	1 750	1 740	1 746	115 834	2 020 316
28 January	1 750	1 738	1 744	268 243	4 669 284
29 January	1 745	1 706	1 717	119 488	2 065 059
30 January	1 722	1 708	1 708	373 670	6 405 326
31 January	1 709	1 670	1 699	2 043 648	34 363 399
1 February	1 732	1 680	1 728	514 606	8 808 364
2 February	1 743	1 730	1 740	229 957	3 992 750
5 February	1 740	1 709	1 735	171 496	2 974 179
6 February	1 750	1 730	1 740	144 831	2 515 817
7 February	1 765	1 739	1 765	199 903	3 498 444
8 February	1 792	1 741	1 741	219 135	3 862 180
11 February	1 759	1 738	1 738	110 597	1 934 034
12 February	1 738	1 720	1 720	298 678	5 165 882
13 February	1 735	1 704	1 731	158 637	2 743 390
14 February	1 750	1 733	1 740	582 870	10 159 148
15 February	1 756	1 720	1 756	153 890	2 677 921
18 February	1 767	1 754	1 766	88 169	1 554 134
19 February	1 779	1 766	1 775	350 386	6 208 070
20 February	1 800	1 768	1 795	429 481	7 674 267
21 February	1 815	1 762	1 770	669 118	11 987 524

Period	High (cents)	Low (cents)	Close (cents)	Volume	Value (R)
22 February	1 780	1 756	1 765	326 484	5 784 413
25 February	1 799	1 765	1 788	396 429	7 040 572
26 February	1 799	1 765	1 788	396 429	7 040 572
27 February	1 799	1 765	1 788	396 429	7 040 572
28 February	1 799	1 765	1 788	396 429	7 040 572
1 March	1 799	1 765	1 788	396 429	7 040 572
4 March	1 799	1 765	1 788	396 429	7 040 572
5 March	1 536	1 529	1 535	246 591	3 781 888
6 March	1 799	1 765	1 788	396 429	7 040 572
7 March	1 799	1 765	1 788	396 429	7 040 572
8 March	1 820	1 815	1 820	180 255	3 278 086
11 March	1 825	1 808	1 825	682 587	12 419 688
12 March	1 827	1 822	1 827	433 985	7 921 146
13 March	1 847	1 825	1 834	175 171	3 207 767
14 March	1 864	1 834	1 845	404 812	7 453 898
15 March	1 919	1 840	1 880	2 515 604	47 264 608

CORPORATE GOVERNANCE

Vukile, incorporated under the provisions of the Companies Act maintains a primary listing of its linked units on the JSE and a secondary listing on the NSX. The board considers corporate governance a priority and the application of sound corporate governance structures, policies and practices as paramount to the success of a sustainable business for the benefit of all Vukile stakeholders.

King III

The board is committed to complying with the Code of Governance Principles as set out in King III. The board further aims to apply the best practice recommendations, as set out in the King Report, in a manner that reflects the stature, market position and size of the company.

The Board

The board is collectively responsible to the group's stakeholders for the long-term success of the group and for the overall strategic direction and control of the group. The board exercises this control through the governance framework of the group which includes detailed reporting to the board and its committees, a system of internal controls and has approved a delegation of authority through an approval framework. The board discharges its responsibilities as contained within its charter. The board charter can be viewed at www.vukile.co.za/governance/boardcharter.

Composition and appointment of directors

Directors are appointed by the board, after review and nomination by the social, ethics, human resources and nominations committee. All nominated candidates are subject to an interview by the full board.

The board consists of 10 directors:

Chairman

AD (Anton) Botha

Executive directors

LG (Laurence) Rapp (Chief executive officer)

MJ (Michael) Potts (Financial director)

HC (Ina) Lopion (Executive director: asset management)

Independent non-executive directors

SF (Steve) Booysen

PJ (Peter) Cook

JM (Mlungisi) Hlongwane

PS (Peter) Moyanga

NG (Nigel) Payne

HM (Mervyn) Serebro

Chairman and lead independent director

The roles of the chairman and chief executive officer are separate and the office of the chairman is occupied by an independent non-executive director.

Board evaluation

The Board assesses its performance and that of its individual directors, as well as their independence, on an on-going basis. During April 2012 the Company Secretary facilitated a self-assessment of the board and committee evaluation, under supervision of the Chairman of the Board. Matters considered in the evaluation focused on the effectiveness of the board and its committees, including:

- Composition
- Performance

- Role of the Chairman
- Appropriateness of the board charter and committee terms of reference
- Communication and interpersonal relationships
- Board dynamics and leadership

The next Board evaluation is scheduled for April 2013.

Dealing in group securities

Directors, executives and senior employees are prohibited from dealing in Vukile's securities during certain prescribed restricted periods. A formal securities dealings policy has been developed to ensure directors' and employees' compliance with the JSE Listings Requirements and the insider trading legislation in terms of the Securities Services Act.

Directors' declarations and conflict of interests

Directors' declarations of interests are tabled and circulated at every board meeting. All directors are encouraged to assess any potential conflict of interest and to bring such circumstances to the attention of the chairman.

Company secretary

Mr Johann Neethling is the Company secretary. He is suitably qualified and has access to Vukile's secretarial resources. The Company Secretary is responsible for the duties set out in section 88 of the Companies Act 2008 and for ensuring compliance with the Listings Requirements of the JSE Limited. Director induction and training are part of the Company secretary's responsibilities. He is responsible to the board for ensuring the proper administration of board proceedings, including the preparation and circulation of board papers, drafting annual work plans, ensuring that feedback is provided to the board and board committees and preparing and circulating minutes of board and board committee meetings. He provides practical support and guidance to the board and directors on governance and regulatory compliance matters.

Board Committees

Audit and Risk Committee

Current members:

- NG Payne (Chairman)
- SF Booysen
- PJ Cook
- PS Moyanga

Internal control

It is the board's responsibility to oversee the group's system of internal control and to keep its effectiveness under review. The system is designed to provide reasonable assurance against material misstatement and loss. The system of internal financial control is designed to provide assurances on the maintenance of proper accounting records and the reliability of financial information used within the business and for publication. The internal control system includes a reasonable division of responsibility and the implementation of policies and procedures which are communicated throughout the group.

External audit

Grant Thornton is the external auditor of Vukile and its subsidiaries, including the Namibian subsidiaries. The independence of the external auditor is recognised, and annually reviewed, by the Audit and Risk Committee with the auditors. The external auditors attend all Audit and Risk Committee meetings and have unrestricted access to the chairman of the Audit and Risk Committee.

Delegated duties

The Audit and Risk Committee also performs the following duties:

- Oversight over the risk management and internal auditing functions.
- Review and approve the key risks facing the group.
- Assist the board in its review of the group's risk management and compliance policies.
- Review the expertise and experience of the financial director, and the finance function.

Property and Investment Committee

Current members

- HM Serebro (Chairman)
- JM Hlongwane
- HC Lopion
- PS Moyanga
- NG Payne
- LG Rapp

The Property and Investment committee is an important element of the board's system to implement its winnowing strategy through acquisitions, redevelopment and refurbishments. The committee comprises two executive directors and four non-executive directors, of which all of whom are independent. The Committee's terms of reference can be viewed at www.vukile.co.za/governance/termsofreference/investmentcommittee.

Social, Ethics and Human Resources Committee

Current members

- PJ Cook (Chairman)
- AD Botha
- SF Booysen
- JM Hlongwane

All the members of the committee are independent non-executive directors. In line with the recommendations of King III, the Chief Executive Officer and executives responsible for remuneration matters attend the meetings of the committee on invitation, but may not vote and are requested to leave the meeting before any decisions relating to them are made. The Committee's terms of reference can be viewed at www.vukile.co.za/governance/termsofreference/hr&nominationcommittee.

Nominations Committee

Current members

- AD Botha (Chairman)
- SF Booysen
- PJ Cook
- JM Hlongwane

In line with amended JSE Listing Requirements, the Committee is chaired by the Chairman of the Board. The Committee's terms of reference can be viewed at www.vukile.co.za/governance/termsofreference/hr&nominationcommittee.

EXTRACT OF THE DEBENTURE TRUST DEED

4. CREATION AND ISSUE OF FIRST LINKED UNITS

4.1 Debentures

For the sake of clarity, it is recorded that the first linked units shall comprise 400 000 000 (four hundred million) unsecured, variable, subordinated debentures of a par value of R4.90 (four rand ninety cents) per debenture and shall be allotted and issued on the basis that 1 (one) debenture at a par value of R4.90 (four rand ninety cents) allotted and issued shall be linked to 1 (one) ordinary share of a par value of R0.01 (one cent) issued at a premium of R0.09 (nine cents) to form a linked unit with a subscription price of R5.00 (five rand).

4.2 Interest

4.2.1 Each debenture forming part of the first linked units shall confer on the holder thereof the right to receive interest:

- 4.2.1.1 during the initial period, which shall accrue monthly and shall be paid no later than 3 (three) months after the first designated date;
- 4.2.1.2 after the initial period, which shall accrue 6 (six) monthly on the first and second designated dates, respectively and shall be paid by no later than 3 (three) months after the designated date in question; and

which interest in respect of all debentures included in the first linked units shall be in aggregate not less than 90% (ninety percent) of the net income, *pro rata* to the number of debentures in issue, for the initial period and for the 6 (six) month period prior to the respective first designated date or second designated date, as the case may be, provided that the directors may determine in consultation with the Trustees to declare one or more special interim distributions in respect of any such period in appropriate circumstances.

4.2.2 The first debentures shall be issued upon such further terms and conditions as set out in this trust deed.

5. DEBENTURES

5.1 Issue of Debentures

5.1.1 The board of directors of the Company may from time to time by resolution, but subject to the provisions contained in this trust deed, create and issue debentures to be governed by this trust deed and supplemental trust deeds thereto, which shall only be issued:

- 5.1.1.1 with the consent of the Trustees, which consent shall not unreasonably be withheld or delayed;
- 5.1.1.2 as direct consideration, in part or in whole, for the acquisition by:
 - 5.1.1.2.1 the Company; and/or
 - 5.1.1.2.2 the subsidiary of the Company;
 of shares in and/or loan account claims against companies and/or business undertakings or other assets;
- 5.1.1.3 pursuant to an offer or an issue for cash or a merger or amalgamation;
- 5.1.1.4 as consideration for, or in order to raise cash to be used solely as consideration for, the acquisition by the Company or its subsidiaries of immovable property or for the development of any immovable property already held by the Company or any of its subsidiaries or to reinstate the cash holdings of the Company previously utilised by the Company or its subsidiaries to acquire any immovable property or develop any immovable property held by the Company or any of its subsidiaries; and/or
- 5.1.1.5 by way of rights to the ordinary shareholders who may be entitled thereto and debenture holders at the relevant time.

- 5.1.2 All debentures issued in terms of this trust deed shall, unless otherwise provided in the relevant supplemental trust deed:
- 5.1.2.1 in the event of the liquidation or winding-up of the Company, regardless of the time of issue, rank *pari passu* in all respects with regard to payment of interest in terms of clause 3 and repayment in terms of clause 4 but, for the purpose of proving claims against the Company, the Trustees shall, subject to clause 2.2, claim separately for the amounts due to the holders of each specific issue of debentures in terms of this deed;
 - 5.1.2.2 for the purposes of payment of the respective amounts due to debenture holders on redemption in terms of clause 4, rank *pari passu* in all respects.
- 5.1.3 The terms of each issue of debentures after the first issue referred to in clause 1 and any other relevant terms shall be set out in a supplemental debenture trust deed between the Company and the Trustees, and each such deed shall form an integral part of this trust deed. Each supplemental debenture trust deed shall record the capital amount of the relevant debenture issue together with all the terms thereof to the extent that such terms are not contained in this trust deed.
- 5.1.4 Each issue of the debentures is conditional on the JSE granting a listing for the debentures and/or the linked units concerned, and the Company undertakes to use its best endeavours to maintain such listing for so long as the debentures remain in issue.

5.2 Issue of Debenture Certificates

- 5.2.1 The linked units may be issued on a totally dematerialised basis in accordance with the Companies Act, the JSE rules and regulations and/or STRATE, in which case the holders of the linked units shall not be entitled to receive certificates, and the Company shall be obliged to comply with the requirements of such dematerialised system of registration. Only where a holder of linked units wishes to materialise linked units, and only after such materialisation, a linked unit holder shall be entitled to a certificate as contemplated below.
- 5.2.2 Subject to the provisions of clause 2.2.1 and the rules of STRATE and only where the linked units are certificated, every debenture holder shall be entitled without payment to receive a certificate within 21 (twenty one) days after the date of issue thereof provided that:
- 5.2.2.1 joint debenture holders shall be entitled to one certificate only in respect of the debentures held by them jointly;
 - 5.2.2.2 delivery of that certificate to any one of the joint holders shall be deemed to be good delivery to all of them;
 - 5.2.2.3 certificates shall be for R100 (one hundred rand) worth of debentures unless otherwise requested;
 - 5.2.2.4 certificates may be issued in block form, if applicable; and
 - 5.2.2.5 there will be no restrictions on splitting of certificates in denominations below R100 (one hundred rand).
- 5.2.3 Each certificate shall be signed by any 2 (two) directors of the Company and any officer of the Company duly authorised thereto by the directors, and shall specify thereon the linked units held by the person named therein.
- 5.2.4 Any signature referred to in clause 2.2.3 above may be affixed to a certificate by autographic or mechanical means.
- 5.2.5 Certificates shall be in such form as may be determined by the directors of the Company and approved by the JSE.
- 5.2.6 Certificates shall be despatched by prepaid registered post to the linked unit holders at their risk.
- 5.2.7 **Replacement of Certificates**
- 5.2.7.1 Should a certificate be defaced, damaged or otherwise become unusable the Company, against delivery of that certificate, shall issue a new certificate in its place.
 - 5.2.7.2 Should a certificate be lost or destroyed, the Company, after satisfactory evidence thereof has been adduced, shall issue a new certificate in its place, subject to such conditions as regards indemnity and payment of expenses in regard to the investigation of the destruction or loss as it may impose.

5.3 Transfer of Debentures

- 5.3.1 Every instrument of transfer of debentures shall, subject to the provisions of the Companies Act, the JSE rules and regularities and/or STRATE and:
- 5.3.1.1 shall be in writing in the common form or any other form acceptable to the Company;
 - 5.3.1.2 shall be signed by the registered holder or his authorised agent; and
 - 5.3.1.3 where the debentures form part of linked units, the linked units as a whole shall be transferred, and in respect of each transfer therefor, a reference herein to “debentures” shall be read as a reference to “linked units”.
- 5.3.2 each instrument of transfer shall be lodged at the transfer office accompanied by the certificate of debenture to be transferred and/or such other evidence as the Company may require, proving the title of the transferor or his right to transfer the debentures.
- 5.3.3 All authorities to give transfer to debentures, which may be lodged, produced or exhibited with or to the Company at its transfer office shall, as between the Company and the person granting such authority, be taken and deemed to continue and remain in full force and effect, and the Company shall be entitled to act thereon until such time as expressed by notice in writing of the revocation thereof at its transfer office.
- 5.3.4 Notwithstanding that any such notice may have been given and lodged, the Company shall be entitled to give effect to any instrument of transfer signed under such power of attorney (which is certified by any officer or employee of the Company as being valid) before such notice was given and lodged.
- 5.3.5 Any transfer of debentures shall be registered by the Company by entering in its register of debenture holders, *inter alia*, the name and address of the transferee, the description of the debentures transferred and the date of registration of such transfer.
- 5.3.6 Unless it is entitled for any reason to refuse to register a transfer and does not register it, the Company shall, within 6 (six) weeks after the date on which an instrument of transfer of any debentures is lodged with it, complete and have ready for delivery the certificate in respect of that transfer.
- 5.3.7 The transferor of any debentures shall be deemed to be the holder thereof until such time as the name of the transferee is entered in the register as the holder thereof.
- 5.3.8 The Company may require reasonable evidence to be furnished in respect of the identity, legal right and capacity of the transferor or the transferee.
- 5.3.9 No transfer shall be entered into the register while it is closed.
- 5.3.10 On registration of transfer the instrument of transfer and the cancelled certificate shall be retained by the Company.

6. INTEREST PAYABLE ON DEBENTURES

- 6.1 The first debentures referred to in clause 1.1 shall bear interest as detailed in clause 1.2 above.
- 6.2 Any debentures issued subsequent to the first debentures shall bear interest as may be determined in each supplemental trust deed relating to each subsequent creation and issue of further debentures.
- 6.3 The designated dates by reference to which the first record date and the second record date are determined and upon which interest falls due, accrues and becomes payable in respect of each subsequent issue of debentures governed by this deed shall be specified in the supplemental debenture trust deed to be entered into in respect of each such issue of debentures.
- 6.4 If the Company changes the date upon which its financial year ends, the Company and the Trustees are hereby authorised to change the designated dates by reference to which the first record date and the second record date are determined and the interest is calculated, falls due, accrues and becomes payable, provided that:
- 6.4.1 the rights of the debenture holders to interest on their debentures shall not be diminished or adversely affected by such changes;
 - 6.4.2 the changes are approved by the Trustees, which approval shall not be unreasonably withheld or delayed;
 - 6.4.3 the Company shall forthwith notify debenture holders by circular of the changes made.
- 6.5 Only the registered holders of the debentures on the first record date and the second record date respectively shall be entitled to the payment of interest. In that record:

- 6.5.1 the Company shall, not less than 10 (ten) business days before any record date, notify debenture holders of such record date as required by the JSE;
- 6.5.2 the directors of the Company may, in their sole discretion, close the register for a period not exceeding 10 (ten) business days prior or subsequent to a first record date and a second record date, insofar as may be permitted by STRATE and the JSE.
- 6.6 Interest may be paid by:
- 6.6.1 cheque sent through the post to the registered address of the debenture holder or, in the case of joint holders, to the registered address of that joint holder whose name appears first on the register or to such person and to such address as the linked unit holder or first named joint holder may, in a manner acceptable to the Company, in writing direct, provided that the Company shall not be responsible for any loss in transmission and the postal authorities shall be deemed to be the agent of the debenture holder for the purpose of all such payments. Payment of the cheque shall be a valid discharge of the Company and the Trustees; or
- 6.6.2 electronic funds transfer by the Company of such interest to the CSDP of the debenture holder. Such payment to the CSDP shall be a valid discharge of the Company and the Trustees.
- 6.7 Should the Company fail to make any payment of any amount of interest on due date, it shall pay interest on the amount of such overdue interest at the prime rate reckoned from the due date thereof. For the purposes of this clause 6 payment of any interest shall until date of payment of such amount be deemed to have been made (at the risk of the debenture holder) on the date of posting of the cheque therefor by the Company or on the date of electronic funds transfer by the Company of such interest to the CSDP of the debenture holder, as the case may be. The provisions hereof are without prejudice to any other rights which the Trustees may have in terms hereof by reason of such failure.
- 6.8 Interest payments shall be made in the currency of the RSA without provision for exchange, bank commission or other deductions (save for any tax payable by non-residents thereon).
- 6.9 If there is:
- 6.9.1 an introduction of or change in legislation (other than a change to the rate of normal company taxation); or
- 6.9.2 any change in the system of taxation (other than a change to the rate of normal company taxation) including the introduction of a system where income tax is charged uniformly; or
- 6.9.3 a withdrawal of or change in any tax rulings or advice relied on by the Company;
- which, in the sole and absolute discretion of the directors of the Company is to its detriment or which affects the ability of the Company to comply with the provisions of clause 1.2.1.2 above, the directors of the Company shall be entitled to convene a meeting of the debenture holders at which proposal shall be considered which, if implemented, would eliminate or reduce the detrimental effect. Such proposal may include but shall not be limited to:
- 6.9.3.1 the creation of appropriate property collective investment schemes or schemes of a similar nature; and
- 6.9.3.2 the de-linking of the debentures and ordinary shares.
- 6.10 In the event of the de-linking of the debentures and the ordinary shares, the Company shall within a period 3 (three) months of a resolution being accepted on the de-linking of the debentures and ordinary shares, make the necessary arrangements to recall the existing linked-units, if any, and make application to the JSE for a separate listing of the debentures and ordinary shares in the Company, and attend to the necessary amendments of the memorandum and articles of association and this trust deed as required.
- 6.11 If any such proposal is not approved, or if any such proposal is approved but is for any reason not implemented within 4 (four) months of its approval, the debentures shall, unless otherwise agreed between the Company and the debenture holders (who shall be required to pass a special resolution sanctioning such agreement), be redeemed as provided in this deed upon the passing of a special resolution authorising such redemption.

7. REPAYMENT OF DEBENTURE CAPITAL

7.1 Normal Redemption

- 7.1.1 The debentures shall be redeemed at their par value in accordance with the provisions of this trust deed and/or the relevant supplemental debenture trust deed in the ordinary course as when they fall due for payment.

- 7.1.2 The debentures shall be redeemable as follows:
- 7.1.2.1 the issue of debentures referred to in clause 1.1 shall be redeemable by the Company in full at any time after 25 (twenty five) years after the date of allotment of the relevant debentures;
 - 7.1.2.2 the debenture holders may exercise the right to acquire the debentures to be redeemed in accordance with clause 4.1.2.1 above, only by special resolution, whereafter the debentures shall be redeemed by the Company at their nominal value on the last Friday, which must be a business day, prior to the 5th (fifth) anniversary of the date on which the special resolution is passed.
- 7.1.3 The procedure to be followed by the Company in regard to the redemption of further issues of debentures shall be determined by the Company at the appropriate time and be approved by the Trustees, which approval shall not be unreasonably withheld or delayed, and the JSE.
- 7.2 Subject to the relevant statutory requirements, the Company or its nominee shall have the right at any time, to purchase debentures, provided that purchases shall not be made by the Company or the Trustees that is higher than the market price. All purchases so made by the Company shall have the effect of cancelling the debentures purchased, which shall be deemed to have been repaid in full by the Company. Such cancelled debentures may not be re-allotted or re-issued. The Company shall advise the Trustees and, if the debenture is listed on the JSE, the Director: Listings, of the JSE in writing of purchases so made.
- 7.3 **Summary Repayment of Debentures**
- 7.3.1 Subject to the provisions of clause 4.4 below, the debenture capital which amounts to the par value of the debentures, together with interest thereon and all other moneys repayable in terms of this trust deed, shall become repayable summarily if:
- 7.3.1.1 the Company defaults in its obligations to debenture holders, and the Company shall be deemed to have so defaulted in its obligations in terms hereof if:
 - 7.3.1.1.1 it defaults in the payment on the due date thereof of any interest or other moneys due by it and persists in such default for 30 (thirty) days after receipt by it of a written notice from the Trustees demanding that the default be remedied by payment; or
 - 7.3.1.1.2 commits any breach of any other obligation contained herein and fails to remedy such breach within 30 (thirty) business days of written notice from the Trustees so requiring, or, where such breach cannot reasonably be remedied, fails within such 30 (thirty) business day period to initiate and thereafter pursue reasonable steps designed to prevent its recurrence;
 - 7.3.1.2 a final order of court is made or an effective resolution for the winding-up of the Company or any of its subsidiaries which subsidiary holds or owns assets the market value of which exceed 20% (twenty percent) of the market value of the property portfolio of the Company and its subsidiaries, is passed, other than a winding-up for the purposes of amalgamation, reconstruction, rationalisation or otherwise;
 - 7.3.1.3 a final order or judicial management is made in respect of the Company or any of its subsidiaries which subsidiary holds or owns assets, the market value of which exceed 20% (twenty percent) of the market value of the property portfolio of the Company and its subsidiaries;
 - 7.3.1.4 any assets of the Company or any of its subsidiaries, the book value of which assets on the relevant date exceed 20% (twenty percent) of the market value of the property portfolio of the Company and its subsidiaries are attached under a legally binding writ of execution and the Company or such subsidiary fails to satisfy such writ within 30 (thirty) days after the date upon which the attachment comes to the notice of the Company or the Company fails to apply for the setting aside of the writ or the court order in terms of which the writ was issued, within 20 (twenty) days from the date on which such attachment comes to the notice of the Company. For the purposes of this clause, any attachment referred to shall be rebuttably presumed to have come to the notice of the Company within 5 (five) days after its making. The period of 30 (thirty) days referred to shall be extended pending any proceedings to set aside the writ, or to remove the attachment until 7 (seven) days following a final and unappealable judgment refusing such setting aside or removal. The term "writ of execution" shall not include a writ of attachment *ad fundandam jurisdictionem* or *ad confirmandam jurisdictionem*.

- 7.3.1.5 without the prior written consent of the Trustees:
- 7.3.1.5.1 the provisions of the Company's or any of its subsidiaries' memorandum and/or articles of association are altered in a manner which, in the reasonable opinion of the Trustees, affects the interests of the debenture holders in a material adverse manner;
 - 7.3.1.5.2 any provision in the articles of association of the Company or any of its subsidiaries which, in the reasonable opinion of the Trustees, materially affects the rights or interests of the debenture holders is breached;
 - 7.3.1.5.3 the Company or any of its subsidiaries convenes a meeting to consider a resolution authorising the alienation or disposal of the whole or a major portion of its assets or the whole or a major portion of its undertaking without at the same time convening a meeting of debenture holders for the same purpose;
 - 7.3.1.5.4 the Company or any of its subsidiaries passes a resolution that it reduces any class of its share capital or of its share premium account or any share capital redemption reserve; provided that:
 - 7.3.1.5.4.1 any such reduction which does not result in a reduction in the assets of the Company will be deemed not to be a default in terms of this sub-clause;
 - 7.3.1.5.4.2 the redemption of redeemable preference shares will be deemed not to be a default in terms of this sub-clause;
 - 7.3.1.5.4.3 the application of any share premium account or share capital redemption reserve in paying up fully paid capitalisation shares will be deemed not to be a reduction giving rise to a default in terms of this sub-clause;
 - 7.3.1.5.5 the Company or any of its subsidiaries offers or agrees to enter (but subject to the provisions of clause 4.3.1.2) into any composition or arrangement with its creditors generally whether under section 311 or any other provisions of the Companies Act, the Insolvency Act, 1936 (Act No. 24 of 1936) or otherwise howsoever;
 - 7.3.1.5.6 the Company or any of its subsidiaries defaults in the payment of its debts generally or ceases to carry on business;

provided that for the purposes that this clause 7.3, an order of court shall be deemed not be final unless, the order being appealable, the period for noting an appeal expires without appeal or, appeal having been noted, it is abandoned or not proceeded with within the period prescribed by the rules of court, subject to any period in question being extended to the extent (if any) that the court may permit an application by the Company against which the order is given.

7.4 Trustees' options to cause summary repayment on default

- 7.4.1 Upon the debentures becoming repayable summarily in terms of clause 7.3 above:
- 7.4.1.1 the Trustees:
 - 7.4.1.1.1 may in their discretion; or
 - 7.4.1.1.2 if so instructed by a Special Resolution of the Debenture Holders, require, by written notice to the Company with a copy thereof to the JSE that the debentures, together with interest accrued thereon, or any other moneys due, be repaid immediately and may take legal action to enforce such repayment;
 - 7.4.1.2 the Debenture Holders may, by a Special Resolution, give to the Trustees directions other than as contemplated in clause 7.4.1.1.2 as they deem fit and the Trustees shall carry out those directions to the extent that they are not in conflict with this trust deed and are capable of being carried out, provided that before carrying out the directions, the Trustees may require that provision be made by the debenture holders to furnish the Trustees with sufficient funding to meet the expenses of giving effect to the directions.
- 7.4.2 Notwithstanding the provisions of clauses 7.3 and 7.4.1 above, the Trustees shall be entitled, in their discretion, to determine not to act in terms of clause 7.3 if, on receipt by the Company of the notice

referred to in clause 7.4.1 above, the default giving rise to that notice is cured in such manner that the Trustees reasonably believe that the debenture holders cannot be prejudiced by non-enforcement of the Trustees' rights in terms of this clause.

- 7.4.3 The Trustees shall not be required to take any steps to ascertain whether any default contemplated in clause 7.3.1 has occurred and unless and until the Trustees have actual knowledge, or shall have received express notice to the contrary, they shall be entitled to assume that no such default has occurred.
- 7.4.4 Subject to the provisions of section 123 of the Companies Act, the Trustees shall not be responsible for any loss to any debenture holder resulting from the exercise or non-exercise of the powers, authorities or discretions vested in him in terms of this trust deed save if such loss results from gross negligence or dishonesty on the part of the Trustees. All rights of enforcement of a debenture holder under this trust deed vest in the Trustees to the exclusion of any other person. It is specifically recorded that the Trustees, in their capacity as such, is appointed to protect the interests of the debenture holders, and shall in the exercise of his discretion consult with and act to the benefit of the general body of debenture holders.
- 7.4.5 A debenture holder shall not be entitled to enforce his rights under this trust deed directly and all rights of enforcement shall vest in the Trustees to be enforced in accordance with the provisions of this trust deed.
- 7.4.6 Notwithstanding the aforesaid, the Trustees shall not be bound to take any action in relation to the debentures at any time, unless directed or requested to do so by special resolution of the debenture holders.

8. DEBENTURE HOLDERS

8.1 Register of Debenture Holders

- 8.1.1 The Company shall keep a register of debenture holders as required by and specified in the Act and/or the STRATE rules and regulations.
- 8.1.2 For the purposes hereof, the register of the linked units shall be deemed to constitute the register of debenture holders. Where the debenture holders have been de-linked from the ordinary shares, the register of debenture holders shall be kept separately from that of the ordinary shareholders.
- 8.1.3 The register:
 - 8.1.3.1 may be kept at the office or transfer secretaries as the Company deems fit;
 - 8.1.3.2 may consist of one or more books or sheets or may be in such other form as the Company may deem fit;
 - 8.1.3.3 shall contain the names and addresses of the debenture holders and where the linked units are dematerialised, may be kept electronically and will reflect details of the central securities depository participants of each holders;
 - 8.1.3.4 shall indicate the capital and the number of debentures represented by each certificate as well as the certificate number and the date thereof.
- 8.1.4 Subject to STRATE, the JSE and the provisions of the Company's articles of association and such reasonable restrictions as the Company may in general meeting impose;
 - 8.1.4.1 the register shall be open for inspection for at least 2 (two) hours between the hours of 08:00 and 17:00 as determined by the Company on every business day;
 - 8.1.4.2 the register shall be closed for such periods during any year as the Company may deem fit provided that the aggregate of such periods may not exceed more than 60 (sixty) days in any year.

8.2 Title

- 8.2.1 The registered debenture holder, or via his CSDP, as the case may be, shall be regarded as being the only person having title to any debentures.
- 8.2.2 The Company shall not be obliged:
 - 8.2.2.1 to register or take account of any trust, interest or right existing in respect of any debentures; or
 - 8.2.2.2 to enter the name of any minor, insane person or any other person under any legal disability as a debenture holder in the register.

8.2.3 The Company shall be entitled to accept the receipt or discharge of:

8.2.3.1 any registered debenture holder; or

in the case of joint debenture holders, the person whose name appears first in the register, and with regard to any amount payable in respect of those debentures, such a receipt or discharge shall release the Company from any further liability notwithstanding the fact that the Company may have had notice of any other right or interest which any other person may have had in respect thereof.

8.3 Joint Holders

8.3.1 In the case of joint debenture holders, the capital and interest is owed to them jointly.

8.3.2 In the case of joint debenture holders, all payments will be made to that one of them whose name appears first in the register, but such debenture holders may jointly instruct the Company in writing to pay such amount to any other person (but not several persons).

8.3.3 In the event of the death of any joint holder of debentures, the survivors of them will be the only persons recognised by the Company as having any title to or interest in the debentures concerned.

8.4 Transmission

8.4.1 Any person who is entitled to debentures as a result of the legal incapacity of a debenture holder, may on delivery of such evidence of his rights as the Company may deem necessary:

8.4.1.1 be registered as the holder of those debentures; and/or

8.4.1.2 transfer those debentures subject to this trust deed.

8.4.2 The Company shall be entitled to postpone the payment of interest in respect of any such debentures until such time as the person referred to in clause 8.4.1 above is registered as a debenture holder or has transferred the debentures.

8.4.3 In the event of the legal incapacity of the joint holder of a debenture the joint holder who is not subject to any legal incapacity shall be the only person recognised by the Company as having any title to or interest in such debenture.

8.4.4 For the purpose of this clause 8.4, "legal incapacity" means death, sequestration or judicial management or liquidation, the placing under curatorship by reason of insanity or prodigality, in fancy or minority or any other reason which in the opinion of the directors of the Company deprives a debenture holder of legal capacity to act.

8.5 Meetings

All meetings of the debenture holders are to be held and convened in terms of Annexure "A" hereto.

8.6 Subordination

8.6.1 The rights and claims of the debenture holders to repayment are subordinated to the claims of the creditors. If the debentures become repayable in accordance with clause 7 above, the repayment to debenture holders shall be made after all claims of the creditors have been dealt with in terms of the further provisions of this clause 8.6 and clause 9.8.

8.6.2 In the event of the debentures becoming repayable in terms of clause 7.3 above, no repayment shall be made to debenture holders until the creditors on the date on which the Trustees give notice to the Company in terms of clause 7.4 ("the notice date") shall have been consulted and their claims dealt with as set out below:

8.6.2.1 the Company shall within 10 (ten) business days of the notice date, compile from its records a list of creditors ("the list") at that date showing the nature and amount of their claims;

8.6.2.2 within 20 (twenty) business days of the notice date, the Company shall advise all persons on the list in writing by ordinary mail that the debentures are to be repaid and that objections thereto are to be received by the Trustees within a period of 20 (twenty) business days from the date of posting that advice to creditors. The Company shall send a copy of the advice sent to creditors to the Trustees and will confirm to the Trustees in writing the date on which the advice was sent to creditors;

- 8.6.2.3 the Company shall be deemed to have advised all creditors even through it fails to advise, inadvertently or otherwise, any particular creditor/s. Neither the Trustees nor the Company shall be obliged to take account of any objections received from creditors at the notice date after the period of 20 (twenty) business days has expired;
- 8.6.3 if any creditor as at the notice date objects to the repayment of the debentures, the Company shall in its discretion, either:
 - 8.6.3.1 settle the claim of the creditor concerned; or
 - 8.6.3.2 secure the payment of the creditor's claim in any manner reasonably required by the creditor concerned; or
 - 8.6.3.3 procure that the auditors of the Company certify that sufficient cash is available to enable the Company to pay all the creditors of the Company in the normal and ordinary course of business; or
 - 8.6.3.4 procure that the auditors of the Company shall report to the Trustees upon the carrying out of clauses 8.6.3.1 and 8.6.3.2 and no payment in respect of the debentures shall be made in terms hereof unless the said auditors report that the said provisions have been properly carried out.
- 8.6.4 Should the Company fail for whatever reason to take any of the steps set out in clauses 8.6.3.1, 8.6.3.2, 8.6.3.3 and/or 8.6.3.4 within 20 (twenty) business days after the expiration of the period of 20 (twenty) business days referred to in clause 8.6.3.2.2 above, the debentures shall be repayable without further notice to the Company and/or any of the creditors, and the Trustees shall be entitled to take such action as they deem necessary to enforce the rights and claims of the debenture holders.
- 8.6.5 Each debenture holder shall authorise and direct the Trustees on his behalf to take such action as may be necessary or appropriate to fulfil the subordination as provided in this clause 8.6, and shall appoint the Trustees as his agent for such purpose.
- 8.6.6 If this trust deed is amended in any manner which affects the vested rights of creditors (and for the purpose hereof, any amendment to this clause 8.6 shall be deemed to affect those vested rights):
 - 8.6.6.1 the terms of this trust deed prior to such amendment shall nevertheless continue in force in respect of those creditors at the date upon which the amendment becomes effective and in respect of the amounts owing to them on that date;
 - 8.6.6.2 this trust deed shall apply to creditors in respect of the amounts owing to them which arose after the date upon which the amendment became effective.
- 8.6.7 This clause 8 shall constitute a contract for the benefit of the creditors and shall be capable of acceptance by any or all of them.”

“13. REMUNERATION OF TRUSTEES

- 13.1 The Company shall pay to the Trustees a fee of R30 000 (thirty thousand rand) plus VAT per annum which shall be due and payable on the date of issue of the first debentures issued in terms of this trust deed and on each anniversary date of such issue. The Trustees shall in addition to such fee be entitled to charge the Company a reasonable fee, based on time spent, in respect of any action undertaken on behalf of the debenture holders, together with disbursements reasonably incurred subject however to the provisions of clause 9.3 above.
- 13.2 In addition to the aforementioned fees, the Company shall pay the Trustees:
 - 13.2.1 a reasonable fee for arranging meetings of debenture holders (unless requisitioned by or otherwise called at the instance of the debenture holders or arranged by the Company itself);
 - 13.2.2 a reasonable fee or a fee agreed in writing for undertaking exceptional work not normally undertaken by Trustees;
 - 13.2.3 all travelling and other expenses and disbursements of any nature which the Trustees may incur in the performance of their duties or the exercise of their rights and powers under this Trust Deed (notwithstanding the appointment of a liquidator or any judgement which the Trustees or one or more of the debenture holders may obtain).

- 13.3 The Trustees shall not by reason of their fiduciary position be precluded from making any contract or entering into any transaction with the Company in the ordinary course of the business of the Trustees or from acquiring or holding any of the debentures or other securities of the Company either directly or indirectly, provided however that should any conflict of interest arise between the Trustees and the Company as a result hereof, the Trustees shall take such steps as they deem appropriate to resolve such conflict to the extent which they deem to be inconsistent with their duties as Trustees.
- 13.4 For the avoidance of doubt, the claims of the Trustees under this clause 13 whether for remuneration, reimbursement or otherwise, will not be subordinated to the claims of creditors as provided for in clause 8.6 and shall rank *pari passu* with the claims of the creditors against the Company.

14. OBLIGATIONS OF THE COMPANY

14.1 The Company:

- 14.1.1 shall permit the authorised representative of the Trustees to inspect the register at all times and shall on request furnish the Trustees with copies thereof or extracts therefrom free of charge;
- 14.1.2 shall keep all accounting and other records that are necessary for its business and have prepared each year such audited balance sheets and income statements as are required by law;
- 14.1.3 shall, in accordance with applicable law or the rules and regulations of the JSE and of STRATE from time to time in force, each year, if so required, send to the Trustees and each of the debenture holders a copy of its annual financial statements together with all other documents which the Company is required to send to shareholders simultaneously;
- 14.1.4 shall not without the prior sanction of an ordinary resolution of the debenture holders pass any ordinary or special resolution at a meeting of members of the Company:
- 14.1.4.1 if the interest or any part of the interest remains in arrear and unpaid for a period of 6 (six) months after the due date of payment of such interest; or
- 14.1.4.2 if any resolution is proposed which directly affects the interests of the debenture holders including a resolution for the winding-up of the Company or for the reduction of its capital but excluding the encumbering or disposal by the Company of any of its assets in the ordinary course of business;
- 14.1.5 shall, if the Trustees relinquish their office as such or refuses or becomes unable to act as Trustees, subject to the sanction by a special resolution of the debenture holders, appoint a person in the Trustees' place to act as such with all the rights and powers of the Trustees;
- 14.1.6 shall conduct its affairs in a proper and businesslike manner and shall not, without the prior sanction of a special resolution of the debenture holders:
- 14.1.6.1 alienate its undertaking or the whole or the greater part of its assets;
- 14.1.6.2 modify, alter or vary any of the rights attached to its ordinary shares;
- 14.1.6.3 decrease its share capital or repay or distribute any part thereof.
- 14.2 The Company by its signature hereto binds itself to do all such things and sign all such documents as may be required of its in order to give effect to the provisions of this trust deed applicable to it, and to notify the Trustees in writing if any breach of any provision of this trust deed occurs or takes place.
- 14.3 The Company shall not without the prior sanction of a special resolution of the debenture holders:
- 14.3.1 amend the provisions of its articles of association in relation to the borrowing powers of the Company exercisable by the directors;
- 14.3.2 give any sanction required in terms of the articles of association to extend the limitation on the borrowing powers (if any).
- 14.4 The Company shall not be released from any of its obligations under this deed by reason of any indulgence extended to it by the Trustees or by the debenture holders for the payment of any sum of money then due or for the fulfilment of any other obligation by it, nor in respect of any act or deed of the Trustees in the exercise of any of the trusts, powers, authorities or discretions vested in the Trustees by this deed or by anything the debenture holders or the Trustees may omit or neglect to do, whether by act (excluding an act approved in terms of an ordinary resolution or a special resolution) or deed or howsoever, which, but for this provision, would operate to release or discharge the Company.

14.5 If at any time after the date of signature of this deed, the Company:

14.5.1 consolidates or sub-divides its ordinary shares into ordinary shares having a nominal value of more or less than the par value at signature hereof; or

14.5.2 converts its ordinary shares into ordinary shares of no par value; or

14.5.3 undertakes the capitalisation issue or ordinary shares to its ordinary shareholders,

the rights of debenture holders to interest on their debentures as contained in this trust deed or any supplemental trust deed and to the amount repayable on the debentures shall be adjusted, if needed. Such adjustment shall be calculated by the auditors of the Company and shall be subject to approval by the Trustees, which approval shall not be unreasonably withheld; provided that:

14.5.4 the Company shall not undertake a capitalisation issue to its ordinary shareholders and any other equity shareholders who may be entitled thereto, of securities other than ordinary shares, or a capitalisation issue which is paid up other than out of the share premium account of the Company, without the prior written consent of the Trustees, which consent shall not unreasonably be withheld and shall not be withheld if the proposed capitalisation issue does not adversely affect the interests of the debenture holders;

14.5.5 the Company shall forthwith notify the debenture holders by circular of the extent, nature and effect of the adjustments made and approved as contemplated above.”

FIRST ADDENDUM TO THE DEBENTURE TRUST DEED

“WHEREAS:

- the parties entered into a debenture trust deed on 14 June 2004 (the “Trust”);
- clause 18 of the Trust provides for the way in which amendments are to be effected to the Trust. In particular, it is indicated that it can be done by way of agreement between the Company and the Trustees where the amendment is necessary to rectify any manifest error. Otherwise it is subject to the prior written consent of the Company and the JSE with the sanction of a special resolution of the debenture holders or with the written consent of the holder of debentures representing not less than 75% (seventy five percent) of the capital then outstanding;
- the parties have noticed some anomalies in the Trust which do not record their mutual intention and agreement;
- in addition, the parties wish to amend and clarify some of the other provisions of the Trust;
- except as otherwise indicated, words and expressions defined in the Trust shall bear the same meanings so assigned to them;
- accordingly the parties agree subject to the terms and conditions set out herein.

1. Rectification

Except as otherwise indicated, with effect from the date of listing of the Company, namely 24 June 2004, the parties hereby agree to amend the terms and conditions of the Trust so as to rectify their true intention and agreement as follows:

1.2 the definition of “designated date” in clause 1.1.10 of the Trust is amended to read as follows:

“**designated date**” means either the first designated date or the second designated date of each financial year of the Company which will precede either the first record date or the second record date, as the case may be, and as determined in accordance with the rules and regulations of the JSE from time to time”;

1.3 the definition of “first designated date” in clause 1.1.12 of the Trust is hereby amended to read as follows:

“**first designated date**” means 30 September each year”;

1.4 the definition of “first record date” in clause 1.1.13 of the Trust is amended by inserting the words “which has accrued on the first designated date” after the word “thereof” in the fourth line of the definition;

1.5 the definition of interest in clause 1.1.15 of the Trust is amended to read as follows:

“**interest**” means the interest payable by the Company on the debentures in terms of this trust deed which has accrued to the debenture holders on a designated date”;

1.6 the definition of “JSE” in clause 1.1.16 of the Trust is amended to read as follows:

“**JSE**” means the stock exchange operated by JSE Limited (or its successor in title or assigns)”;

1.7 the definition of “net income” in clause 1.1.18 of the Trust is amended by substituting the paragraph “net income... by the Company” with:

“net income” means the rental income of the company and investment and other income determined in accordance with the applicable International Financial Reporting Standards prevailing at the time, excluding any non-cash adjustments arising from the interpretation of lease income recognition as contemplated by circular 7/2005 issued by the South African Institute of Chartered Accountants and after deducting:

- interest on borrowings, other than interest on debentures;
- direct property operating expenses and administration expenditure incurred by the company;
- any current or deferred taxation of any nature whatsoever applicable to the year of assessment excluding (i) so much of the deferred taxation for the year of assessment under consideration as is attributable to any capital item and (ii) any taxation arising pursuant to interpretation of lease income recognition as contemplated by circular 7/2005 issued by the South African Institute of Chartered Accounts;
- dividends;”

and by adding the following after clause 1.1.18.5:

“plus,

1.1.18.6 in the discretion of the directors, to the extent not taken into account in the determination of such net income, any realised capital profits arising from the sale of capital assets;”

and, by inserting at the end of clause 1.1.18, the following phrase,

“provided that the net income shall be deemed to have been calculated without any adjustments made by the directors in their discretion to the extent that the directors have not indicated prior to the second designated date that they wish to make any such adjustments in their discretion.”

1.8 the definition of “second record date” in clause 1.1.27 of the Trust is amended by inserting the words “which has accrued on the second designated date” after the word “year” in the fourth line of the definition;

1.9 with effect from the date of unit holders’ approval at a general meeting, clause 4.2.1 of the Trust is amended by amending the post-amble to read as follows:

“which interest in respect of all debentures included in the first linked units shall be in aggregate not less than 99% (ninety nine percent) of the net income prior to any adjustments to net income which the directors, in their discretion, may deem fit, provided that the directors may exercise their discretion prior to the second designated date in order to:

- make adjustments to net income; or
- reduce the interest to a percentage less than 99% (ninety nine percent) of the net income, but which percentage shall never be less than 90% (ninety percent) of the net income.

If no discretion has been exercised by the directors as to the percentage of the net income or the adjustments to the net income, it will be deemed that 99% (ninety nine percent) of the net income without any adjustments shall be deemed to have been incurred by the Company and be distributed as interest. Except for the initial period, the interest shall be calculated *pro rata* to the number of debentures in issue for the 6 (six) month period prior to the respective first designated date or second designated date, as the case may be, provided that the directors may determine in consultation with the Trustees to declare one or more special interim distributions in respect of any such periods in appropriate circumstances.”

1.10 clause 6.3 of the Trust is amended to read as follows:

“The designated dates by reference to which the first record date and second record date are determined and upon which interest is incurred in respect of each subsequent issue of debentures governed by this deed shall be specified in the supplemental debenture trust deed to be entered into in respect of each such issue of debentures.”;

1.11 clause 6.5 of the Trust is amended by inserting the following sentence in the beginning thereof: “Interest shall be deemed to have accrued to debenture holders on a designated date provided that they are still the registered holders of the debentures on the first record date and the second record date respectively.”

2. Whole agreement, no amendment

2.1 This addendum constitutes the whole agreement between the parties relating to the subject matter hereof.

2.2 No amendment or consensual cancellation of this addendum or any provision or term hereof or of any agreement, bill of exchange or other document issued or executed pursuant to or in terms of this addendum and no settlement of any disputes arising under this addendum and no extension of time, waiver or relaxation or suspension of any of the provisions or terms of this addendum or of any agreement, bill of exchange or other document issued pursuant to or in terms of this addendum shall be binding unless recorded in a written document signed by the parties (or in the case of an extension of time, waiver or relaxation or suspension, signed by the party granting such extension, waiver or relaxation). Any such extension, waiver or relaxation or suspension which is so given or made shall be strictly construed as relating strictly to the matter in respect whereof it was made or given.

2.3 No extension of time or waiver or relaxation of any of the provisions or terms of this addendum or any agreement, bill of exchange or other document issued or executed pursuant to or in terms of this addendum, shall operate as an stopped against any party in respect of its rights under this addendum, nor shall it operate so as to preclude such party thereafter from exercising its rights strictly in accordance with this addendum.

2.4 To the extent permissible by law no party shall be bound by any express or implied term, representation, warranty, promise or the like not recorded herein, whether it included the contract and/or whether it was negligent or not.”



Vukile Property Fund Limited

(Incorporated in the Republic of South Africa)

(Registration number 2002/027194/06)

ISIN: ZAE000056370

JSE share code: VKE NSX share code: VKN

("Vukile" or "the Company")

Directors

AD Botha+ ∞

SF Booysen∞

PJ Cook∞

JM Hlongwane

HC Lopion#

PS Moyanga∞

NG Payne∞

MJ Potts#

LG Rapp#

HM Serebro∞

+ Chairman

Executive Director

∞ Independent

NOTICE OF GENERAL MEETING OF SHAREHOLDERS AND DEBENTURE HOLDERS ("GENERAL MEETING")

Notice is hereby given that a general meeting of shareholders of Vukile ("**shareholders**") and debenture holders of Vukile ("**debenture holders**") will be held at the offices of Vukile being One-on-Ninth, Cnr Glenhove Road and Ninth Street, Melrose Estate, 2196 at 11:00 on Thursday, 25 April 2013 (the "**general meeting**"), for the purpose of considering and, if deemed fit, passing with or without modification, the resolutions set out below.

All meeting participants, including proxies, will be required to provide identification reasonably satisfactory to the chairman of the meeting.

Important dates to note

	2013
Record date for receipt of notice of the general meeting	Friday, 22 March
Last day to trade in order to be eligible to participate in and vote at the general meeting	Friday, 12 April
Record date for voting purposes at the general meeting (" voting record date ")	Friday, 19 April
Last day to lodge forms of proxy for the general meeting by 11:00	Wednesday, 24 April
Date of general meeting (11:00)	Thursday, 25 April
Results of general meeting released on SENS	Thursday, 25 April

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

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

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 debenture holder who is entitled to attend the general meeting is entitled to appoint a proxy or two or more proxies to attend and participate (but not vote) in the general meeting in the place of a debenture holder;
- a proxy need not be a shareholder or debenture holder of the Company.

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

SPECIAL RESOLUTION NUMBER 1 – APPROVAL OF NEW MEMORANDUM OF INCORPORATION

“Resolved as a special resolution that, subject to the approval and filing of this Special Resolution Number 1 with the CIPC, the Company’s current Memorandum of Incorporation shall be and is hereby substituted in its entirety with the new Memorandum of Incorporation tabled at this general meeting and initialled by the chairman for identification purposes and is attached to the circular to which this notice of general meeting is attached as **Annexure 1** (the “**new Memorandum of Incorporation**”). The new Memorandum of Incorporation will take effect from the filing and registration of this Special Resolution Number 1 (together with the new Memorandum of Incorporation) with the CIPC or such later date as may be determined by the board of directors of the Company.”

In order for Special Resolution Number 1 to be adopted, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required to pass this Special Resolution Number 1.

Reason and effect of Special Resolution Number 1

The board of the Company has passed a resolution proposing that Special Resolution Number 1 be adopted for the purpose of ensuring that the Company’s Memorandum of Incorporation is in line with the Companies Act and the JSE Listing Requirements.

SPECIAL RESOLUTION NUMBER 2 – SPECIFIC AUTHORITY TO REPURCHASE LINKED UNITS IN TERMS OF THE ODD_LOT OFFER

“Resolved as a special resolution that, subject to the approval, filing and registration with the CIPC of Special Resolution Number 1, the Company be and is hereby authorised by way of a specific authority, in terms of section 48 of the Companies Act and in terms of the JSE Listings Requirements of the JSE Limited, to approve and implement the specific repurchase, at the five-day traded volume weighted average price of a Vukile linked unit immediately prior to the finalisation date (being the date upon which an announcement including the finalisation information in respect of the odd-lot offer, as contemplated in the JSE Listings Requirements, is issued over the JSE Securities Exchange News Services, or such other date as the JSE Limited may determine) of the odd-lot holdings of those odd-lot holders who elect, pursuant to the odd-lot offer, details of which are contained in the circular to which this notice of general meeting is attached, to sell their odd-lot holding to Vukile or, in terms of paragraph 18 of the Company’s new Memorandum of Incorporation, to expropriate by way of a repurchase of linked units from those linked unit holders who do not make an election to sell or retain their odd-lot holding, and that all repurchased linked units will be submitted for cancellation, delisting and restoring to the status of authorised capital.”

In order for Special Resolution Number 2 to be adopted, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required to pass this Special Resolution Number 2. Odd-lot holders and their associates (as such term is defined in the Listings Requirements) will, in terms of the Listings Requirements, be excluded from voting in respect of Special Resolution Number 2.

Reason for and effect of Special Resolution Number 2

The reason for Special Resolution Number 2 is to obtain a specific approval in terms of the JSE Listings Requirements for the acquisition by Vukile from the odd-lot holders of their odd-lot holdings as proposed in the odd-lot offer. The effect of Special Resolution Number 2 is to enable Vukile, by way of a specific authority, to acquire linked units in terms of the odd-lot offer from the odd-lot holders who elect to sell their odd-lot holding to Vukile or who do not make an election.

Statement by the directors of Vukile

The directors, after considering the effect of the specific repurchase are of the opinion that, for a period of 12 months following the date of the circular:

- the group will be able in the ordinary course of business to pay its debts;

- assets of the group will be in excess of the liabilities of Vukile and the group;
- the linked unit capital and reserves of the group will be adequate for ordinary business requirements;
- the working capital of the group will be adequate for ordinary business purposes; and
- Vukile has passed the solvency and liquidity test and that since the test was done there have been no material changes to the financial position of the group.

SPECIAL RESOLUTION NUMBER 3 – FINANCIAL ASSISTANCE TO EMPLOYEES FOR PARTICIPATION IN THE CONDITIONAL UNIT PLAN

“Resolved as a special resolution that, in terms of section 44 of the Companies Act, the shareholders of the Company hereby approve of the Company providing, at any time and from time to time during the period of 2 (two) years commencing on the date of this special resolution, direct or indirect financial assistance as contemplated in section 44 of the Companies Act to any of its present or future employees who are participating in the Company’s Conditional Unit Plan, to the extent that such participation will result in any direct or indirect financial assistance as contemplated in section 44 of the Companies Act, including to its chief executive officer, other executives, senior managers, heads of departments, professional staff, key full-time employees, or to any other person who is elected by the Social, Ethics and Human Resources Committee of the Company to participate in the Conditional Unit Plan, provided that:

- (a) the recipient or recipients of such financial assistance, if participation in the Conditional Unit Plan is found to amount to any such direct or indirect financial assistance as contemplated in section 44 of the Companies Act, and the form, nature and extent of such financial assistance, and the terms and conditions under which such financial assistance is provided, are determined by the Conditional Unit Plan Rules as approved by the Social, Ethics and Human Resources Committee of the Company, from time to time; and
- (b) the board may not authorise the Company to provide any financial assistance pursuant to this special resolution unless the board meets all those requirements of section 44 of the Companies Act which it is required to meet in order to authorise the Company to provide such financial assistance.”

In order for Special Resolution Number 3 to be adopted, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required to pass this Special Resolution Number 3.

Reason and effect of Special Resolution Number 3

The reason for Special Resolution Number 3 is to provide financial assistance to present or future employees for the purpose of participating in the Conditional Unit Plan, if participation in the Conditional Unit Plan is found to amount to any such direct or indirect financial assistance as contemplated in section 44 of the Companies Act, and the effect of Special Resolution Number 3 will be that the Company is authorised to do so, if required.

A summary of the salient features of the Conditional Unit Plan appears in **Annexure 2** to the circular to which this notice of general meeting is attached.

SPECIAL RESOLUTION NUMBER 4 – FINANCIAL ASSISTANCE TO EXECUTIVE DIRECTORS AND PRESCRIBED OFFICERS FOR PARTICIPATION IN THE CONDITIONAL UNIT PLAN

“Resolved as a special resolution that, in terms of section 45 of the Companies Act, the shareholders of the Company hereby approve of the Company providing, at any time and from time to time during the period of 2 (two) years commencing on the date of this special resolution, direct or indirect financial assistance as contemplated in section 45 of the Companies Act to executive directors and prescribed officers solely for the purpose of such persons participating in the Conditional Unit Plan, to the extent that such participation will result in any direct or indirect financial assistance as contemplated in section 45 of the Companies Act, provided that:

- (a) the recipient or recipients of such financial assistance, if participation in the Conditional Unit Plan is found to amount to any such direct or indirect financial assistance as contemplated in section 45 of the Companies Act, and form, nature and extent of such financial assistance, and the terms and conditions under which such financial assistance is provided, are determined by the Conditional Unit Plan Rules of the Conditional Unit Plan as approved by the Social, Ethics and Human Resources Committee, from time to time; and
- (b) the board may not authorise the Company to provide any financial assistance pursuant to this special resolution unless the board meets all those requirements of section 45 of the Companies Act which it is required to meet in order to authorise the Company to provide such financial assistance.”

In order for Special Resolution Number 4 to be adopted, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required to pass this Special Resolution Number 4.

Reason and effect of Special Resolution Number 4

The reason for Special Resolution Number 4 is to provide financial assistance to executive directors and prescribed officers for the purpose of participating in the Conditional Unit Plan, if participation in the Conditional Unit Plan is found to amount to any such direct or indirect financial assistance as contemplated in section 45 of the Companies Act, and the effect of Special Resolution Number 4 will be that the Company is authorised to do so.

A summary of the salient features of the Conditional Unit Plan appears in **Annexure 2** to the circular to which this notice of general meeting is attached.

SPECIAL RESOLUTION NUMBER 5 – FINANCIAL ASSISTANCE TO EMPLOYEES FOR PARTICIPATION IN THE UNIT PURCHASE PLAN

“Resolved as a special resolution that, in terms of section 44 of the Companies Act, the shareholders of the Company hereby approve of the Company providing, at any time and from time to time during the period of 2 (two) years commencing on the date of this special resolution, direct or indirect financial assistance as contemplated in section 44 of the Companies Act to any of its present or future employees who are participating in the Company’s Unit Purchase Plan, to the extent that such participation will result in any direct or indirect financial assistance as contemplated in section 44 of the Companies Act, including to its chief executive officer, other executives, senior managers, heads of departments, professional staff, key full-time employees, or to any other person who is elected by the Social, Ethics and Human Resources Committee of the Company to participate in the Unit Purchase Plan, provided that:

- (a) the recipient or recipients of such financial assistance and the form, nature and extent of such financial assistance, and the terms and conditions under which such financial assistance is provided, are determined by the Unit Purchase Plan Rules as approved by the Social, Ethics and Human Resources Committee of the Company, from time to time; and
- (b) the board may not authorise the Company to provide any financial assistance pursuant to this special resolution unless the board meets all those requirements of section 44 of the Companies Act which it is required to meet in order to authorise the Company to provide such financial assistance.”

In order for Special Resolution Number 5 to be adopted, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required to pass this Special Resolution Number 5.

Reason and effect of Special Resolution Number 5

The reason for Special Resolution Number 5 is to provide financial assistance to present or future employees for the purpose of participating in the Unit Purchase Plan, if participation in the Unit Purchase Plan is found to amount to any such direct or indirect financial assistance as contemplated in section 44 of the Companies Act, and the effect of Special Resolution Number 5 will be that the Company is authorised to do so, if required.

A summary of the salient features of the Unit Purchase Plan appears in **Annexure 3** to the circular to which this notice of general meeting is attached.

SPECIAL RESOLUTION NUMBER 6 – FINANCIAL ASSISTANCE TO EXECUTIVE DIRECTORS AND PRESCRIBED OFFICERS FOR PARTICIPATION IN THE UNIT PURCHASE PLAN

“Resolved as a special resolution that, in terms of section 45 of the Companies Act, the shareholders of the Company hereby approve of the Company providing, at any time and from time to time during the period of 2 (two) years commencing on the date of this special resolution, direct or indirect financial assistance as contemplated in section 45 of the Companies Act to executive directors and prescribed officers solely for the purpose of such persons participating in the Unit Purchase Plan, to the extent that such participation will result in any direct or indirect financial assistance as contemplated in section 45 of the Companies Act, provided that:

- (a) the recipient or recipients of such financial assistance, if participation in the Unit Purchase Plan is found to amount to any such direct or indirect financial assistance as contemplated in section 45 of the Companies Act, and form, nature and extent of such financial assistance, and the terms and conditions under which such financial assistance is provided, are determined by the Unit Purchase Plan Rules as approved by the Social, Ethics and Human Resources Committee, from time to time; and
- (b) the board may not authorise the Company to provide any financial assistance pursuant to this special resolution unless the board meets all those requirements of section 45 of the Companies Act which it is required to meet in order to authorise the Company to provide such financial assistance.”

In order for Special Resolution Number 6 to be adopted, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required to pass this Special Resolution Number 6.

Reason and effect of Special Resolution Number 6

The reason for Special Resolution Number 6 is to provide financial assistance to executive directors and prescribed officers for the purpose of participating in the Unit Purchase Plan, if participation in the Unit Purchase Plan is found to amount to any such direct or indirect financial assistance as contemplated in section 45 of the Companies Act, and the effect of Special Resolution Number 6 will be that the Company is authorised to do so.

A summary of the salient features of the Unit Purchase Plan appears in **Annexure 3** to the circular to which this notice of general meeting is attached.

ORDINARY RESOLUTION NUMBER 1 – AMENDMENT OF THE LONG TERM INCENTIVE SCHEME TO BE RENAMED THE CONDITIONAL UNIT PLAN

“Resolved that, the long term incentive scheme be amended as detailed in the circular, and the amended scheme hereinafter re-named as the Conditional Unit Plan, a copy of which has been tabled at this meeting and initialled by the chairman for the purposes of identification, which Conditional Unit Plan is hereby approved”.

Notwithstanding that the Conditional Unit Plan is not required under the JSE Listings Requirements or the Companies Act to be approved by shareholders, the Company has resolved to submit the Conditional Unit Plan to shareholders for their approval. Accordingly, in order for Ordinary Resolution Number 1 to be adopted, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required to pass this Ordinary Resolution Number 1. Further information regarding the Conditional Unit Plan is set out in paragraph 3 and **Annexure 2** of the circular.

The Conditional Unit Plan Rules will be available for inspection at the offices of Vukile, One-on-Ninth, Cnr Glenhove Road and Ninth Street, Melrose Estate, 2196 from the date of issue of this circular to the date on which the general meeting is held.

ORDINARY RESOLUTION NUMBER 2 – ADOPTION OF THE UNIT PURCHASE PLAN

“Resolved that the Unit Purchase Plan, a copy of which has been tabled at this meeting and initialled by the chairman for the purposes of identification, is hereby approved”.

Notwithstanding that the Unit Purchase Plan is not required under the JSE Listings Requirements or the Companies Act to be approved by shareholders, the Company has resolved to submit the Unit Purchase Plan to shareholders for their approval. Accordingly, in order for Ordinary Resolution Number 2 to be adopted, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required to pass this Ordinary Resolution Number 2. Further information regarding the Unit Purchase Plan is set out in paragraph 4 and **Annexure 3** of the circular.

The Unit Purchase Plan Rules will be available for inspection at the offices of Vukile, One-on-Ninth, Cnr Glenhove Road and Ninth Street, Melrose Estate, 2196 from the date of issue of this circular to the date on which the general meeting is held.

ORDINARY RESOLUTION NUMBER 3: AUTHORITY TO PLACE UNISSUED SHARES IN THE AUTHORISED CAPITAL UNDER THE CONTROL OF THE DIRECTORS

“Resolved that the authorised but unissued shares of the Company be and are hereby placed under the control of the directors of the Company until the next annual general meeting, who are authorised to allot or issue any such shares at their discretion, subject at all times to the provisions of the Companies Act, the Company’s new Memorandum of Incorporation and the JSE Listings Requirements provided that each ordinary share of R0.01 each be issued together with an unsecured variable-rate subordinated debenture of 490 cents each as a linked unit and provided further that the number of shares issued at any time may not exceed:

1. 10% of the total number of shares in issue determined immediately prior to the date of the circular to which this notice of general meeting is attached; plus
2. that number of shares required to be issued under the reinvestment option contemplated in Ordinary Resolution Number 4.”

In order for Ordinary Resolution Number 3 to be adopted, the support of more than 50% of the total number of votes exercisable by shareholders, present in person or by proxy, is required to pass this Ordinary Resolution Number 3.

ORDINARY RESOLUTION NUMBER 4: SPECIFIC AUTHORITY TO ISSUE LINKED UNITS UNDER THE REINVESTMENT OPTION

“Resolved that subject to the provisions of the Companies Act, the Company’s new Memorandum of Incorporation and the JSE Listings Requirements, the directors be and they are hereby authorised by way of a specific standing authority to issue ordinary shares of R0.01 each (ordinary shares) together with unsecured variable-rate subordinated debentures of R4.90 each (debentures), as and when they deem appropriate, for the exclusive purpose of affording linked unit holders opportunities from time to time to elect to reinvest their distributions in new linked units of the Company under the reinvestment option.”

In order for Ordinary Resolution Number 4 to be adopted, the support of more than 50% of the total number of votes exercisable by shareholders, present in person or by proxy, is required to pass this Ordinary Resolution Number 4. Directors will, in terms of the Listings Requirements, be excluded from voting in respect of Ordinary Resolution Number 4.

ORDINARY RESOLUTION NUMBER 5: GENERAL AUTHORITY TO ISSUE LINKED UNITS FOR CASH

“Resolved that subject to the restrictions set out below, and subject to the provisions of the Companies Act and the Listings Requirements, the directors be and they are hereby authorised by way of a general authority, to allot and issue ordinary shares of R0.01 each (ordinary shares) together with unsecured variable rate subordinated debentures of 490 cents each (debentures) for cash on the following basis:

- that each ordinary share be linked to a debenture to form a linked unit (the “**linked units**”);
- this authority shall not extend beyond 6 months from the date of this general meeting;
- the linked units which are the subject of the issue for cash must be of a class already in issue or, where this is not the case, must be limited to such shares or rights as are convertible into a class already in issue;
- the allotment and issue of linked units for cash shall be made only to persons qualifying as “public shareholders”, as defined in the Listings Requirements, and not to “related parties”;
- linked units which are the subject of general issues for cash:
 - i. may not exceed 5% of the total number of linked units in issue determined immediately prior to the issue as and when suitable situations arise;
 - ii. in aggregate in any one financial year may not exceed 10% of the Company’s linked units in issue of that class (for purposes of determining the linked units comprising the 10% number in any one year, account must be taken of dilution effect, in the year of issue of options or convertible securities, by including the number of any linked units which may be issued in future arising out of the issue of such options/convertible securities);
 - iii. of a particular class will be aggregated with any securities that are compulsorily convertible into securities of that class and, in the case of the issue of compulsorily convertible securities, aggregated with the securities of that class into which they are compulsorily convertible;
 - iv. as regards the number of linked units which may be issued in aggregate (the 10% number), same shall be based on the number of linked units of that class in issue added to those that may be issued in future (arising from the conversion of options/convertible securities), at the date of such application:
 - (a) less any linked units of the class issued, or to be issued in future arising from options/ convertible securities issued, during the current financial year (which commenced 1 April 2013); and
 - (b) plus any linked units of that class to be issued pursuant to:
 - (aa) a rights issue which has been announced, is irrevocable and is fully underwritten; or
 - (bb) an acquisition (in respect of which final terms have been announced) which acquisition issue securities may be included as though they were securities in issue at the date of application.
- The maximum discount at which linked units may be issued is 5% of the weighted average traded of such linked units measured over the 30 business days prior to the date that the price of the issue agreed between the Company and the party subscribing for the linked units;
- After the Company has issued linked units in terms of this general authority to issued linked units for cash representing on a cumulative basis within a financial year, 5% or more of the number of linked units in issue prior to that issue, the Company shall publish an announcement containing full details of that issue, including:
 - i. the number of linked units issued;
 - ii. the average discount to the weighted average traded price of the linked units over the 30 business days prior to the date that the issue is agreed in writing between the Company and the party/ies subscribing for the linked units; and
 - iii. the effects of the issue on the net asset value per linked unit, net tangible asset value per linked units, earnings per linked unit, headline earnings per linked unit, and if applicable diluted earnings and diluted headline earnings per linked unit.

This authority shall be restricted to the issue of linked units to finance the acquisition or development of property assets or at any time to settle debt in respect of any of the Company’s property assets, and further, provided that any such issues for cash may be made prior to the registration of transfer of any property assets to be acquired or developed.

In terms of the Listings Requirements, at least 75% of the votes held by shareholders present or represented by proxy at the meeting need to be cast in favour of this Ordinary Resolution Number 5 in order to give effect hereto.

ORDINARY RESOLUTION NUMBER 6: AUTHORITY TO MAKE AND IMPLEMENT ODD-LOT OFFER

“Resolved that subject to the approval, filing and registration with the CIPC of Special Resolution Number 1, and the passing of Special Resolution Number 2, the directors of Vukile be and are hereby authorised and empowered, to make and implement an odd-lot offer to linked unitholders holding less than 100 (one hundred) linked units in Vukile by 12:00 on the odd-lot offer record date, according to the terms and conditions of the odd-lot offer as contained in the circular to which this notice of general meeting is attached and which has been approved by the JSE.”

In order for Ordinary Resolution Number 6 to be adopted, the support of more than 50% of the total number of votes exercisable by shareholders, present in person or by proxy, is required to pass this Ordinary Resolution Number 6. Odd-lot holders and their associates (as such term is defined in the Listings Requirements) will, in terms of the Listings Requirements, be excluded from voting in respect of Ordinary Resolution Number 6.

ORDINARY RESOLUTION NUMBER 7: DIRECTORS' AUTHORITY

“Resolved that any director of the Company or the company secretary be and is hereby authorised to do all such things, sign all such documents and agreements and procure the doing of all such things and signature of all documents as may be necessary for or incidental to the implementation of Special Resolution Numbers 1, 2, 3, 4, 5 and 6, and Ordinary Resolution Numbers 1, 2, 3, 4, 5 and 6.”

In order for Ordinary Resolution Number 7 to be adopted, the support of at least 50% of the total number of votes exercisable by shareholders, present in person or by proxy, is required to pass this Ordinary Resolution Number 7.

QUORUM

A quorum for the purposes of considering the resolutions above shall consist of three shareholders of the Company personally present (and if the shareholder is a body corporate, it must be represented) and entitled to vote at the general meeting. In addition, a quorum shall comprise 25% of all the voting rights that are entitled to be exercised by Vukile shareholders in respect of each matter to be decided at the general meeting. The date on which Vukile shareholders must be recorded as such in the register maintained by the transfer secretaries, Link Market Services South Africa Proprietary Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, 2001, Johannesburg (PO Box 4844, Johannesburg, 2000), for the purposes of being entitled to attend, participate in and vote at the general meeting is Friday, 19 April 2013.

The date on which Vukile debenture holders must be recorded as such in the register maintained by the transfer secretaries, Link Market Services South Africa Proprietary Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, 2001, Johannesburg (PO Box 4844, Johannesburg, 2000), for the purposes of being entitled to attend and participate in the general meeting is Friday, 19 April 2013.

SHAREHOLDERS

General instructions

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

Electronic participation

The Company has made provision for Vukile 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 as aforesaid, you, or your proxy, will be required to advise the Company thereof by no later than 11:00 on Tuesday, 23 April 2013, by submitting by e-mail to the company secretary at johann.neethling@vukile.co.za or by fax to +27 (0) 86 667 6569, for the attention of Johann Neethling, relevant contact details, including an e-mail address, cellular number and landline as well as full details of the Vukile shareholder's title to securities issued by the Company and proof of identity, in the form of copies of identity documents and share certificates (in the case of materialised Vukile shares) and (in the case of dematerialised Vukile shares) written confirmation from the Vukile shareholder's CSDP confirming the Vukile shareholder's title to the dematerialised Vukile shares. Upon receipt of the required information, the Vukile shareholder concerned will be provided with a secure code and instructions to access the electronic communication during the general meeting. Vukile shareholders must note that access to the electronic communication will be at the expense of the Vukile shareholders who wish to utilise the facility.

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

Proxies and authority for representatives to act

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

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

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

All other beneficial owners who have dematerialised their shares through a Central Securities Depository Participant ("CSDP") or broker and 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 must be deposited at the transfer secretaries, Link Market Services South Africa Proprietary Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, 2001, Johannesburg or by fax on +27 (0)86 674 4381 to be received by no later than 11:00 on Wednesday, 24 April 2013. 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. Resolutions authorising representatives in terms of section 57(5) of the Companies Act must be lodged with the Company's transfer secretaries prior to the general meeting.

Vukile 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 not notify such shareholder of the general meeting or any business to be conducted thereat.

DEBENTURE HOLDERS

General instructions

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

Electronic participation

The Company has made provision for its debenture holders 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 as aforesaid, you, or your proxy, will be required to advise the Company thereof by no later than 11:00 on Tuesday, 23 April 2013 by submitting by e-mail to the company secretary at johann.neethling@vukile.co.za or by fax to +27 (0) 86 667 6569, for the attention of Johann Neethling, relevant contact details, including an e-mail address, cellular number and landline as well as full details of the debenture holder's title to securities issued by the Company and proof of identity, in the form of copies of identity documents and debenture certificates (in the case of materialised debentures) and (in the case of dematerialised debentures) written confirmation from the debenture holder's CSDP confirming the debenture holder's title to the dematerialised debentures. Upon receipt of the required information, the debenture holder concerned will be provided with a secure code and instructions to access the electronic communication during the general meeting. Debenture holders must note that access to the electronic communication will be at the expense of the debenture holder who wishes to utilise the facility.

Proxies and authority for representatives to act

Due to Vukile's linked unit structure, its shareholders are also its debenture holders and the matters to be voted on at the general meeting are matters on which shareholders and not debenture holders are entitled to vote. As a result, a proxy form has only been included for shareholders.

Debenture holders wishing to appoint a proxy or two or more proxies to attend and participate (but not vote) in the general meeting may contact the company secretary at johann.neethling@vukile.co.za or by fax on +27 (0) 86 667 6569, to obtain such form of proxy.

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

GENERAL NOTES

1. A member entitled to attend and vote at the general meeting may appoint a proxy to attend, speak and vote in his or her stead. A proxy need not be a member of the Company.
2. All forms of proxy or other instruments of authority must be deposited with the transfer secretaries, so as to be received no later than 11:00 on Wednesday, 24 April 2013. Shareholders who are companies or other body corporates may, by resolution of its directors or other governing body, authorise any person to act as its representative at the general meeting.
3. Shareholders who have not dematerialised their linked units and own-name dematerialised shareholders who are unable to attend the general meeting and wish to be represented thereat, must complete the attached form of proxy in accordance with the instructions therein and return it to the transfer secretaries, so as to be received no later than 11:00 on Wednesday, 24 April 2013.
4. Shareholders who have dematerialised their linked units with a CSDP or broker, other than with own-name registration, should advise their CSDP or broker with their voting instruction in terms of the agreement entered into between them and their CSDP or broker. Shareholders who have dematerialised their linked units and wish to attend the general meeting must contact their CSDP or broker who will furnish them with the necessary authority to attend general meeting.
5. Shareholders who have dematerialised their linked units, other than with own-name registration, must not return the form of proxy to the transfer secretaries. Their instructions must be sent to their CSDP or broker for action.
6. On a show of hands, every member present in person or every proxy representing shareholders, shall have only one vote, irrespective of the number of linked units he or she holds.
7. On a poll, every shareholder present in person or represented by proxy shall have one vote for every linked unit held by such shareholder.

By order of the board

One-on-Ninth, Cnr Glenhove Road and Ninth Street, Melrose Estate, 2196

Registered address

Vukile Property Fund Limited
One-on-Ninth
Cnr Glenhove Road and Ninth Street
Melrose Estate, 2196
(PO Box 2234, Parklands, 2121)

Transfer secretaries

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



Vukile Property Fund Limited

(Incorporated in the Republic of South Africa)
 (Registration number 2002/027194/06)
 ISIN: ZAE000056370
 JSE share code: VKE NSX share code: VKN
 ("Vukile" or "the Company")

FORM OF PROXY

THIS FORM OF PROXY IS ONLY FOR USE BY:

- registered shareholders who have not yet dematerialised their Vukile linked units;
- registered shareholders who have already dematerialised their Vukile linked units and which linked units are registered in their own names in the Company's sub-register.

for completion by the aforesaid registered shareholders of Vukile who are unable to attend the general meeting of the Company to be held at the offices of the Company at One-on-Ninth, Cnr Glenhove Road and Ninth Street, Melrose Estate, 2196 at 11:00 on Thursday, 25 April 2013 ("the general meeting").

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

I/We (FULL NAMES IN BLOCK LETTERS PLEASE)

of (Address)

being the holder(s) of Vukile shares hereby appoint:

- _____ of failing him/her
- _____ of failing him/her
- the chairman of the general meeting

as my/our proxy to attend and speak and to vote for me/us and on my/our behalf at the general meeting and at any adjournment or postponement thereof, for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed at the general meeting, and to vote on the resolutions in respect of the ordinary 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
Special Resolution Number 1 – Approval of new Memorandum of Incorporation			
Special Resolution Number 2 – Specific authority to repurchase linked units in terms of the odd-lot offer			
Special Resolution Number 3 – Financial assistance to employees for participation in the Conditional Unit Plan			
Special Resolution Number 4 – Financial assistance to executive directors and prescribed officers for participation in the Conditional Unit Plan			
Special Resolution Number 5 – Financial assistance to employees for participation in the Unit Purchase Plan			
Special Resolution Number 6 – Financial assistance to executive directors and prescribed officers for participation in the Unit Purchase Plan			
Ordinary Resolution Number 1 – Amendment of the long-term incentive scheme and renaming same the Conditional Unit Plan			
Ordinary Resolution Number 2 – Adoption of the Unit Purchase Plan			
Ordinary Resolution Number 3 – Authority to place unissued shares in the authorised capital under the control of the directors			
Ordinary Resolution Number 4 – Specific authority to issue shares under the reinvestment option			
Ordinary Resolution Number 5 – General authority to issue linked units for cash			
Ordinary Resolution Number 6 – Authority to make and implement the odd-lot offer			
Ordinary Resolution Number 7 – Directors' authority			

One vote per share held by Vukile 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 _____ 2013

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 member of the Company. 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 must be deposited at Link Market Services South Africa Proprietary Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein 2001 or posted to PO Box 4844, Johannesburg 2000 so as to arrive by no later than 11:00 on Wednesday, 24 April 2013.

Please read notes on the reverse side hereof

NOTES TO THE FORM OF PROXY:

1. Only shareholders who are registered in the register of the Company under their own name on the date on which shareholders must be recorded as such in the register maintained by the transfer secretaries, Link Market Services South Africa Proprietary Limited, being Friday, 19 April 2013 (the "voting record date"), may complete a form of proxy or attend the general meeting. This includes shareholders who have not dematerialised their shares or who have dematerialised their shares with "own name" registration. The person whose name stands first on the form of proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of those who names follow. 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 of the Company (being Link Market Services South Africa Proprietary Limited) 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, on a poll, vote at the general meeting.
4. Dematerialised shareholders who have not elected "own name" registration in the register of the Company through a Central Securities Depository Participant ("CSDP") and who wish to attend the general meeting, must instruct the CSDP or broker to provide them with the necessary authority to attend.
5. Dematerialised shareholders who have not elected "own name" registration in the register of the Company through a CSDP and who are unable to attend, but wish to vote at the general meeting, must timeously provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between that shareholder and the CSDP or broker.
6. A shareholder may insert the name of a proxy or the names of two or more alternative proxies of the shareholder's choice in the space, with or without deleting "the chairman of the general meeting". 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 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 (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and (ii) delivering a copy of the revocation instrument to the proxy, and to the Company.
8. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the relevant shareholder as of the later of the date:
 - 8.1 stated in the revocation instrument, if any; or
 - 8.2 upon which the revocation instrument is delivered to the proxy and the relevant company as required in section 58(4)(c)(ii) of the Companies Act, 71 of 2008, as amended (the "Companies Act").
9. Should the instrument appointing a proxy or proxies have been delivered to the Company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the Company's Memorandum of Incorporation to be delivered by the Company to the shareholder must be delivered by the Company to:
 - 9.1 the shareholder; or
 - 9.2 the proxy or proxies if the shareholder has in writing directed the relevant company to do so and has paid any reasonable fee charged by the Company for doing so.
10. A proxy is entitled to exercise, or abstain from exercising, any voting right of the relevant shareholder without direction, except to the extent that the Memorandum of Incorporation of the Company or the instrument appointing the proxy provide otherwise.
11. If the Company issues an invitation to shareholders to appoint one or more persons named by the Company as a proxy, or supplies a form of instrument appointing a proxy:
 - 11.1 such invitation must be sent to every shareholder who is entitled to receive notice of the meeting at which the proxy is intended to be exercised;
 - 11.2 the Company must not require that the proxy appointment be made irrevocable; and
 - 11.3 the proxy appointment remains valid only until the end of the relevant meeting at which it was intended to be used, unless revoked as contemplated in section 58(5) of the Companies Act.
12. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies. A deletion of any printed matter and the completion of any blank space(s) need not be signed or initialled.
13. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form unless previously recorded by the transfer secretaries of the Company or waived by the chairman of the 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 Company's 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 be present or represented at the meeting, that one of the said persons whose name appears first in the register of shareholders of such shares or his proxy, as the case may be, shall alone be, shall be entitled to vote in respect thereof.
17. On a show of hands, every shareholder of the Company present in person or represented by proxy shall have one vote only. On a poll a shareholder who is present in person or represented by a proxy shall be entitled to that proportion of the total votes in the Company which the aggregate amount of the nominal value of the shares held by him bears to the aggregate amount of the nominal value of all the shares of the relevant class issued by the Company.
18. The chairman of the general meeting may reject or accept any proxy which is completed and/or received other than in accordance with the instructions, provided that he shall not accept a proxy unless he is satisfied as to the matter in which a shareholder wishes to vote.
19. A proxy may not delegate his/her authority to act on behalf of the shareholder, to another person.
20. A shareholder's instruction to the proxy must be indicated by the insertion of the relevant number of shares 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 annual 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 the votes exercisable by the shareholder or the proxy, but the total of votes cast in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the shareholder or the proxy.
21. It is requested that this form of proxy be lodged or posted or faxed to the transfer secretaries, Link Market Services South Africa Proprietary Limited at 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein 2001, Johannesburg or by fax on +27 (0)86 674 4381, to be received by the Company no later than 11:00 on Wednesday, 24 April 2013. A quorum for the purposes of considering the ordinary resolutions shall comprise 25% of all the voting rights that are entitled to be exercised by shareholders in respect of each matter to be decided at the general meeting. In addition, a quorum shall consist of three shareholders of the Company personally present or represented by proxy (and if the shareholder is a body corporate, it must be represented) and entitled to vote at the general meeting.
22. 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.
23. The foregoing notes contain a summary of the relevant provisions of section 58 of the Companies Act, as required in terms of that section.



Vukile Property Fund Limited

(Incorporated in the Republic of South Africa)

(Registration number 2002/027194/06)

ISIN: ZAE000056370

JSE share code: VKE NSX share code: VKN

("Vukile" or "the Company")

ODD-LOT FORM OF ELECTION AND SURRENDER

Instructions

1. Part 1 must be completed by **ALL** odd-lot holders who hold a linked unit certificate in respect of their linked units and who return this form.
2. Part 2 must **ONLY** be completed by odd-lot holders who hold a linked unit certificate and **WHO WISH TO SELL THEIR ODD-LOT HOLDINGS**.
3. Part 3 must **ONLY** be completed by odd-lot holders who hold a linked unit certificate in respect of their linked units and **WHO ARE EMIGRANTS FROM OR NON-RESIDENTS OF THE COMMON MONETARY AREA**, unless they choose to retain their odd-lot holdings.
4. Additional forms of election and surrender may be obtained from the transfer secretaries at the applicable address set out below.
5. **ALL** odd-lot holders who complete this *blue* form of election and surrender must attach a certified copy of their identity document.
6. If an odd-lot holder chooses the cash consideration and wishes to have the money deposited directly in his/her bank account, a certified true copy of a recent bank statement must be attached to this *blue* form of election and surrender.
7. All forms of election and surrender must be lodged with the transfer secretaries at the address set out below, so as to be received by no later than 12:00 on the odd-lot offer record date. To be delivered at:

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

or posted at the risk of the odd-lot holder to:

Link Market Services South Africa Proprietary Limited
(PO Box 4844, Johannesburg, 2000)

8. Odd-lot holders who have dematerialised their linked units must advise their Central Securities Depository Participant ("CSDP") or broker as to the action they wish to take in terms of the agreement entered into between them and their CSDP. Such linked unitholders must **NOT** return this form of election and surrender to the transfer secretaries.

ALL CERTIFICATED ODD-LOT HOLDERS MUST COMPLETE THIS SIGNATURE AND CONTACT DETAILS SECTION

Name	
Surname	
Linked unit certificate number (certificated holders only)	
ID number/Company registration number	
Assisted by me (if applicable)	
(State full name and capacity)	
Date	
Telephone number (Home)	
Telephone number (Work)	
Cellular number	
Postal address	
Signature of linked unitholder	

PART 1 – To be completed by odd-lot who wish to sell their linked units to Vukile

Odd-lot holders who elect to sell their linked units should note that their linked units will be repurchased by Vukile without any further action on their part and without any further notice to them. However, until such odd-lot holders have put in a claim with the transfer secretaries and completed the forms and statements in this regard that are required, the money owing to them will be held on their behalf. No interest will be paid in this regard.

Indicate that you wish to sell all your linked units by means of an “X”.

OPTION A	<input type="checkbox"/>	I would like to sell all my linked units at the offer price
OPTION B	<input type="checkbox"/>	I would like to retain my linked units

If OPTION A is chosen:

Please complete Part 2. If you do not provide bank account details, payment will be made by cheque to you which will be sent to the postal address provided above and where no postal address is given or such address is incomplete, payment will be posted to your address contained in the linked unit register of Vukile on Friday, 24 May 2013. The posting of such cheque will be by ordinary post at your risk.

PART 2 – To be completed by odd-lot holders who WISH TO SELL THEIR ODD-LOT HOLDINGS

I have a bank account and would like to sell my linked units. Please pay the cash owing to me for purchasing my linked units into the following bank account:

Banking details	
Account holder	
Bank name	
Account number	
Bank branch	
Branch code	

NB: In order to comply with FICA requirements, the transfer secretaries will be unable to record any changes of address or payment mandates unless a certified true copy of the undermentioned documentation is received from the relevant linked unitholder: (i) a copy of an identification document (in respect of change of address and payment mandate); and (ii) a copy of a bank statement (in respect of bank mandate).

PART 3 – EMIGRANTS FROM OR NON-RESIDENTS OF THE COMMON MONETARY AREA who wish to sell their linked units, must complete this section

Name of authorised dealer	Stamp and address of agent lodging this form (if any)
Address	
Account number	

Notes

1. This form is to be used by odd-lot holders who have not dematerialised their linked units and who wish to sell their odd-lot holdings in terms of the odd-lot offer and who are registered as such at 12:00 on odd-lot offer record date.
2. Odd-lot holders who have not made an election or who have chosen **OPTION A** will have payments for the proceeds of the sale of their odd-lot holdings processed in the manner set out in paragraph 6.9.13 of the circular, on or about Monday, 27 May 2013 (if the odd-lot offer records date is Friday, 24 May 2013), or within 5 (five) business days after they have submitted their claim, whichever is the later.
3. If this form of election and surrender is signed under a power of attorney, then such power of attorney, or a notarially certified copy thereof, must be sent with this form of election and surrender for noting (unless it has already been noted by Vukile or the transfer secretaries).
4. Where the odd-lot holder is a company or a close corporation, unless it has already been registered with Vukile or the transfer secretaries, a certified copy of the directors' or members' resolution authorising the signing of this form of election and surrender must be submitted if so requested by Vukile.
5. Note 4 above does not apply in the event of this form of election and surrender bearing the stamp of a broking member of the JSE Limited.
6. Where there are joint holders of any linked units, only that holder whose name appears first in the register in respect of such linked units need sign this form of election or surrender.
7. No receipts will be issued for documents lodged, unless specifically requested. In compliance with the requirements of the JSE Limited, lodging agents are required to prepare special transaction receipts.
8. The directors of Vukile reserve the right to accept or reject any form of election and surrender where the odd-lot holder has not completed all the required information or has not delivered all the required documents to the transfer secretaries.

