



VUKILE PROPERTY FUND

AWAKEN THE POTENTIAL WITHIN

Vukile Property Fund Limited

(Incorporated in the Republic of South Africa)

(Registration number 2002/027194/06)

JSE share code: VKE NSX share code: VKN

ISIN: ZAE000056370

(Granted REIT status with the JSE)

("Vukile" or "the Company")

NOTICE OF SUBMISSION OF PROPOSED RESOLUTION TO THE SHAREHOLDERS OF VUKILE PROPERTY FUND LIMITED TO BE ADOPTED IN TERMS OF SECTION 60 OF THE COMPANIES ACT, 71 OF 2008 (THE "ACT")

Dear Linked Unitholder

- On 5 December 2013, Vukile concluded an agreement to acquire 52 300 000 Synergy B-linked units representing a 34% voting interest in Synergy Income Fund Ltd ("**Synergy**") from Liberty Group Ltd.
- Vukile may wish to acquire further Synergy linked units (whether comprising Synergy A-linked units and/or Synergy B-linked units (collectively "**Synergy linked units**")). The acquisition by Vukile of more than 1 496 705 Synergy linked units will result in Vukile being able to exercise at least 35% of the voting rights attaching to Synergy linked units. The acquisition by Vukile of Synergy linked units which results in Vukile being able to exercise at least 35% of all voting rights attaching to Synergy linked units will constitute an "*affected transaction*" in terms of the Act. This will trigger an obligation on Vukile to make a mandatory offer in terms of section 123 of the Act to acquire the Synergy linked units held by all remaining Synergy unitholders (the "**mandatory offer**"). If the transaction in terms of which Vukile acquires additional Synergy linked units and which triggers a "*mandatory offer*" is effected by Vukile utilising Vukile linked units (and not cash) as currency, the resultant mandatory offer will require Vukile to discharge the consideration payable to any Synergy unitholder which accepts the mandatory offer by way of the allotment and issue by Vukile of Vukile linked units.
- In terms of the Act, no person may enter into an affected transaction unless that person is ready, able and willing to implement any resultant mandatory offer. Accordingly, prior to Vukile acquiring additional Synergy linked units which may take Vukile's voting interest in Synergy to at least 35% of the voting rights exercisable in respect of Synergy linked units, Vukile requires sufficient of its authorised and unissued linked units to be placed under the control of the Vukile board in order to enable Vukile to meet its obligations in terms of the Act.
- Accordingly, Vukile requires its linked unitholders to place a maximum of 60 000 000 Vukile ordinary shares (linked to Vukile debentures as linked units) under the control of the Vukile's board of directors for the specific purpose of enabling Vukile to acquire Synergy linked units whether by way of a mandatory offer or otherwise.
- The board of directors of the Company has resolved to, and pursuant to this notice, is proposing that the shareholders of the Company consider the ordinary resolution as set out in **Annexure 1** (the "**ordinary resolution**") and approve same by written consent in terms of section 60 of the Act.
- The proposed ordinary resolution will only be adopted if it is supported by at least 50% of the voting rights exercisable by all of Vukile shareholders.
- Section 65(2) of the Act provides that the board of directors of the Company may propose any resolution to be considered by shareholders, and may determine whether that resolution will be considered at a meeting, or by vote or written consent in terms of section 60 of the Act. Section 14.4 of the Company's memorandum of incorporation provides that all shareholder meetings called for in terms of the Listings Requirements of the JSE Limited ("**JSE Listings Requirements**") must be held in person and may not be held by means of a written resolution as contemplated in section 60 of the Act. The board of directors of the Company has determined by resolution that the ordinary resolution, being a resolution required under the Act and not by the JSE Listings Requirements, be considered by the shareholders of the Company by written consent in terms of section 60 of the Act.
- In terms of section 60(1) of the Act, a resolution that could be voted on at a shareholders' meeting may instead be submitted for consideration to the shareholders entitled to exercise voting rights in relation to the resolution, and be voted on in writing by shareholders entitled to exercise voting rights in relation to the resolution, within 20 (twenty) business days after the resolution was submitted to them.
- Section 60(2) of the Act further provides that a resolution contemplated in section 60(1) of the Act will have been adopted if it is supported by persons entitled to exercise sufficient voting rights for it to have been adopted as an ordinary or a special resolution, as the case may be, at a properly constituted shareholders' meeting, and if adopted, such resolution will have the same effect as if it had been approved by voting at a shareholders' meeting.
- Linked unitholders who have dematerialised their linked units (other than own-name dematerialised linked unitholders) in terms of the Financial Markets Act, 19 of 2012, should advise their Central Securities Depository Participant ("**CSDP**") or broker as to what action they wish to take. This must be done in terms of the agreement entered into between them and their CSDP or broker. Linked unitholders who have dematerialised their linked units (other than own-name dematerialised linked unitholders) must not return the form of written consent set out in **Annexure 2** ("**written consent**") to the transfer secretaries. Their instructions must be sent to their CSDP or broker for action.
- Certificated linked unitholders and own-name dematerialised linked unitholders may indicate, by the insertion of the relevant number of votes exercisable by that linked unitholder (as a shareholder) in the appropriate box provided, on the written consent how they cast their votes in relation to the ordinary resolution. Please return a copy of the completed and signed written consent to Link Market Services South Africa Proprietary Limited (the transfer secretaries of the Company) within 20 (twenty) business days of the date of receipt hereof at any one of the following addresses:
 - physical address: 13th Floor Rennie House, 19 Ameshoff Street, Braamfontein, 2001;
 - postal address: PO Box 4844, Johannesburg, 2000;
 - fax: 086 674 2450; and/or
 - email: meetfax@linkmarketservices.co.za
- Where a linked unitholder (as a shareholder) has received the linked unitholder letter attaching the ordinary resolution by means of fax such linked unitholder (as a shareholder) is deemed to have received the documents on the date and at the time recorded by the fax receiver, unless there is conclusive evidence that it was delivered on a different date or at a different time.
- Where a linked unitholder (as a shareholder) has received the linked unitholder letter attaching the ordinary resolution by means of electronic mail such linked unitholder (as a shareholder) is deemed to have received the documents on the date and at the time recorded by the computer used by the sender, unless there is conclusive evidence that it was delivered on a different date or at a different time.
- Where a linked unitholder (as a shareholder) has received the linked unitholder letter attaching the ordinary resolution by means of registered post such linked unitholder (as a shareholder) is deemed to have received the documents on the 7th (seventh) day following the day on which the notice or document was posted as recorded by a post office, unless there is conclusive evidence that it was delivered on a different day.
- Where a linked unitholder (as a shareholder) has received the linked unitholder letter attaching the ordinary resolution by hand, in the case of a natural person or in the case of a company or body corporate, by hand to a responsible employee, at its registered office or its principal place of business within the Republic of South Africa, then such linked unitholder (as a shareholder) is deemed to have received the documents on the date and at the time recorded on the receipt for delivery, unless there is conclusive evidence that it was delivered on a different date or at a different time.
- The directors of the Company have resolved that the record date for determining which linked unitholders (as shareholders) are entitled to vote on the ordinary resolution in terms of the written consent shall be 26 September 2014.

Yours faithfully

For: Vukile Property Fund Limited

Johann Neethling
Company Secretary

26 September 2014



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RESOLUTION OF THE SHAREHOLDERS OF THE COMPANY ADOPTED IN TERMS OF SECTION 60(1) OF THE COMPANIES ACT, 71 OF 2008

ORDINARY RESOLUTION – UNISSUED VUKILE LINKED UNITS PLACED UNDER THE CONTROL OF THE DIRECTORS TO ENABLE VUKILE TO ACQUIRE SYNERGY LINKED UNITS

“Resolved that a maximum of 60 000 000 Vukile ordinary shares (linked to Vukile debentures as linked units) within the authorised and unissued ordinary share capital of the Company be and are hereby placed under the control of the directors of the Company which directors are, subject to the JSE Listings Requirements and the provisions of the Companies Act, 71 of 2008 (the “Act”), authorised to allot and issue such shares (linked to Vukile debentures as linked units) at such time or times, to the holders of A-linked units and/or B-linked units in Synergy Income Fund Ltd. (“Synergy”) for the specific purpose of enabling Vukile to acquire Synergy A-linked units and/or Synergy B-linked units (collectively “Synergy linked units”) and whether by way of a mandatory offer, as contemplated below, or otherwise.

It is recorded for the avoidance of any doubt that should there be a conflict between this authorisation placing the authorised and unissued ordinary share capital of the Company (including the Vukile debentures to the extent that same are indivisibly linked to Vukile ordinary shares upon their issue as a linked unit) under the directors’ control for the purpose of enabling Vukile to acquire Synergy linked units and any other authorisation placing the authorised and unissued ordinary share capital of the Company (including the Vukile debentures to the extent that same are indivisibly linked to Vukile ordinary shares upon their issue as a linked unit) under the directors’ control whether previously passed or to be passed at any time by the requisite majority of shareholders, this authorisation shall be in addition to any such other authorisation and shall prevail to the extent of any conflict between authorisations.”

Explanatory note to the Ordinary Resolution

On 5 December 2013, Vukile concluded an agreement to acquire 52 300 000 Synergy B-linked units representing a 34% voting interest in Synergy from Liberty Group Ltd.

Vukile may wish to acquire further Synergy linked units (whether comprising Synergy A-linked units and/or Synergy B-linked units). The acquisition by Vukile of more than 1 496 705 Synergy linked units will result in Vukile being able to exercise at least 35% of the voting rights attaching to Synergy linked units. The acquisition by Vukile of Synergy linked units which results in Vukile being able to exercise at least 35% of all voting rights attaching to Synergy linked units will constitute an “*affected transaction*” in terms of the Act. This will trigger an obligation on Vukile to make a mandatory offer in terms of section 123 of the Act to acquire the Synergy A-linked units and Synergy B-linked units held by all remaining Synergy unitholders (the “**mandatory offer**”). If a transaction in terms of which Vukile acquires additional Synergy linked units and which triggers a “*mandatory offer*” is effected by Vukile utilising Vukile linked units (and not cash) as currency, the resultant mandatory offer will require Vukile to discharge the consideration payable to any Synergy unitholder which accepts the mandatory offer by way of the allotment and issue by Vukile of Vukile linked units.

In terms of the Act, no person may enter into an affected transaction unless that person is ready, able and willing to implement any resultant mandatory offer. Accordingly, prior to Vukile acquiring additional Synergy units which may take Vukile’s voting interest in Synergy to at least 35% of the voting rights exercisable in respect of Synergy linked units, Vukile requires sufficient of its authorised and unissued linked units to be placed under the control of the Vukile board in order to enable Vukile to meet its obligations in terms of the Act.

Accordingly, Vukile requires its unitholders to place a maximum of 60 000 000 Vukile ordinary shares (linked to Vukile debentures as linked units) under the control of Vukile’s board of directors for the specific purpose of enabling Vukile to acquire Synergy linked units whether by way of a mandatory offer or otherwise.

In line with the market practice and subject to the securing of all requisite approvals of Vukile linked unitholders, the Company may, while the authorisations contemplated in the ordinary resolution remain operative, convert the Company’s linked unit capital structure (comprising ordinary shares linked to debentures) to an all share capital structure (the “**capital conversion**”). Should the capital conversion be implemented whilst the authorisation granted to the Company in terms of the ordinary resolution remains operative, the authorisation granted to the Company in terms of the ordinary resolution shall apply *mutatis mutandis* to the Company’s securities as constituted pursuant to the capital conversion.

Voting requirements:

In order for this ordinary resolution to be adopted, the support of more than 50% of the total votes exercisable by shareholders is required to pass this resolution.



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**FORM OF WRITTEN CONSENT IN TERMS OF SECTION 60 OF THE COMPANIES ACT,
71 OF 2008 ("ACT")**

FOR USE BY CERTIFICATED LINKED UNITHOLDERS AND OWN NAME DEMATERIALIZED LINKED UNITHOLDERS IN TERMS OF SECTION 60 OF THE ACT

Linked unitholders who have dematerialised their linked units, other than own-name dematerialised linked unitholders, should advise their CSDP or broker as to what action they wish to take. This must be done in terms of the agreement entered into between them and their CSDP or broker. Linked unitholders, other than own-name dematerialised linked unitholders who have dematerialised their linked units must not return this form of written consent to the transfer secretaries of the Company, Link Market Services South Africa Proprietary Limited. Their instructions must be sent to their CSDP or broker for action.

I/We (FULL NAME IN BLOCK LETTERS)

of (ADDRESS)

being the holder/s of linked units in the issued linked unit capital of the Company hereby vote as a shareholder as follows:

	For	Against	Abstain
Ordinary resolution – Unissued Vukile linked units placed under the control of the directors to enable Vukile to acquire Synergy linked units			

Signed this _____ day of _____ 2014

Signature of linked unitholder(s)

Assisted by me (where applicable)

Please indicate how you wish your votes to be cast in the appropriate box provided.

Notes:

- A person signing this written consent in a representative capacity must attach the documentary evidence establishing such authority to this form of written consent, unless previously recorded by the transfer secretaries of the Company.
- The completed and signed written consent and authority (if any) under which it is signed must be either delivered, posted, faxed, and/or emailed to Link Market Services South Africa Proprietary Limited (the transfer secretaries of the Company) within 20 (twenty) business days of the date of receipt hereof, at the following addresses:
 - physical address: 13th Floor Rennie House, 19 Ameshoff Street, Braamfontein, 2001;
 - postal address: PO Box 4844, Johannesburg, 2000;
 - fax: 086 674 2450; and/or
 - email: meetfax@linkmarketservices.co.za
- A certificated or own-name dematerialised linked unitholder's instructions on the form of written consent must be indicated by the insertion of the relevant number of votes exercisable by that linked unitholder (as a shareholder) in the appropriate box provided. A certificated or own-name dematerialised linked unitholder is not obliged to use all the votes exercisable by the linked unitholder (as a shareholder), but the total number of votes cast and in respect of which an abstention is recorded may not exceed the total number of votes exercisable by the certificated or own-name dematerialised linked unitholder (as a shareholder).