



equites
PROPERTY FUND

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Notice of annual general meeting 2020



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Notice of annual general meeting

Equites Property Fund Limited

1. Notice of Meeting

Notice is hereby given that the sixth annual general meeting ("AGM") of Equites will be held virtually and at our offices, 14th Floor Portside Tower, 4 Bree Street, Cape Town at 10:00 on Thursday, 23 July 2020 for the purposes of conducting the following business:

- considering and adopting the consolidated and separate annual financial statements of the group for the year ended 29 February 2020, together with the Director's Report, Audit Committee Report and Social, Ethics and Transformation Committee Report;
- transacting any other business as may be transacted at an AGM of shareholders of the company; and
- considering and, if deemed fit, adopting with or without modification, the shareholder special and ordinary resolutions set out below, in the manner required by the Companies Act, 71 of 2008, as amended ("the Companies Act"), and the JSE Limited ("JSE") Listings Requirements ("JSE Listings Requirements"), which AGM is to be participated in and voted at by shareholders registered in the company's securities register as shareholders as at the voting record date of Friday, 17 July 2020.

In light of the regulations, directives and/or preventative measures required to be adhered to relating to the COVID-19 pandemic as published or issued by the relevant South African authorities from time to time, and the guidance from the South African Government regarding the need for social distancing, as a result of the COVID-19 pandemic (the "COVID-19 Restrictions"), Equites shareholders are encouraged to make use of proxies for purposes of voting at the AGM.

Please note that if you are the owner of dematerialised shares held through a Central Securities Depository Participant ("CSDP") or broker (or their nominee) and are not registered as an "own name" dematerialised shareholder, then you are not a registered shareholder of the company. Accordingly, in these circumstances, subject to the mandate between yourself and your CSDP or broker, as the case may be:

- if you wish to attend the AGM, you must contact your CSDP or broker, as the case may be, and obtain the relevant letter of representation from it; alternatively
- if you are unable to attend the AGM, but wish to be represented at the meeting, you must contact your CSDP or broker, as the case may be, and furnish it with your voting instructions in respect of the AGM and/or request it to appoint a proxy. You must not complete the enclosed form of proxy. The instruction must be provided in accordance with the mandate between yourself and your CSDP or broker, as the case may be, within the time period required by your CSDP or broker, as the case may be. CSDPs, brokers or their nominees, as the case may be, recorded in the company's sub-register as holders of dematerialised shares held on behalf of an investor/beneficial owner should, when authorised in terms of their

mandate or instructed to do so by the person on behalf of whom they hold dematerialised shares, vote by either appointing a duly authorised representative to attend and vote at the AGM or by completing the attached form of proxy in accordance with the instruction thereon and returning it to the transfer secretaries, Computershare Investor Services Proprietary Limited or to the company, as set out below.

a. Salient dates and times

Please note the following important dates with regards to the AGM:

- Publication of Integrated Report: Friday, 29 May 2020
- Record date to receive this notice of AGM: Friday, 5 June 2020
- Distribution of notice of AGM: Friday, 19 June 2020
- Last day to trade in order to be eligible to participate in and vote at the AGM: Tuesday, 14 July 2020
- Record date to participate in and vote at the AGM ("voting record date"): Friday, 17 July 2020
- Recommended last day to lodge proxy forms for the AGM: Tuesday, 21 July 2020
- AGM to be held at: 10h00 on Thursday, 23 July 2020
- Results of the AGM published on SENS on or before: Friday, 24 July 2020

b. Section 63(1) of the Companies Act: Identification of Meeting Participants

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

c. Section 62(3)(e) of the Companies Act

In terms of section 62(3)(e) of the Companies Act a shareholder who is entitled to attend and vote at the AGM is entitled to appoint a proxy or two or more proxies to attend, participate in and vote at the meeting in the place of the shareholder. A proxy need not be a shareholder of the company.

A quorum for the purposes of considering the resolutions to be proposed at the AGM shall consist of 3 (three) shareholders of the company, personally present or represented by proxy, and entitled to vote at the meeting. In addition, the quorum shall comprise 25% of all voting rights entitled to be exercised by shareholders.

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d. Annual Financial Statements, Audit Committee Report, Social, Ethics and Transformation Committee Report, Remuneration Committee Report and Directors Report

A copy of the consolidated and separate annual financial statements of the group for the year ended 29 February 2020 (as approved by the board of directors of the company), incorporating the reports of the external auditors, the Directors' Report, the Audit Committee Report, the Social, Ethics and Transformation Committee Report and the Remuneration Committee Report are available on our website or upon request.

The following proposed resolutions for adoption will be considered by shareholders at the AGM, and if deemed fit, passed with or without modification.

2. Special resolutions

In order for the special resolutions to be adopted, the support of at least 75% of the total number of votes, which the shareholders present or represented by proxy at the AGM are entitled to cast, is required.

2.1 Special resolution number 1

Non-executive director remuneration Chairman of the board of directors

"Resolved that the company be and is authorised, in terms of section 66(8) of the Companies Act, to pay remuneration to its chairman of the board of directors for his service as chairman for a period of up to 24 months after the adoption of this special resolution number 1 or until its renewal, whichever is earliest and with effect from 1 August 2020 that the annual retainer and meeting fees payable to the chairman of the board of directors be and are fixed as follows:

Retainer: R584 325 per annum

Attendance fees at board and committee meetings: Rnil per meeting attended"

2.2 Special resolution number 2

Non-executive director remuneration (excluding the chairman of the board of directors)

"Resolved that the company be and is authorised, in terms of section 66(8) of the Companies Act, to pay remuneration to its non-executive directors for their services as directors for a period of up to 24 months after the adoption of this special resolution number 2 or until its renewal, whichever is earliest and with effect from 1 August 2020 that the annual retainer and meeting fees payable to the non-executive directors of the board be and are fixed as follows:

Retainer: R93 492 per annum

Attendance fees at board meetings: R23 373 per meeting attended"

2.3 Special resolution number 3

Audit Committee remuneration

"Resolved that, in addition to the remuneration proposed in terms of special resolution number 2, the company be and is authorised, in terms of section 66(8) of the Companies Act, to pay remuneration to its Audit Committee members for their services on the Audit Committee for a period of up to 24 months after the adoption of this special resolution number 3 or until its renewal, whichever is earliest and with effect from 1 August 2020 that the meeting fees payable to each of the members of the Audit Committee be and are fixed as follows:
Committee chair: R46 746 per meeting attended
Committee member: R29 216 per meeting attended"

2.4 Special resolution number 4

Other Sub-Committee remuneration

"Resolved that, in addition to the remuneration proposed in terms of special resolution number 2, the company be and is authorised, in terms of section 66(8) of the Companies Act, to pay remuneration to its Other Sub-Committee members for their services on these Other Sub-Committees for a period of up to 24 months after the adoption of this special resolution number 4 or until its renewal, whichever is earliest and with effect from 1 August 2020 that the meeting fees payable to each of the members of the Other Sub-Committees be and are fixed as follows:

Committee chair: R29 216 per meeting attended

Committee member: R17 530 per meeting attended"

Reason for and effect of special resolutions numbered 1 – 4

The reason for and effect of special resolutions numbered 1 to 4 is to authorise the payment of remuneration to the non-executive directors for their services in accordance with the Companies Act. In relation to special resolution number 4, "Other Sub-Committee" includes the Risk and Capital Committee, the Social, Ethics and Transformation Committee, the Remuneration Committee, the Nomination Committee, the Investment Committee, or any ad-hoc committees established by the board of directors as and when required.

2.5 Special resolution number 5

General approval to repurchase shares

"Resolved that the company and/or any subsidiary of the company be and is hereby authorised, by way of a general authority, to acquire ordinary shares in the capital of the company upon such terms and conditions and in such amounts as the directors may from time to time determine in terms of and subject to:

- 2.5.1 sections 4, 46 and 48 of the Companies Act; and
- 2.5.2 the JSE Listings Requirements, being, as at the date of this resolution, that:
 - 2.5.2.1 any acquisition of ordinary shares shall be purchased through the order book operated by the JSE trading system, and done without any prior understanding or arrangement between the company and/or the relevant subsidiary and the counterparty, provided that if the company purchases its own ordinary shares from any wholly owned subsidiary of the company for the purposes of cancelling such treasury shares pursuant to this general authority, the above provisions will not be applicable to such purchase transaction;
 - 2.5.2.2 the general repurchase by the company, and by its subsidiaries, of the company's ordinary shares is authorised by its Memorandum of Incorporation ("MOI");
 - 2.5.2.3 this general authority shall be valid until the company's next annual general meeting provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this special resolution;
 - 2.5.2.4 repurchases must not be made at a price greater than 10% (ten percent) above the weighted average of the market value of the ordinary shares for the 5 (five) business days immediately preceding the date on which the transaction is effected and the JSE should be consulted for a ruling if the company's securities have not traded in such 5 (five) business day period;
 - 2.5.2.5 repurchases of shares in aggregate may not exceed 10% (ten percent) in aggregate in any one financial year of the company's issued ordinary share capital;
 - 2.5.2.6 at any point in time the company may only appoint one agent to effect any repurchase on the company's behalf or on behalf of any subsidiary of the company;
 - 2.5.2.7 the passing of a resolution by the board of directors authorising the repurchase, that the company 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;
 - 2.5.2.8 subject to the exceptions contained in the JSE Listings Requirements, the company and its subsidiaries will not repurchase ordinary shares during a prohibited period (as defined in the JSE Listings Requirements) unless they have in place a repurchase programme where the dates and quantities of ordinary shares to be traded during the relevant period are fixed (not subject to any variation) and has been submitted to the JSE in writing prior to the commencement of the prohibited period;
 - 2.5.2.9 an announcement complying with paragraph 11.27 of the JSE Listings Requirements will be published by the company (i) when the company and/or its subsidiaries have cumulatively repurchased 3% (three percent) of the ordinary shares in issue as at the date that the general authority is granted by shareholders at the AGM ("the initial number") and (ii) for each 3% (three percent) in the aggregate of the initial number of the ordinary shares acquired thereafter by the company and/or its subsidiaries."

Reason for and the effect of special resolution number 5

The company's MOI contains a provision allowing the company or any subsidiary of the company to repurchase securities issued by the company subject to the approval of the shareholders in terms of the MOI, the requirements of the Companies Act and the JSE Listings Requirements. This special resolution will authorise the company and/or its subsidiaries by way of a general authority from shareholders to repurchase ordinary shares issued by the company.

The directors of the company have no specific intention to give effect to the resolution, but will continually review the company's position, having regard to prevailing circumstances and market conditions, in considering whether to repurchase its own shares.

Once adopted, this special resolution will permit the company or any of its subsidiaries to repurchase such ordinary shares in terms of the Companies Act, its MOI and the JSE Listings Requirements.

Disclosures in terms of paragraph 11.26 of the JSE Listings Requirements

The JSE Listings Requirements require the following disclosures in respect of special resolution number 5, some of which are disclosed in the Integrated Report distributed on 29 May 2020:

- major shareholders of the company – pages 134 to 135
- share capital of the company – page 114

Litigation statement

In terms of paragraph 11.26 of the JSE Listings Requirements, the directors, whose names appear in Appendix A are not aware of any legal or arbitration proceedings that are pending or threatened, that may have or have had in the recent past, being at least the previous 12 (twelve) months, a material effect on the company's or group's financial position.

Directors' responsibility statement

The directors, whose names appear in Appendix A, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution 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 special resolution contains all information required by the Companies Act and the JSE Listings Requirements.

Material changes

Other than the facts and developments reported on in the Integrated Report, there have been no material changes in the affairs or financial position of the company and its subsidiaries since the date of signature of the audit report and up to the date of this notice.

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Having considered the aggregate effect of the maximum repurchase of 10% (ten percent) of the company's issued share capital for a period of 12 (twelve) months after the date of the notice of AGM, the board of directors is of the opinion that:

- (i) the company and the group will be able to repay their debts in the ordinary course of business;
- (ii) the company's and the group's assets will be in excess of the liabilities of the company and the group; and
- (iii) the company's and the group's ordinary share capital, reserves and working capital will be adequate for ordinary business purposes.

2.6 Special resolution number 6

Financial assistance in terms of section 45 of the Companies Act to related and inter-related parties

"Resolved that to the extent required by the Companies Act, the board of directors of the company may, subject to compliance with the requirements of the company's MOI, the Companies Act and the JSE Listings Requirements, authorise the company to provide direct or indirect financial assistance, as contemplated in section 45 of the Companies Act by way of loans, guarantees, the provision of security or otherwise, to any of its present or future subsidiaries and/or any other company or corporation that is or becomes related or inter-related (as defined in the Companies Act) to the company for any purpose or in connection with any matter, with such authority to endure for a period of not more than 2 (two) years."

Reasons for and effect of special resolution number 6:

The company would like the ability to provide financial assistance, in appropriate circumstances and if the need arises, in accordance with section 45 of the Companies Act. In the circumstances and in order to, *inter alia*, ensure that the company's subsidiaries and other related and inter-related companies and corporations have access to financing and/or financial backing from the company (as opposed to banks), it is necessary to obtain the approval of shareholders, as set out in special resolution number 6. In terms of the Companies Act, the company will, however, only be able to exercise the authority granted by the special resolution provided that the board of directors of the company are satisfied that the terms under which the financial assistance is proposed to be given are fair and reasonable to the company and, immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test contemplated in the Companies Act.

Therefore, the reason for, and effect of, special resolution number 6 is to permit the company to provide direct or indirect financial assistance (within the meaning attributed to that term in section 45 of the Companies Act) to the entities referred to in special resolution number 6 above.

2.7 Special resolution number 7

Financial assistance in terms of section 44 of the Companies Act

"Resolved that, in terms of section 44 of the Companies Act, the shareholders of the company hereby grant authority to the company to provide at any time and from time to time during the 2 (two) years commencing on the date of passing of this special resolution, direct or indirect financial assistance by way of a loan, guarantee, the provision of security or otherwise, as contemplated in section 44 of the Companies Act to Equites Security SPV (RF) Proprietary Limited for the purpose of the issuance of secured or unsecured notes in terms of the Domestic Medium-Term Note ("DMTN") Programme.

The board of directors may not authorise the company to provide any financial assistance pursuant to this special resolution unless the board of directors 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."

Reasons for and effect of special resolution number 7:

The issue of the notes in terms of the DMTN Programme falls within the definition of securities under the Companies Act. Certain Equites properties will be mortgaged to provide security under the DMTN Programme. It is therefore necessary to obtain approval from shareholders to permit the provision of security, e.g. by way of mortgage bonds, for current and future DMTN note issuances.

The reason for and effect of special resolution number 7 is to permit the company to provide financial assistance to Equites Security SPV (RF) Proprietary Limited for the purpose of the issuance of secured or unsecured notes in terms of the DMTN Programme.

3 Ordinary resolutions

Unless otherwise stated, in order for the ordinary resolutions to be adopted, the support of more than 50% of the total number of votes, which the shareholders present or represented by proxy at the AGM are entitled to cast, is required.

3.1 Ordinary resolutions number 1

Adoption of annual financial statements

"Resolved that the annual financial statements of the company and the group for the year ended 29 February 2020, including the report of the directors, the report of the external auditor and the Audit Committee Report be and are hereby received and adopted."

Reason for and the effect of ordinary resolution number 1

The reason for and effect of ordinary resolution number 1 is to adopt the annual financial statements of the company and the group for the year ended 29 February 2020 in accordance with section 30(3) of the Companies Act.

3.2 Ordinary resolution number 2

Re-appointment of auditors

"Resolved to re-appoint PricewaterhouseCoopers Inc. (with the designated registered auditor being Anton Wentzel) as auditors of the company and its subsidiaries from the conclusion of this AGM."

Reason for and the effect of ordinary resolution number 2

The reason for and effect of ordinary resolution number 2 is to re-appoint PricewaterhouseCoopers Inc. as the independent registered auditors of the company and its subsidiaries. The Audit Committee have evaluated the suitability, performance and independence of PricewaterhouseCoopers Inc. and Anton Wentzel, as designated auditor, and recommend their re-appointment as auditors of the company and its subsidiaries under section 90 of the Companies Act and in accordance with paragraph 3.86 of the JSE Listings Requirements.

3.3 Ordinary resolution number 3

Re-election of Mr P. L. Campher

"Resolved that Mr Campher, a non-executive director, who is required to retire by rotation as a director of the company at this AGM and who is eligible and available for election, is hereby re-appointed with immediate effect."

A brief curriculum vitae of Mr Campher is set out in Appendix A.

The Nomination Committee has considered Mr Campher's past performance and contribution to the company and recommends that Mr Campher is re-elected as a director of the company.

Reason for and the effect of ordinary resolution number 3

The reason for and effect of this ordinary resolution number 3 is to re-elect Mr Campher as a director of the company, his retirement being in accordance with the requirements of the company's MOI.

3.4 Ordinary resolution number 4

Re-election of Mr N. Khan

"Resolved that Mr Khan, a non-executive director, who is required to retire by rotation as a director of the company at this AGM and who is eligible and available for election, is hereby re-appointed with immediate effect."

A brief curriculum vitae of Mr Khan is set out in Appendix A.

The Nomination Committee has considered Mr Khan's past performance and contribution to the company and recommends that Mr Khan is re-elected as a director of the company.

Reason for and the effect of ordinary resolution number 4

The reason for and effect of this ordinary resolution number 4 is to re-elect Mr Khan as a director of the company, his retirement being in accordance with the requirements of the company's MOI.

3.5 Ordinary resolution number 5

Re-election of Mr A.J. Gouws

"Resolved that Mr Gouws, a non-executive director, who is required to retire by rotation as a director of the company at this AGM and who is eligible and available for election, is hereby re-appointed with immediate effect."

A brief curriculum vitae of Mr Gouws is set out in Appendix A.

The Nomination Committee has considered Mr Gouws' past performance and contribution to the company and recommends that Mr Gouws is re-elected as a director of the company.

Reason for and the effect of ordinary resolution number 5

The reason for and effect of this ordinary resolution number 5 is to re-elect Mr Gouws as a director of the company, his retirement being in accordance with the requirements of the company's MOI.

3.6 Ordinary resolution number 6

Appointment of Ms E. Cross

"Resolved that the appointment of Ms Cross as an independent non-executive director of the company, effective 28 January 2020, is hereby confirmed."

A brief curriculum vitae of Ms Cross is set out in Appendix A.

The Nomination Committee has considered Ms Cross' relevant experience and recommends that Ms Cross' appointment as a director of the company be confirmed.

Reason for and the effect of ordinary resolution number 6

The reason for and effect of this ordinary resolution number 6 is to confirm the appointment of Ms Cross as a director of the company.

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3.7 Ordinary resolution number 7

Appointment of Ms K. Ntuli

"Resolved that the appointment of Ms Ntuli as an independent non-executive director of the company, effective 28 January 2020, is hereby confirmed."

A brief curriculum vitae of Ms Ntuli is set out in Appendix A.

The Nomination Committee has considered Ms Ntuli's relevant experience and recommends that Ms Ntuli's appointment as a director of the company be confirmed.

Reason for and the effect of ordinary resolution number 7

The reason for and effect of this ordinary resolution number 7 is to confirm the appointment of Ms Ntuli as a director of the company.

3.8 Ordinary resolution number 8

Appointment of Ms L. Razack

"Resolved that the appointment of Ms Razack as an executive financial director of the company, effective 26 May 2020, is hereby confirmed."

A brief curriculum vitae of Ms Razack is set out in Appendix A.

The Nomination Committee has considered Ms Razack's relevant experience and recommends that Ms Razack's appointment as a director of the company be confirmed.

Reason for and the effect of ordinary resolution number 8

The reason for and effect of this ordinary resolution number 8 is to confirm the appointment of Ms Razack as a director of the company.

3.9 Ordinary resolution number 9

Re-election of Ms R. Benjamin-Swales to the Audit Committee

"Resolved that Ms Benjamin-Swales, being an independent non-executive director of the company and who meets the requirements of section 94(4) of the Companies Act, be and is hereby re-elected as the chair and member of the Audit Committee in terms of section 94(2) of the Companies Act."

A brief curriculum vitae of Ms Benjamin-Swales is set out in Appendix A.

Reason for and the effect of ordinary resolution number 9

The reason for and effect of ordinary resolution number 9 is to re-elect Ms Benjamin-Swales as chair and member of the Audit Committee of the company.

3.10 Ordinary resolution number 10

Re-election of Mr P.L. Campher to the Audit Committee

"Resolved that Mr Campher, being an independent non-executive director of the company and who meets the requirements of section 94(4) of the Companies Act, be and is hereby re-elected as a member of the Audit Committee in terms of section 94(2) of the Companies Act."

A brief curriculum vitae of Mr Campher is set out in Appendix A.

Reason for and the effect of ordinary resolution number 10

The reason for and effect of ordinary resolution number 10 is to re-elect Mr Campher as a member of the Audit Committee of the company.

3.11 Ordinary resolution number 11

Re-election of Mr M. Brey to the Audit Committee

"Resolved that Mr Brey, being an independent non-executive director of the company and who meets the requirements of section 94(4) of the Companies Act, be and is hereby re-elected as a member of the Audit Committee in terms of section 94(2) of the Companies Act."

A brief curriculum vitae of Mr Brey is set out in Appendix A.

Reason for and the effect of ordinary resolution number 11

The reason for and effect of ordinary resolution number 11 is to re-elect Mr Brey as a member of the Audit Committee of the company.

3.12 Ordinary resolution number 12

Election of Ms K. Ntuli to the Audit Committee

"Resolved that Ms Ntuli, being an independent non-executive director of the company and who meets the requirements of section 94(4) of the Companies Act, be and is hereby elected as a member of the Audit Committee in terms of section 94(2) of the Companies Act."

A brief curriculum vitae of Ms Ntuli is set out in Appendix A.

Reason for and the effect of ordinary resolution number 12

The reason for and effect of ordinary resolution number 12 is to elect Ms Ntuli as a member of the Audit Committee of the company.

3.13 Ordinary resolution number 13

The report of the Social, Ethics and Transformation Committee

"Resolved that the report of the Social, Ethics and Transformation Committee, as set out on pages 67 to 69 of the Integrated Report of the company, in accordance with the Companies Regulations, 2011 is hereby published in terms of the Companies Act."

Reason for and the effect of ordinary resolution number 13

The reason for and effect of ordinary resolution number 13 is to approve the publication of the report of the Social, Ethics and Transformation Committee.

3.14 Ordinary resolution number 14

Unissued shares under control of directors

"Resolved that, subject to the provisions of the Companies Act, the Company's MOI and the JSE Listings Requirements, the authorised but unissued shares of the company be and are hereby placed under the control of the directors of the company, who may allot and/or issue such shares at their discretion, provided that any allotment and issuance that is not otherwise authorised, or offered *pro rata* to shareholders shall be on the following basis:

- the aggregate number of shares issued under this authority may not exceed 61 471 797 shares, which represents 10% (ten percent) of the issued share capital as at the date of this notice of annual general meeting;
- the maximum discount at which shares may be issued in terms of this authority is 5% (five percent) of the weighted average traded price of such shares measured over the 30 (thirty) business days prior to the date that the price is agreed between the company and the party subscribing for the shares, adjusted for any applicable dividend where the issuance in question will be implemented ex the dividend in question; and
- where the allotment or issue is undertaken in terms of a vendor consideration placement pursuant to the JSE Listings Requirements, the minimum placing price is subject to the pricing limitations set out in the JSE Listings Requirements."

Reason for and the effect of ordinary resolution number 14

The reason for and effect of ordinary resolution number 14 is to place the authorised but unissued shares of the company under the control of the directors of the company, subject to the specified provisions applicable to non-*pro rata* issuances that are acquisition issues or vendor consideration placements.

3.15 Ordinary resolution number 15

General authority to issue shares for cash

"Resolved that, in addition to the authority granted to the directors pursuant to ordinary resolution number 14, the directors of the company be and are hereby authorised, by way of a general authority, to allot and issue shares in the capital of the company for cash subject to the limitations as set out in the company's MOI, the Companies Act and the JSE Listings Requirements, from time to time on the following basis:

- the shares 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 that are convertible into a class of shares already in issue;
- there will be no restrictions in regard to the persons to whom the shares may be issued, provided that such shares are to be issued to public shareholders and not to related parties (as defined by the JSE Listings Requirements);
- the aggregate number of shares which may be issued for cash in terms of this authority may not exceed 61 471 797 shares, being 10% (ten percent) of the company's issued share capital as at the date of this notice of annual general meeting (excluding treasury shares), for which purpose a further 61 471 797 shares are hereby placed under the control of the directors of the company;
- any shares issued under this authority prior to this authority lapsing shall be deducted from the number of shares that the company is authorised to issue in terms of this authority, being 61 471 797 shares, for the purpose of determining the remaining number of shares that may be issued in terms of this authority;
- in the event of a sub-division or consolidation of shares prior to this authority lapsing, the existing authority shall be adjusted accordingly to represent the same allocation ratio;
- the maximum discount at which the shares may be issued is 5% (five percent) of the weighted average traded price of those shares over the 30 (thirty) business days prior to the date that the price of the issue is determined or agreed by the company and the party/ies subscribing for the shares, adjusted for any applicable dividend, where the issuance in question will be implemented ex the dividend in question. The JSE should be consulted for a ruling if the company's securities have not traded in such 30 (thirty) business day period;
- this authority shall not endure beyond the earlier of the next annual general meeting of the company or beyond 15 (fifteen) months from the date of this resolution, whichever is shorter or until amended or revoked by the company's shareholders; and

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- upon any issue of ordinary shares which, together with prior issues of ordinary shares within the period that this authority is valid, constitute 5% (five percent) or more of the total number of ordinary shares in issue prior to that issue, the company shall publish an announcement in terms of paragraph 11.22 of the JSE Listings Requirements, giving full details of the issue, including (i) the number of ordinary shares issued, (ii) the average discount to the weighted average traded price of the ordinary shares 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 shares; and (iii) a written explanation, including supporting information (if any) of the intended use of the funds.”

Reason for and the effect of ordinary resolution number 15

The reason for and effect of ordinary resolution number 15 is to provide a general authority to the company to issue 61 471 797 shares for cash.

In terms of the JSE 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 resolution in order to give effect thereto.

3.16 Ordinary resolution number 16

Specific authority to issue shares pursuant to a reinvestment option

“Resolved that, in addition to the authorities proposed in ordinary resolution 14 and 15 and subject to the provisions of the Companies Act, the company’s MOI and the JSE Listings Requirements, the directors be and hereby are authorised, by way of a specific standing authority, to issue shares, as and when they deem appropriate, for the exclusive purposes of affording shareholders opportunities from time to time to reinvest their dividends in new shares of the company pursuant to a reinvestment option for which purpose such shares are hereby placed under the control of the directors of the company.”

Reason for and the effect of ordinary resolution number 16

The reason for and effect of ordinary resolution number 16 is to allow the company to offer shareholders the opportunity to reinvest their dividends.

3.17 Ordinary resolution number 17

Implementation of resolutions

“Resolved that any directors or secretary of the company or any other person to whom a director has delegated his/her authority to do so, be and is hereby authorised to sign all documents and any amendments thereto, take all such steps and do all such other things as may be necessary in order to give effect to and/or implement the resolutions contained herein.”

Reason for and the effect of ordinary resolution number 17

The reason for and effect of ordinary resolution number 17 is to authorise any director or secretary of the company to implement and give effect to all resolutions contained in this notice.

4.1 Non-binding resolution 1

Endorsement of Remuneration Policy

“Resolved that, in accordance with the JSE Listings Requirements and the King IV Report on Corporate Governance (“King IV”), and through a non-binding advisory vote, the Remuneration Policy be and is hereby approved.”

The Remuneration Policy is disclosed in detail in the Remuneration Report on pages 56 to 60 of the Integrated Report.

4.2 Non-binding resolution 2

Endorsement of Remuneration Implementation Report

“Resolved that, in accordance with the JSE Listings Requirements and King IV, and through a non-binding advisory vote, the Remuneration Implementation Report be and is hereby approved.”

The Remuneration Implementation Report is disclosed in detail in the Remuneration Report on pages 60 to 64 of the Integrated Report.”

Reason for and the effect of non-binding resolutions numbered 1 – 2

In terms of King IV, an advisory vote should be obtained from shareholders on the company’s Remuneration Policy and Remuneration Implementation Report, contained in the Integrated Report for the year ended 29 February 2020. The vote allows shareholders to express their view on the Remuneration Policy and Remuneration Implementation Report.

In the event of 25% or more of shareholders voting against non-binding resolutions number 1 and/or 2, the board of directors is committed to engaging actively with dissenting shareholders in this regard, in order to ascertain the reasons therefor and to address all legitimate and reasonable objections and concerns.

General instructions for shareholders

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

In light of the COVID-19 Restrictions, Equites shareholders are encouraged to make use of the video conferencing facilities and submit forms of proxy for purposes of voting at the AGM.

Electronic participation

The company has made provision for Equites shareholders or their proxies to participate electronically in the AGM by way of video conferencing. Should you wish to electronically participate in the AGM by video conference as aforesaid, you, or your proxy, will be required to advise the company thereof by no later than 10:00 on Tuesday, 21 July 2020 by submitting the electronic participation form included in Appendix C by email to the company secretary at investors@equites.co.za, or by fax to +27(0) 21 418 1754 for the attention of Riaan Gous. Upon receipt of the required information, the Equites shareholder concerned will be provided with a secure link and instructions to access the AGM electronically.

Equites shareholders must note that access to the electronic communication will be at the expense of the Equites shareholders who wish to utilise the facility. Equites shareholders and their appointed proxies attending by electronic participation will not be able to cast their votes at the AGM through this medium. Such shareholders should they wish to have their vote counted at the AGM, must, to the extent applicable, (i) complete the form of proxy; or (ii) contact their CSDP or broker.

Proxies and authority for representatives to act

A form of proxy is attached as Appendix D for the convenience of any Equites shareholder holding certificated shares, who cannot attend the AGM 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 CSDP or broker and wish to attend the AGM, 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. For administrative purposes, forms of proxy should be deposited at the Transfer Secretaries, Computershare Investor Services Proprietary Limited at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (Private Bag X9000, Saxonwold, 2132) or emailed to proxy@computershare.co.za, by 10:00 on Tuesday, 21 July 2020. Alternatively, the form of proxy may be handed to the transfer secretaries or to the chairman of the board of directors at the AGM prior to the commencement of voting on any resolution at the AGM.

Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend and vote in person at the AGM should the member subsequently decide to do so.

A company that is a shareholder, wishing to attend and participate at the AGM should ensure that a resolution authorising a representative to so attend and participate at the AGM 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 AGM.

By order of the board

Equites Property Fund Limited



Riaan Gous

Company secretary

Registered office

14th Floor Portside Tower
4 Bree Street
Cape Town
8001

Transfer secretaries

Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue Rosebank
2196
proxy@computershare.co.za
fax: +27 11 688 5238

19 June 2020

Appendix A: Board of directors

Curriculum vitae



Back row: Nazeem Khan, Mustaq Brey, Giancarlo Lanfranchi, Andrea Taverna-Turisan, Riaan Gous, Kevin Dreyer, André Gouws

Front row: Laila Razack, Keabetswe Ntuli, Leon Campher, Eunice Cross, Ruth Benjamin-Swales

Independent non-executive directors

Philip Leon Campher

Chairman
Qualification: BEcon

Leon is the CEO of ASISA. He also serves on the boards of Sun International Limited and Brimstone Investment Corporation Limited. He is also Chair of the board of the International Investment Funds Association (IIFA). A global body representing 60 countries with Assets under Management of US\$57 trillion. With his vast experience in business and investment management, he is able to direct the board effectively and provide sound guidance to the executive team.

Eunice Cross

Qualification: MLAW (LLB)

Eunice is a founding member and consultant at EC Advisory legal consultancy. She is completing a Doctor of Philosophy at Wits Business School. Her areas of expertise include corporate law, commercial law, banking & finance law, international law and general contract law. She takes extensive interest in gender relations and equality issues which informs her academic studies.

Ruth Benjamin-Swales

Qualification: CA(SA)

Ruth is a senior policy advisor at ASISA, CEO of the ASISA Foundation and trustee of the ASISA Enterprise and Supplier Development entities. She has served on numerous councils and boards including SAICA and IRBA. With her financial and compliance background, she sets the ethical tone for the group and spearheads the functions of the audit committee.

Mustaq Brey

Qualification: BCompt (Hons), CA(SA)

Mustaq is the CEO of Brimstone Investment Corporation Limited. He also serves as the chairperson of Oceana Group Limited, Life Healthcare Limited and International Frontier Technologies SOC Limited. He is a director of AON Re SA Proprietary Limited and Lion of Africa Insurance Company Ltd. He serves on the boards and committees of various non-profit organisations. With his vast business experience, he brings unique insights and provides sound guidance to the board.

Nazeem Khan

Qualification: BSc (QS), MAQS, PrQS, A.AArb

Nazeem is a director of the national firm Bham Tayob Khan Matunda (BTKM) quantity surveyors. He also serves on the board of Brimstone Investment Corporation Limited and is the chairman of the Brimstone audit committee. His experience provides valuable insights into the group's operations, particularly with respect to property acquisitions and developments.

Keabetswe Ntuli

Qualification: BAcc(Hons), CA(SA)

Keabetswe is the founding CEO of Africa Collective Investments (RF) Proprietary Limited. She serves as an independent non-executive director and chairperson of the audit committee for Cloud Atlas Investing (RF) Proprietary Limited.

Non-executive directors

Kevin Dreyer

Kevin runs the development arm of the Cape Town International Airport based consortium and has substantial experience in the Western Cape industrial property sector. He also owns Automation Airport Parking Proprietary Limited. His experience in this sector provides valuable insights into the group's operations, particularly with respect to property acquisitions and disposals.

André Jacques Gouws

Qualification: B.Com, B.Compt (Hons), CA(SA)

André is the managing director of Intaprop Investments (Pty) Ltd, a property development company. With his financial background and insights into the property sector, he provides valuable insights to the board.

Giancarlo Lanfranchi

Qualification: DipArch

Giancarlo is CEO and Founder of Swish Property Group with 30 years of construction and property development experience. He also holds directorships in Swish Property Income Fund and Mulilo Renewable Energy. His experience provides valuable insights into the group's operations, particularly with respect to property acquisitions and developments.

Executive directors

Andrea Taverna-Turisan

Chief Executive Officer
Qualification: BSc (Honours)
(Mathematics and Management)

Andrea established his own property development company in 2006 and built up a substantial portfolio of modern logistics assets for his own account over the following 8 years. This became an important component of the Equites portfolio on listing. This development expertise and his previous experience in the UK, are key success factors for Equites.

Riaan Gous

Chief Operating Officer
Qualification: BA (Law) LLB

Riaan was previously a director with one of the predecessor firms of Cliffe Dekker Hofmeyr Inc. where he gained extensive exposure to real estate transactions. He then spent some 10 years as an executive director of the Arabella Group and was actively involved in the development of their property portfolio. His legal knowledge in the property sector has proven invaluable to Equites and the many significant transactions Equites has concluded to date.

Laila Razack

Chief Financial Officer*
Qualification: BBSc (Finance & Accounting),
PGDA, CA(SA)

Laila joined Equites in 2015 and has played an integral role in improving internal processes within the group as well as growing the scale and sophistication of the overall finance function. Prior to joining Equites, she worked in PricewaterhouseCoopers Inc.'s Advisory division with a focus on mergers & acquisitions. She has a keen interest for environmental, social and sustainable initiatives and serves as a director of The Michel Lanfranchi Foundation (NPC).

* Appointed, effective 26 May 2020

Appendix B: Audited summary consolidated financial statements

Consolidated statement of financial position

Equites Property Fund Limited and its subsidiaries at 29 February 2020

	Notes	29 February 2020 R'000	28 February 2019 R'000
Assets			
Non-current assets			
Fair value of investment property (excluding straight-lining)	2	14 517 138	11 721 087
Straight-lining lease income accrual	2	317 030	236 510
Deferred tax asset		159 870	68 930
Non-current financial assets		6 226	38 692
Property, plant and equipment		15 399	10 366
		15 015 663	12 075 585
Current assets			
Trade and other receivables		76 191	110 640
Other current financial assets		16 791	16 263
Cash and cash equivalents		53 724	36 279
		146 706	163 182
Investment property held-for-sale	2	40 455	—
Total assets		15 202 824	12 238 767
Equity and liabilities			
Equity and reserves			
Stated capital		8 046 457	7 026 680
Accumulated profit		1 370 734	1 442 632
Foreign currency translation reserve		242 903	(19 361)
Share-based payment reserve		69 496	69 842
Total attributable to owners		9 729 590	8 519 793
Non-controlling interest		40 434	149 919
Total equity and reserves		9 770 024	8 669 712
Liabilities			
Non-current liabilities			
Loans and borrowings	3	4 686 043	3 232 837
Other non-current financial liabilities		173 957	22 355
Other liabilities		4 462	2 240
		4 864 462	3 257 432
Current liabilities			
Trade and other payables		389 496	200 108
Loans and borrowings	3	110 000	77 687
Other current financial liabilities		67 514	33 099
Current tax liability		1 328	729
		568 338	311 623
Total liabilities		5 432 800	3 569 055
Total equity and liabilities		15 202 824	12 238 767

Consolidated statement of comprehensive income

Equites Property Fund Limited and its subsidiaries for the year ended 29 February 2020

	Notes	29 February 2020 R'000	28 February 2019 R'000
Property revenue and tenant recoveries		913 279	701 000
Straight-lining of leases adjustment		80 420	65 158
Gross property revenue		993 699	766 158
Property operating and management expenses		(115 893)	(107 384)
Other net gains or losses		(20 162)	(81 959)
Administrative expenses		(53 117)	(42 413)
Fair value adjustments – investment property		21 764	220 212
Operating profit before financing activities		826 291	754 614
Finance costs	4	(218 529)	(70 731)
Finance income		6 494	3 223
Net profit before tax		614 256	687 106
Tax expense		76 996	28 854
Profit for the period		691 252	715 960
Other comprehensive income			
Items that may subsequently be reclassified to profit or loss:			
Translation of foreign operations		262 239	293 062
Total comprehensive income for the period		953 491	1 009 022
Profit attributable to:			
Owners of the parent		682 167	669 856
Non-controlling interest		9 085	46 104
		691 252	715 960
Total comprehensive income attributable to:			
Owners of the parent		944 431	962 918
Non-controlling interest		9 060	46 104
		953 491	1 009 022
Basic earnings per share (cents)	1	128.8	149.6
Diluted earnings per share (cents)	1	128.3	148.8

Appendix B: Audited summary consolidated financial statements

Consolidated statement of cash flows

Equites Property Fund Limited

	28 February 2020 R'000	28 February 2019 R'000
Cash flows from operating activities		
Cash generated from operations	879 623	677 214
Finance costs paid	(98 434)	(51 243)
Finance income received	6 494	1 846
Tax paid	(1 969)	(734)
Dividends paid	(760 236)	(572 665)
Net cash flows generated from operating activities	25 478	54 418
Cash flows from investing activities		
Acquisition of investment properties	(1 409 323)	(1 589 514)
Development of investment properties	(806 109)	(1 447 590)
Proceeds from disposal of investment properties	–	91 771
Purchases of current financial assets ^a	(928 000)	(210 000)
Proceeds on divestment of current financial assets ^a	929 629	210 000
Purchase and development of property, plant and equipment	(338)	(5 482)
Net cash flows utilised by investing activities	(2 214 141)	(2 950 815)
Cash flows from financing activities		
Proceeds from share issue (net of costs)	742 442	1 497 705
Proceeds from share issue relating to dividend reinvestment programme	270 633	125 145
Repurchase of share capital	–	(114)
Acquisition of non-controlling interest	(101 351)	–
Settlement of share-based payment transaction	(15 818)	–
Repayment of lease liability	(3 570)	–
Proceeds from borrowings	4 575 403	3 732 162
Repayment of borrowings	(3 263 278)	(2 442 146)
Net cash flows raised from financing activities	2 204 461	2 912 752
Net increase in cash and cash equivalents	15 798	16 355
Effect of exchange rate movements on cash and cash equivalents	1 647	2 111
Cash and cash equivalents at the beginning of the year	36 279	17 813
Cash and cash equivalents at the end of the year	53 724	36 279

^a This primarily consists of investments in and divestments of surplus cash held in money market funds.

Consolidated statement of changes in equity

Equites Property Fund Limited and its subsidiaries for the year ended 29 February 2020

	Stated capital R'000	Accumulated profit R'000	Foreign currency translation reserve R'000	Share- based payment reserve R'000	Total attributable to parent R'000	Non- controlling interest R'000	Total R'000
Balance at 1 March 2018	5 203 773	1 339 846	(312 423)	67 578	6 298 774	109 410	6 408 184
Profit for the year	—	669 856	—	—	669 856	46 104	715 960
Other comprehensive income	—	—	293 062	—	293 062	—	293 062
Shares issued for cash	1 511 441	—	—	—	1 511 441	—	1 511 441
Shares issued in terms of conditional share plan	5 518	—	—	(5 518)	—	—	—
Equity-settled share based payment for the acquisition of land	194 653	—	—	—	194 653	—	194 653
Equity-settled share-based payment charge	—	—	—	7 782	7 782	—	7 782
Dividends distributed to shareholders	—	(567 070)	—	—	(567 070)	(5 595)	(572 665)
Share issue in terms of dividend reinvestment programme	125 145	—	—	—	125 145	—	125 145
Treasury shares acquired	(114)	—	—	—	(114)	—	(114)
Share issue costs	(13 736)	—	—	—	(13 736)	—	(13 736)
Balance at 28 February 2019	7 026 680	1 442 632	(19 361)	69 842	8 519 793	149 919	8 669 712
Balance at 1 March 2019	7 026 680	1 442 632	(19 361)	69 842	8 519 793	149 919	8 669 712
Profit for the year	—	682 167	—	—	682 167	9 085	691 252
Other comprehensive income	—	—	262 264	—	262 264	(25)	262 239
Acquisition of subsidiary with non-controlling interests	—	—	—	—	—	1	1
Transaction with non-controlling interests	—	17 195	—	—	17 195	(118 546)	(101 351)
Shares issued for cash	750 000	—	—	—	750 000	—	750 000
Share issue in terms of dividend reinvestment programme	270 633	—	—	—	270 633	—	270 633
Shares issued in terms of conditional share plan	6 702	—	—	(6 702)	—	—	—
Settlement of share-based payment transaction	—	(11 024)	—	(4 794)	(15 818)	—	(15 818)
Equity-settled share-based payment charge	—	—	—	11 150	11 150	—	11 150
Dividends distributed to shareholders	—	(760 236)	—	—	(760 236)	—	(760 236)
Share issue costs	(7 558)	—	—	—	(7 558)	—	(7 558)
Balance at 29 February 2020	8 046 457	1 370 734	242 903	69 496	9 729 590	40 434	9 770 024

Appendix B: Audited summary consolidated financial statements

Consolidated operating segment information

Equites Property Fund Limited and its subsidiaries for the year ended 29 February 2020

	29 February 2020 R'000	28 February 2019 R'000
Revenue		
SA industrial	658 296	532 142
UK industrial	232 925	153 232
Other	22 057	15 626
	913 279	701 000
Operating profit before financing activities		
SA industrial	581 406	559 042
UK industrial	240 320	189 099
Other	4 565	6 473
	826 291	754 614
Total assets		
SA industrial	8 611 914	8 075 299
UK industrial	6 399 580	3 987 185
Other	191 330	176 283
	15 202 824	12 238 767
Total liabilities		
SA industrial	3 048 765	2 262 521
UK industrial	2 374 916	1 260 549
Other	9 119	45 985
	5 432 801	3 569 055

Selected explanatory notes to the results

Equites Property Fund Limited and its subsidiaries for the year ended 29 February 2020

1 Earnings per share

This note provides the obligatory information in terms of IAS 33 *Earnings per share and SAICA Circular 1/2019* for the group and should be read in conjunction with Appendix 1, where earnings are reconciled to distributable earnings. Distributable earnings determine the dividend declared to shareholders, which is a meaningful metric for a shareholder in a REIT.

1.1 Basic earnings per share

	2020 Number of shares	2019 Number of shares
Shares in issue		
Number of shares in issue at end of year	554 441 246	503 416 786
Weighted average number of shares in issue	529 724 495	447 727 114
Add: weighted potential dilutive impact of conditional shares	2 050 970	2 305 592
Diluted weighted average number of shares in issues	531 775 465	450 032 706
Basic earnings per share	cents	cents
Basic earnings per share	128.8	149.6
Diluted earnings per share	128.3	148.8

1.2 Headline earnings per share

	R'000	R'000
Reconciliation between basic earnings and headline earnings:		
Earnings (profit attributable to owners of the parent)	682 167	669 856
<i>Adjusted for:</i>		
Fair value adjustments to investment properties	(21 764)	(220 212)
Less: Fair value adjustment to investment properties (NCI)	6 664	33 825
Profit or loss on sale of non-current assets	—	6 157
Headline earnings	667 067	489 626
Headline earnings per share:	cents	cents
Headline earnings per share	125.9	109.4
Diluted headline earnings per share	125.4	108.8
	29 February 2020 R'000	28 February 2019 R'000

2 Investment property

Investment property (excluding straight-lining) (note 2.1)	12 250 065	10 028 625
Investment property under development (note 2.1)	578 526	738 300
Freehold land available for development (note 2.1)	1 667 045	954 162
Right of use asset (note 2.1)	21 502	—
Investment property held for sale (note 2.2)	40 455	—
Straight-lining lease income accrual (note 2.3)	317 030	236 510
	14 874 623	11 957 597

Appendix B: Audited summary consolidated financial statements

Notes continued

Equites Property Fund Limited

2 Investment property continued
2.1 Reconciliation of investment property

R'000	South Africa							United Kingdom			Total
	Logistics	Industrial	Commercial	Properties under development	Zoned industrial land [#]	Strategic land holdings [#]	Right-of-use asset	Logistics	Properties under development	Strategic land holdings [#]	
Balance as at 28 February 2018	4 439 187	251 266	117 019	233 500	260 957	256 640	–	2 040 515	300 613	–	7 899 697
Acquisitions	1 112 388	–	112 000	–	347 653	120 000	–	–	–	92 126	1 784 167
Improvements and extensions	29 194	5 780	520	–	–	–	–	2 130	–	–	37 624
Construction and development costs	1 154	–	–	295 675	64 813	28 239	–	–	1 077 275	–	1 467 156
Transfers*	411 787	–	–	(206 571)	(111 321)	(93 895)	–	1 165 464	(1 073 338)	(92 126)	–
Letting commission capitalised	3 449	–	–	–	–	–	–	2 516	1 656	–	7 621
Letting commission amortised	(238)	–	–	–	–	–	–	–	–	–	(238)
Fair value adjustment	109 988	3 739	751	(811)	26 024	55 052	–	(3 001)	28 470	–	220 212
Disposals	–	–	(68 717)	–	–	–	–	–	–	–	(68 717)
Foreign exchange movements	–	–	–	–	–	–	–	291 734	81 831	–	373 565
Balance as at 28 February 2019	6 106 909	260 785	161 573	321 793	588 126	366 036	–	3 499 358	416 507	–	11 721 087
Change in accounting policy	–	–	–	–	–	–	23 624	–	–	–	23 624
Balance as at 1 March 2019	6 106 909	260 785	161 573	321 793	588 126	366 036	23 624	3 499 358	416 507	–	11 744 711
Acquisitions	–	–	–	–	80 600	–	–	797 468	86 264	479 183	1 443 515
Improvements and extensions	49 904	5	23	–	–	–	–	6 355	–	–	56 287
Construction and development costs	–	–	–	248 914	97 460	18 650	–	–	424 613	63 858	853 495
Transfers*	(35 140)	203 251	(40 455)	(105 188)	126 321	(189 244)	–	828 692	(832 674)	3 982	(40 455)
Letting commission capitalised	3 298	–	–	6 775	–	–	–	3 305	–	–	13 378
Letting commission amortised	(661)	–	–	–	–	–	–	(700)	–	–	(1 361)
Lease incentives capitalised	1 650	–	–	–	–	–	–	–	–	–	1 650
Lease incentives amortised	(103)	–	–	–	–	–	–	–	–	–	(103)
Remeasurements	–	–	–	–	–	–	451	–	–	–	451
Fair value adjustment	2 581	2 214	(9 952)	11 446	(5 590)	(4 490)	(2 573)	28 127	–	–	21 764
Foreign exchange movements	–	–	–	–	–	–	–	381 579	76	42 152	423 807
Balance as at 29 February 2020	6 128 438	466 255	111 189	483 740	886 917	190 952	21 502	5 544 184	94 786	589 175	14 517 138

* Transfers relates to the following:

- Land which has been zoned and service and available for a development to commence;
- Land where a development has commenced;
- Investment properties under development which have been completed;
- Properties that are being refurbished; and
- Properties that have been recognised as held for sale.

[#] Land immediately available for development are land parcels that have the necessary zoning rights and have been prepared for developments. Land for future developments relate to land parcels which are in the process of obtaining the necessary zoning rights to be available for development.

	29 February 2020 R'000	28 February 2019 R'000
2.2 Investment property held for sale		
Opening balance	–	28 000
Transferred from investment property	40 455	–
Disposed during the year	–	(28 000)
Fair value of investment properties held for sale	40 455	–
2.3 Straight-lining lease income accrual		
Contractual lease receivables are as follows:		
Within one year	606 624	544 073
Within two years	639 677	566 887
Within three years	607 113	552 106
Within four years	491 477	489 236
Within five years	424 598	392 375
Beyond five years	1 473 462	1 219 514
	4 251 401	3 764 191
Less: lease revenue on straight-line basis	(3 934 371)	(3 527 681)
Straight-lining lease income accrual	317 030	236 510
3 Loans and borrowings		
Opening balance	3 310 524	1 942 669
Non-current borrowings	3 232 837	1 887 730
Current borrowings	77 687	54 939
Proceeds from borrowings	4 575 403	3 732 162
Repayment of borrowings	(3 263 278)	(2 442 146)
Interest amortisation	6 368	638
Interest accrual	–	12 304
Interest accrual reclassified to other payables	–	(18 089)
Foreign exchange on borrowings	167 026	82 985
Closing balance	4 796 043	3 310 524
Non-current borrowings	4 686 043	3 232 837
Current borrowings	110 000	77 687
4 Finance costs		
Interest expense on borrowings	250 695	165 443
Interest on lease liabilities	2 443	–
Finance costs relating to interest rate derivatives	9 890	6 611
Fair value movement on interest rate derivatives	105 234	15 077
Interest on utility accounts and other	107	129
Borrowing costs capitalised to investment property ^a	(149 840)	(116 529)
	218 529	70 731
5 Capital commitments		
Authorised and contracted for construction of new logistics properties	1 901 346	378 640
Authorised but not contracted	46 509	313 662
	1 947 855	692 302
6 Related parties		
Related party relationships exist between the company, its subsidiaries, directors, and key management of the group.		
In the ordinary course of business, the group entered into the following other transactions with related parties:		
Dividend paid to related party shareholders	137 570	138 216
Fees paid to Automotion (Pty) Ltd (in which Kevin Dreyer is a director)	299	525
	32	29
	137 901	138 770

^a The capitalisation rate applied during the year was 8.7% (2019: 9.0%) in relation to general borrowings and 2.9% (2019: 3.0%) in relation to specific borrowings.

Appendix B: Audited summary consolidated financial statements

Annexure 1

Equites Property Fund Limited and its subsidiaries for the year ended 29 February 2020

Distributable earnings

	29 February 2020 R'000	28 February 2019 R'000
Profit or loss for the period (attributable to owners of the parent)	682 167	669 856
<i>Adjusted for:</i>		
Fair value adjustments to investment properties	(21 764)	(220 212)
Less: Fair value adjustment to investment properties (NCI)*	6 664	33 825
Profit or loss on sale of non-current assets	–	6 157
Headline earnings	667 067	489 626
<i>Adjusted for:</i>		
Straight-lining of leases adjustment	(80 420)	(65 158)
Less: Straight-lining of leases adjustment (NCI)*	3 809	7 616
Fair value adjustments to derivative financial assets and liabilities	279 316	214 479
Less: Fair value adjustments to derivative financial assets and liabilities (NCI)*	–	520
Equity-settled share-based payment reserve	11 150	7 782
Capital items non-distributable	2 017	(5 351)
Less: Capital items non-distributable (NCI)*	–	–
Deferred taxation	(79 471)	(30 186)
Antecedent dividend*	35 899	77 575
Distributable earnings	839 367	696 903

* Non-controlling interest

* **Antecedent dividend**

In the determination of distributable earnings, an adjustment is made where equity capital is raised during the financial year to avoid diluting the returns of existing shareholders prior to the share issue. During the reporting period, the group issued the majority of the shares pursuant to the accelerated bookbuild on 5 August 2019 and the two dividend reinvestment programmes in June and October 2019, which gave rise to the antecedent earnings included above.

	29 February 2020	28 February 2019
	Number of shares	Number of shares
The following inputs impacted the antecedent adjustment		
Opening balance – shares in issue	503 416 786	409 973 331
Increase in shares in issue as a result of accelerated bookbuild	37 091 989	76 950 771
Dividend reinvestment programme	13 391 072	6 256 682
Shares issued in terms of conditional share plan	541 399	786 818
Share issue in respect of property acquisition	–	9 449 184
Closing balance – shares in issue	554 441 246	503 416 786
	Cents per share	R'000
Total distribution for the year – 2020		
Interim dividend declared on 7 October 2019 (Dividend number 12)	74.43	405 577
Final dividend declared on 4 May 2020 (Dividend number 13)	76.96	433 790
Total distribution for the year ended 29 February 2020	151.39	839 367
	Cents per share	R'000
Total distribution for the year – 2019		
Interim dividend declared on 8 October 2018 (Dividend number 10)	68.12	309 266
Final dividend declared on 6 May 2019 (Dividend number 11)	70.31	387 637
Total distribution for the year ended 28 February 2019	138.43	696 903

Appendix C

Electronic participation form



Equites Property Fund Limited
(Incorporated in the Republic of South Africa)
(Registration number 2013/080877/06)
JSE share code: EQU ISIN: ZAE000188843
(Approved as a REIT by the JSE)
("Equites" or "the company" or "the group")

Annual general meeting of Equites shareholders

1. **Shareholders or their duly appointed proxy(ies) that wish to participate in the AGM via electronic communication ("Participants"), must apply to Equites, by delivering the duly completed form by email to investors@equites.co.za by no later than 10:00 on Tuesday, 21 July 2020.**
2. **Important notice**
 - 2.1. Equites shareholders and their appointed proxies attending by electronic participation will not be able to cast their votes at the AGM through this medium. Such shareholders should they wish to have their vote counted at the AGM, must, to the extent applicable:
 - 2.1.1. complete the form of proxy; or
 - 2.1.2. contact their CSDP or broker.
 - 2.2. This form should be accompanied by proof of identity, in the form of copies of identity documents and share certificates (in the case of certificated Equites shares) and (in the case of dematerialised Equites shares) written confirmation from the Equites shareholder's CSDP confirming the Equites shareholder's title to the dematerialised Equites shares.
 - 2.3. Upon receipt of this form, the company shall, by no later than 17:00 on Wednesday, 22 July 2020, provide the Participants, by email, a secure link and instructions to participate in the AGM electronically.
 - 2.4. The secure link provided is not transferable and for the sole use of the Participants.

Application form

Full name of Participant:		
ID number:		
Email address:		
Cell number:		
Telephone number:	(code):	(number):
Name of CSDP or broker (if shares are held in dematerialised format):		
Contact number of CSDP/broker:		
Contact person of CSDP/broker:		
Number of shares held (if applicable):		

Terms and conditions for participation in the AGM via electronic communication

1. The cost of electronic participation in the AGM is for the expense of the Participant and will be billed separately by the Participant's own service provider.
2. The Participant acknowledges that the electronic communication services are provided by a third party and indemnifies the company against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the electronic services, whether or not the problem is caused by any act or omission on the part of the Participant or anyone else. In particular, but not exclusively, the Participant acknowledges that he/she will have no claim against the company, whether for consequential damages or otherwise, arising from the use of the electronic services or any defect in it or from total or partial failure of the electronic services and connections linking the Participant via the electronic services to the AGM.
3. The application to participate in the AGM electronically will only be deemed successful if this application form has been completed fully and signed by the Participant.

Participant's name

.....
Signature

.....
Date

Appendix D

Form of proxy



Equites Property Fund Limited
 (Incorporated in the Republic of South Africa)
 (Registration number 2013/080877/06)
 JSE share code: EQU ISIN: ZAE000188843
 (Approved as a REIT by the JSE)
 ("Equites" or "the company" or "the group")

Annual general meeting of Equites shareholders

To be completed by Equites shareholders, holding certificated shares, dematerialised shareholders who have elected "own name" registration, nominee companies of CSDP'S and broker nominee companies

I/We (Full name in block letters: _____
 of (Address in block letters: _____
 Telephone number: _____ Cellphone number: _____
 Email address: _____
 Being the holder(s) of: _____ shares in Equites, hereby appoint
 1. _____ or failing him/her
 2. _____ or failing him/her
 the chairperson of the AGM of Equites shareholders as my/our proxy to attend and speak and to vote for me/us on my/our behalf at the AGM and at any adjournment thereof in the following manner:

		Number of votes		
		*For	*Against	*Abstain
Special Resolutions				
1	Chairman of the board of directors remuneration			
2	Non-executive director remuneration (excluding the chairman of the board of directors)			
3	Audit Committee remuneration			
4	Other Sub-Committee remuneration			
5	General approval to repurchase shares			
6	Financial assistance in terms of section 45 of the Companies Act to related and inter-related parties			
7	Financial assistance in terms of section 44 of the Companies Act			
Ordinary Resolutions				
1	Adoption of annual financial statements			
2	Re-appointment of auditors			
3	Re-election of Mr P. L. Campher			
4	Re-election of Mr N. Khan			
5	Re-election of Mr A.J. Gouws			
6	Appointment of Ms E. Cross			
7	Appointment of Ms K. Ntuli			
8	Appointment of Ms L. Razack			
9	Re-election of Ms R. Benjamin-Swales to the Audit Committee			
10	Re-election of Mr PL. Campher to the Audit Committee			
11	Re-election of Mr M. Brey to the Audit Committee			
12	Election of Ms K. Ntuli to the Audit Committee			
13	The report of the Social, Ethics and Transformation Committee			
14	Unissued shares under control of directors			
15	General authority to issue shares for cash			
16	Specific authority to issue shares pursuant to a reinvestment option			
17	Implementation of resolutions			
Non-binding Resolutions				
1	Endorsement of Remuneration Policy			
2	Endorsement of Remuneration Implementation Report			

My/our proxy has been instructed to vote in accordance with my/our wishes as indicated by placing of a cross in the appropriate space above. Unless otherwise instructed, my/our proxy may vote as he/she thinks fit

Signed at this day of 2020

.....
 Signature(s) of shareholder(s)

Form of proxy continued

Notes

1. For use by shareholders, who were registered as shareholders on Friday, 17 July 2020, holding certificated Equites shares, dematerialised shareholders who have elected "own-name" registration, nominee companies of CSDP's and brokers nominee companies ("shareholders"), at the annual general meeting of shareholders to be held at **10:00 on Thursday, 23 July 2020** virtually and at our offices, **14th Floor Portside Tower, 4 Bree Street, Cape Town**. An Equites shareholder is entitled to attend and vote at the abovementioned AGM or to appoint a proxy to attend, vote and speak in his/her stead. A proxy need not be a shareholder of Equites.
2. For administrative purposes, forms of proxy should be deposited at Computershare Investor Services Proprietary Limited at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (Private Bag X9000, Saxonworld, 2132) or emailed to **proxy@computershare.co.za**, so as to arrive by **10:00 on Tuesday, 21 July 2020**. Alternatively, the form of proxy may be handed to the transfer secretaries or to the chairman of the board at the AGM prior to the commencement of voting on any resolution at the AGM.
3. Not for use by dematerialised shareholders who have not elected "own-name" registration. Such shareholders must contact their CSDP or broker timeously if they wish to attend and vote at the AGM and request that they be issued with the necessary letter of representation to do so, or provide the CSDP or broker timeously with their voting instruction should they not wish to attend the AGM in order for the CSDP or broker to vote in accordance with their instructions at the AGM.
4. Any alteration or correction made to this form of proxy must be initialled by the signatory(ies).
5. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the shareholder in the appropriate box provided. Failure to comply with the above will be deemed to authorise the proxy, in the case of any proxy other than the chairman, to vote or abstain from voting as deemed fit and in the case of the chairman to vote in favour of the resolution.
6. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder, but the total of the votes cast or abstained may not exceed the total of the votes exercisable in respect of the shares held by the shareholder.
7. 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 Equites.The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as at the later of the date stated in the revocation instrument, if any; or the date on which the revocation instrument was delivered in the required manner.
8. A vote given in terms of an instrument of proxy shall be valid in relation to the annual general meeting, notwithstanding the death of the person granting it or the transfer of the shares in respect of which the vote is given, unless an intimation in writing of such death or transfer is received by the transfer secretaries not less than 48 hours before the commencement of the annual general meeting.
9. The chairman of the annual general meeting may reject or accept any form of proxy which is completed and/or received, otherwise than in compliance with these notes, provided that, in respect of acceptances, the chairman is satisfied as to the manner in which the shareholder concerned wishes to vote.
10. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.
11. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by Equites or the transfer secretaries or waived by the chairman of the annual general meeting.
12. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered by Equites or the transfer secretaries.
13. Where there are joint holders of shares, the vote of the first joint holder who tenders a vote, as determined by the order in which the names stand in the register of shareholders, will be accepted and only that holder whose name appears first in the register in respect of such shares.



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Portside Tower
4 Bree Street
Cape Town
Tel: 021 460 0404
Fax: 021 418 1754
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