

The Board of Directors  
**Community Property Company Proprietary Limited**  
C/o Capital Land Management Services Proprietary Limited  
Block F, The Terraces  
Steenberg Office Park  
Tokai  
7945

**12 September 2019**

**LETTER FROM COMMUNITY PROPERTY HOLDINGS LIMITED ("COMPROP") to SAFARI INVESTMENTS (RSA) LIMITED ("SAFARI") DATED 9 SEPTEMBER 2019**

1. We refer to your letter dated 9 September 2019, received on 10 September 2019. We record that the letter was released by you on SENS at 7h30 am on the same day, less than 15 minutes after it had been e-mailed to us and our corporate advisors.
2. While your letter is addressed to the independent board, it is clear from both the content thereof and both the fact and timing of the public release that its real intention was not to invite meaningful discussion and engagement with the independent board on the matters raised therein, but rather to serve as a platform for an unwarranted attack on the independent board through the media to further your commercial position and aspirations.
3. That your letter misrepresents material matters, noticeably omits relevant facts and is inaccurate in many respects further re-enforces this conclusion.
4. We place on record that our advisors have invited you to meet to engage on the proposal, which meeting was declined. We also record that, in the light of the opposing shareholder positions in respect of the Comprop Proposal, we addressed a comprehensive letter to you on 21 August 2019 seeking to find ways forward around key legal and commercial aspects of the Comprop Proposal towards developing a proposal which might achieve the necessary levels of shareholder support. These included aspects of the proposal which, if put in their present form, we believe give rise to unnecessary risks to Safari shareholders in relation to the deal failing, even if approved by shareholders, including structural aspects such as the time period for fulfilment of the conditions precedent, the trigger threshold for Comprop's walk-away right around appraisal rights, and other issues. You have completely ignored this letter, choosing rather to publish the letter under reply.
5. This action to avoid meaningful engagement and to foster public discord is an unfortunate development, given that Safari's independent board has consistently sought to approach Comprop's unsolicited offer in a measured and professional way. We will endeavour to continue to do so, notwithstanding the regrettable recent steps taken by Comprop.
6. It is not our intention to be drawn into a public dispute with Comprop, which would be in neither party's interests, or those of our shareholders. As such, we do not intend at this stage to respond line by line

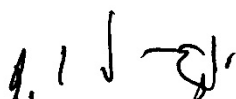
to your letter, many of which statements bear the shortcomings noted above. We will do so at a later stage should this become necessary. However, it is necessary to address some headline issues:

- 6.1 Firstly, as you are well aware, it was not Safari that canvassed the shareholders opposed to the Comprop proposal. These shareholder views were initially communicated to Safari as a result of shareholder engagement by Fairvest and its advisors following the announcement of the Comprop proposal, as part of its assessment of the impact of such proposal on the Fairvest transaction. When Safari in turn relayed these shareholder views to you and your advisors, the position adopted by Comprop was to question the integrity of this feedback and to insist that Safari obtain these views in writing. At your request, we then did this through our advisors and subsequently made the written responses we received available to your advisors.
- 6.2 Having received these, your next tack was to assert that the written confirmations were not legally enforceable, and should thus be disregarded. This, of course, misses the point. It also effectively suggests that the independent board ought to have sought legally enforceable rights by it against its own shareholders to contractually commit them to oppose a transaction which is in the board's discretion to propose. The board does not need an enforceable right in respect of a transaction it does not propose and, should it propose the scheme, on what basis would it then look to compel shareholders to vote against it based on such enforceable rights? That this would be absurd would be self-evident on even a cursory consideration of the issue, and the independent board consciously and specifically thus did not seek to obtain documents in this form. The real issue is not an issue of enforceability, but of what those views actually are. Here, notably, you omit to inform the public in your letter that the views of the shareholders in the confirmatory letters are recorded in very specific and definitive terms, and state that "*[we] unequivocally and unconditionally confirm to you ... that [we] will vote against the Comprop Proposal at the proposed ex div price of R5,90 per share, should such proposal be put to a vote of shareholders. This confirmation will apply until 31 December 2019*".
- 6.3 You then contend that the timing for obtaining these letters is inopportune, given that it predates the issue of a circular and a fairness opinion. Leaving aside the fact that these confirmatory letters were obtained at Comprop's instance, and further leaving aside the fact that the irrevocables Comprop obtained in support of its proposal were obtained on the same footing, waiting till after a scheme has been launched to gauge shareholders views would have been futile. At that stage, the transaction and all of its attendant issues and significant costs would already have been committed to. Finally, the position you present also ignores the fact, which is known to you, that many of the opposing positions are driven by a desire to retain long-term exposure to the assets and the related dividend streams, and that intermediate fluctuations in share price are not necessarily the principal consideration. We have also requested Comprop to undertake to carry the costs should the transaction be proposed and voted down, but you have to date not agreed to do so.
- 6.4 As part of a concerted campaign with certain shareholders, you also press for the confirmatory letters to be made public. It is not entirely clear quite what the real motivation for this is, but any innuendo suggesting that these letters have somehow been misrepresented in the SENS announcement, or don't exist, is rejected outright. In any event, please note that we have no in-principle issue with making the documents available, but are mindful that, in contrast to the Comprop irrevocables, these letters were not obtained on the explicit basis that they would be made public. As such, we have been engaging with the parties who provided the confirmations to obtain their consent to publish the letters and, subject to honouring requests of the shareholders who wish to have their personal details remain private, we will release the documents in full or in redacted form, as applicable. Please also note that the letters, unredacted, were made available to both the JSE and the TRP in confirmation of the matters announced in our SENS announcement of 26 August 2019, and that neither regulator has expressed any concerns in relation thereto.
- 6.5 Secondly, turning to the position in relation to the Southern Palace shares. Again, the full fact pattern is not presented and you seek to position the issue as if the impact of the disposal by Southern Palace of its shares is purely a matter for it to decide, when you are well aware that this is incorrect. The primary financial impact of crystallising the funding of the Southern Palace structure as a result of the transaction, or of retaining it, is born directly by the general body of

Safari shareholders, and it is for that reason that the voting rights in the shares presently contractually reside with Safari and not with Southern Palace. A decision (if taken) to adopt a position of neutrality in respect of these shares and to abstain from voting them, thus allowing the general shareholder body to essentially determine the way forward, would clearly not be frustrating action in these circumstances, and would be consistent with good governance. As a matter of law, Safari can in any event not frustrate a decision which is entirely in its own discretion, namely whether or not to propose the scheme and on what terms to do so.

- 6.6 Thirdly, the implied threat to withdraw the offer is misplaced. Legally, Comprop may not withdraw the offer without Safari's consent and that of the Takeover Panel.
- 6.7 Finally, as regards the various financial and commercial statements reflected in the letter, this is not an appropriate time or forum place to address these matters, many of which, properly considered, are in fact irrelevant to an evaluation of the Comprop proposal on its own merits. Suffice it for now to point out, among others, that firstly the valuations attributed by you to the Fairvest transaction are inaccurate, secondly that you fail to acknowledge that a strategic tie-up is fundamentally different to a cash exit and thirdly that you fail to acknowledge that the Fairvest transaction was not an isolated process driven solely by the Safari board, but that it was to a material extent driven by the views communicated to us by various shareholders, including certain material shareholders who supported the Fairvest transaction in principle before it was committed to by Safari but who have now expressed support for the Comprop proposal.
7. We would have preferred to discuss your concerns privately with you. It is thus unfortunate that your actions have forced us to respond publically, and to do so in such firm and critical terms. Please do not mistake the firm nature of this response as hostility. It is not our intention to provoke or encourage confrontation, and we wish to re-iterate that Safari's independent board remains willing and open to engaging on a professional basis, and we extend the opportunity again for you to do so. To this end, as you are aware, we continue to actively progress the matter, have appointed the independent expert, and are meeting with them this week to receive their opinion.
8. We hope that in the interest of all of our shareholders we can restore communications to being on a direct and constructive basis rather than via the media.

Yours faithfully,



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**Allan Wentzel**  
**Chairman of the Independent Board**  
**Safari Investments (RSA) Limited**