



**equites**  
PROPERTY FUND

Notice of annual general meeting 2021



**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")

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# Notice of annual general meeting

Equites Property Fund Limited

## 1 Notice of Meeting

Notice is hereby given that the seventh 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 Tuesday, 27 July 2021 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 28 February 2021, 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, 16 July 2021.

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: Monday, 31 May 2021
- Record date to receive this notice of AGM: Friday, 11 June 2021
- Distribution of notice of AGM: Monday, 21 June 2021
- Last day to trade in order to be eligible to participate in and vote at the AGM: Tuesday, 13 July 2021
- Record date to participate in and vote at the AGM ("voting record date"): Friday, 16 July 2021
- Recommended last day to lodge proxy forms for the AGM: Friday, 23 July 2021
- AGM to be held at: 10h00 on Tuesday, 27 July 2021
- Results of the AGM published on SENS on or before: Wednesday, 28 July 2021

### 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.

## Notice of annual general meeting continued

Equites Property Fund Limited

### 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 28 February 2021 (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 fees

"Resolved that the company be and is authorised, in terms of section 66(8) of the Companies Act, to compensate its non-executive directors for their service 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 that the fees payable to the non-executive directors be and are fixed as follows:

R	Chairperson	Members
Board (annual fee)	907 344	319 324
Audit Committee (per meeting)	65 760	41 595
Other Sub-committees (per meeting)	43 538	28 611"

#### Reason for and effect of special resolution number 1

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

### 2.2 Special resolution number 2

#### 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:

2.2.1 sections 4, 46 and 48 of the Companies Act; and

2.2.2 the JSE Listings Requirements, being, as at the date of this resolution, that:

2.2.2.1 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;

2.2.2.2 the general repurchase by the company, and by its subsidiaries, of the company's ordinary shares is authorised by its Memorandum of Incorporation ("MOI");

2.2.2.3 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;

2.2.2.4 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;

2.2.2.5 repurchases of shares may not exceed 10% (ten percent) in aggregate in any one financial year of the company's issued ordinary share capital;

- 2.2.2.6 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;
- 2.2.2.7 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;
- 2.2.2.8 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;
- 2.2.2.9 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."

#### **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 2, some of which are disclosed in the Integrated Report distributed on 31 May 2021:

- major shareholders of the company – pages 154 to 155
- share capital of the company – page 130

#### **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.

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.

#### **Reason for and the effect of special resolution number 2**

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.

## Notice of annual general meeting continued

Equites Property Fund Limited

### 2.3 Special resolution number 3

#### 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 3:

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 3. 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 3 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 3 above.

### 2.4 Special resolution number 4

#### 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 4:

The issue of the secured 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 4 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 consolidated and separate annual financial statements for the year ended 28 February 2021, 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 consolidated and separate annual financial statements for the year ended 28 February 2021 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. 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 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 directors

"Resolved that in terms of the company's MOI, R Benjamin-Swales retires by rotation and, being eligible, offer herself for re-election with immediate effect.

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

The Nomination Committee has considered the past performance and contribution of Ms Benjamin-Swales to the company and recommends that she is re-elected as a director of the company.

The following directors retire by rotation and are not standing for re-election:

- G Lanfranchi
- K Dreyer

In accordance with the company's MOI, the vacancies created by the retirement of G Lanfranchi and K Dreyer will not be filled.

##### 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 R Benjamin-Swales, with the retirement and re-election being in accordance with the requirements of the company's MOI.

#### 3.4 Ordinary resolution number 4

##### Appointment of directors

"Resolved that the appointment of AD Murray as an independent non-executive director of the company, effective immediately, is hereby confirmed."

A brief curriculum vitae is set out in Appendix A.

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

##### Reason for and the effect of ordinary resolution number 4

The reason for and effect of this ordinary resolution number 4 is to confirm the appointment of AD Murray as a director of the company.

## Notice of annual general meeting continued

Equites Property Fund Limited

### 3.5 Ordinary resolution number 5

#### Election and re-election of members of the Audit Committee

"Resolved that the following directors, being independent non-executive directors of the company who meet the requirements of section 94(4) of the Companies Act, be and are hereby elected and re-elected as members of the Audit Committee in terms of section 94(2) of the Companies Act:

Director	Satus
5.1 R Benjamin-Swales (Chairperson)	Re-elected
5.2 MA Brey	Re-elected
5.3 K Ntuli	Re-elected
5.4 AD Murray	Elected"

A brief curriculum vitae of each of these directors is set out in Appendix A.

#### Reason for and the effect of ordinary resolution number 5

The reason for and effect of ordinary resolution number 5 is to elect and re-elect the directors as members of the Audit Committee of the company.

### 3.6 Ordinary resolution number 6

#### 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 82 to 84 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 6

The reason for and effect of ordinary resolution number 6 is to approve the publication of the report of the Social, Ethics and Transformation Committee.

### 3.7 Ordinary resolution number 7

#### 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 70 669 639 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 7

The reason for and effect of ordinary resolution number 7 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.

### 3.8 Ordinary resolution number 8

#### General authority to issue shares for cash

"Resolved that, in addition to the authority granted to the directors pursuant to ordinary resolution number 7, 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 70 669 639 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 70 669 639 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 70 669 639 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
- 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) an explanation, including supporting information (if any) of the intended use of the funds."

#### Reason for and the effect of ordinary resolution number 8

The reason for and effect of ordinary resolution number 8 is to provide a general authority to the company to issue 70 669 639 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.

### 3.9 Ordinary resolution number 9

#### Specific authority to issue shares pursuant to a reinvestment option

"Resolved that, in addition to the authorities proposed in ordinary resolution 7 and 8 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 placed under the control of the directors of the company."

#### Reason for and the effect of ordinary resolution number 9

The reason for and effect of ordinary resolution number 9 is to allow the company to offer shareholders the opportunity to reinvest their dividends.

### 3.10 Ordinary resolution number 10

#### 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 10

The reason for and effect of ordinary resolution number 10 is to authorise any director or secretary of the company to implement and give effect to all resolutions contained in this notice.

## Notice of annual general meeting continued

Equites Property Fund Limited

### 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 66 to 72 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 73 to 81 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 28 February 2021. 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.

## 5 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 Friday, 23 July 2021 by submitting the electronic participation form included in Appendix C by email to the company secretary at [investors@equites.co.za](mailto: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 Friday, 23 July 2021. 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

21 June 2021

The below listed documentation has been incorporated by reference in this Notice of AGM and can be accessed on the company's website using the following URL <https://www.equites.co.za/investor-community/investors-documentation/>

- Integrated Report
- Consolidated and separate annual financial statements

## Appendix A: Board of directors

### Curriculum vitae

#### Independent non-executive directors



#### Philip Leon Campher

Chairman

Qualification: BEcon

Leon is the CEO of ASISA and serves on the Board of ASISA. He also serves on the Board of Brimstone Investment Corporation. He is on the Board of the International Investment Funds Association (IIFA). This is a global body representing Investment Managers and Mutual Fund Companies from 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.



#### 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 Ltd. He also serves as the Chairperson of Oceana Group Limited, International Frontier Technologies SOC Limited and Groote Schuur Hospital Trust. 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.



#### 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.



#### 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 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 Head of Sanlam Private Wealth, Johannesburg region. Sitting on various executive committees and working groups, Keabetswe has a valuable 11 years' experience in related organisations. She previously held positions as the founding CEO and director of Africa Collective Investments (RF) Proprietary Limited; and an independent non-executive and chairperson of the audit committee for Cloud Atlas Investing (RF) Proprietary Limited. She has strong technical skills in investments, accounting, governance, risk and assurance. She is passionate about cultivating young entrepreneurs, design thinking and innovation.



#### Doug Murray

Qualification: BA, CA

Doug serves as a non-executive director on the board of The Foschini Group Limited ("TFG") and its subsidiaries, TFG London and RAG Australia. He joined the TFG in 1985 and was appointed as CEO of TFG in 2007, having previously held various senior positions within TFG. He served as CEO until his retirement in 2018. He has extensive knowledge and experience in local and international financial, retail and logistics markets.

## 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 in the listing process 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).

## Non-executive directors



### **André Jacques Gouws**

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

Appendix B: Audited summary consolidated financial statements

## Consolidated statement of financial position

Equites Property Fund Limited and its subsidiaries at 28 February 2021

	Notes	28 February 2021 R'000	29 February 2020 R'000
<b>Assets</b>			
<b>Non-current assets</b>			
Fair value of investment property (excluding straight-lining)	4	18 878 285	14 517 138
Straight-lining lease income accrual	4	364 746	317 030
Deferred tax asset		120 031	159 870
Non-current financial assets		9 244	6 226
Property, plant and equipment		17 919	15 399
		<b>19 390 225</b>	<b>15 015 663</b>
<b>Current assets</b>			
Trading properties		464 670	—
Trade and other receivables		285 700	76 191
Other current financial assets		18 176	16 791
Cash and cash equivalents		612 316	53 724
		<b>1 380 862</b>	<b>146 706</b>
Investment property held-for-sale	4	86 112	40 455
<b>Total assets</b>		<b>20 857 199</b>	<b>15 202 824</b>
<b>Equity and liabilities</b>			
<b>Equity and reserves</b>			
Stated capital		9 337 288	8 046 457
Accumulated profit		918 422	1 370 734
Foreign currency translation reserve		391 520	242 903
Share-based payment reserve		195 953	69 496
<b>Total attributable to owners</b>		<b>10 843 183</b>	<b>9 729 590</b>
Non-controlling interest		2 166 757	40 434
<b>Total equity and reserves</b>		<b>13 009 940</b>	<b>9 770 024</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Loans and borrowings	5	5 843 785	4 686 043
Other non-current financial liabilities		147 501	173 957
Deferred tax liability		59 388	—
Other liabilities		6 473	4 462
		<b>6 057 147</b>	<b>4 864 462</b>
<b>Current liabilities</b>			
Loans and borrowings	5	984 558	110 000
Trade and other payables		629 404	389 496
Other current financial liabilities		176 150	67 514
Current tax liability		—	1 328
		<b>1 790 112</b>	<b>568 338</b>
<b>Total liabilities</b>		<b>7 847 259</b>	<b>5 432 800</b>
<b>Total equity and liabilities</b>		<b>20 857 199</b>	<b>15 202 824</b>

## Consolidated statement of comprehensive income

Equites Property Fund Limited and its subsidiaries for the year ended 28 February 2021

	Notes	28 February 2021 R'000	29 February 2020 R'000
Property revenue and tenant recoveries		1 137 336	913 279
Straight-lining of leases adjustment		48 044	80 420
<b>Gross property revenue</b>		<b>1 185 380</b>	<b>993 699</b>
Property operating and management expenses		(163 098)	(115 893)
Other net gains and (losses)	6	127 341	(20 162)
Administrative expenses		(56 897)	(53 117)
Fair value adjustments – investment property		(224 874)	21 764
<b>Operating profit before financing activities</b>		<b>867 852</b>	<b>826 291</b>
Finance costs	7	(287 008)	(218 529)
Finance income		17 367	6 494
<b>Net profit before tax</b>		<b>598 211</b>	<b>614 256</b>
Tax expense		(108 160)	76 996
<b>Profit for the period</b>		<b>490 051</b>	<b>691 252</b>
<b>Other comprehensive income</b>			
Items that may subsequently be reclassified to profit or loss:			
Translation of foreign operations		208 507	262 239
<b>Total comprehensive income for the period</b>		<b>698 558</b>	<b>953 491</b>
<b>Profit attributable to:</b>			
Owners of the parent		407 499	682 167
Non-controlling interest		82 552	9 085
		<b>490 051</b>	<b>691 252</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the parent		615 996	944 431
Non-controlling interest		82 562	9 060
		<b>698 558</b>	<b>953 491</b>
Basic earnings per share (cents)	2	66.4	128.8
Diluted earnings per share (cents)	2	65.4	128.3

## Appendix B: Audited summary consolidated financial statements

### Consolidated statement of cash flows

Equites Property Fund Limited and its subsidiaries for the year ended 28 February 2021

	28 February 2021 R'000	29 February 2020 R'000
<b>Cash flows from operating activities</b>		
Cash generated from operations	939 460	879 623
Finance costs paid	(110 461)	(98 434)
Finance income received	17 086	6 494
Tax paid	(5 286)	(1 969)
Dividends paid	(919 690)	(760 236)
<b>Net cash flows generated from operating activities</b>	<b>(78 891)</b>	<b>25 478</b>
<b>Cash flows from investing activities</b>		
Acquisition of investment properties	(1 934 463)	(1 409 323)
Development of investment properties	(1 456 673)	(806 109)
Proceeds from disposal of subsidiaries	526 071	–
Purchases of current financial assets <sup>1</sup>	(1 614 000)	(928 000)
Proceeds on divestment of current financial assets <sup>1</sup>	1 629 992	929 629
Purchase and development of property, plant and equipment	(2 412)	(338)
<b>Net cash flows utilised by investing activities</b>	<b>(2 851 485)</b>	<b>(2 214 141)</b>
<b>Cash flows from financing activities</b>		
Proceeds from share issue (net of costs)	794 124	742 442
Proceeds from share issue relating to dividend reinvestment programme	427 414	270 633
Transactions with non-controlling interest	–	(101 351)
Settlement of share-based payment transaction	–	(15 818)
Repayment of lease liability	(4 225)	(3 570)
Proceeds from borrowings	4 446 720	4 575 403
Repayment of borrowings	(2 133 893)	(3 263 278)
<b>Net cash flows raised from financing activities</b>	<b>3 530 140</b>	<b>2 204 461</b>
Net increase in cash and cash equivalents	599 764	15 798
Effect of exchange rate movements on cash and cash equivalents	(41 172)	1 647
Cash and cash equivalents at the beginning of the year	53 724	36 279
<b>Cash and cash equivalents at the end of the year</b>	<b>612 316</b>	<b>53 724</b>

<sup>1</sup> 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 28 February 2021

	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 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)
<b>Balance at 29 February 2020</b>	<b>8 046 457</b>	<b>1 370 734</b>	<b>242 903</b>	<b>69 496</b>	<b>9 729 590</b>	<b>40 434</b>	<b>9 770 024</b>
Balance at 1 March 2020	8 046 457	1 370 734	242 903	69 496	9 729 590	40 434	9 770 024
Profit for the year	—	407 499	—	—	407 499	82 552	490 051
Other comprehensive income	—	—	208 496	—	208 496	11	208 507
Reclassification of FCTR on disposal of subsidiary companies	—	59 879	(59 879)	—	—	—	—
Acquisition of subsidiary with non-controlling interests	—	—	—	—	—	2 043 760	2 043 760
Shares issued for cash	800 000	—	—	—	800 000	—	800 000
Share issue in terms of dividend reinvestment programme	427 414	—	—	—	427 414	—	427 414
Shares issued in terms of conditional share plan	12 997	—	—	(12 997)	—	—	—
Movements in respect of share-based payment transactions	56 296	—	—	123 704	180 000	—	180 000
Equity-settled share-based payment charge	—	—	—	15 750	15 750	—	15 750
Dividends distributed to shareholders	—	(919 690)	—	—	(919 690)	—	(919 690)
Share issue costs	(5 876)	—	—	—	(5 876)	—	(5 876)
<b>Balance at 28 February 2021</b>	<b>9 337 288</b>	<b>918 422</b>	<b>391 520</b>	<b>195 953</b>	<b>10 843 183</b>	<b>2 166 757</b>	<b>13 009 940</b>

Appendix B: Audited summary consolidated financial statements

## Summarised operating segment information

Equites Property Fund Limited and its subsidiaries for the year ended 28 February 2021

	28 February 2021 R'000	29 February 2020 R'000
<b>Revenue</b>		
SA industrial	818 928	658 296
UK industrial	303 840	232 925
Other	14 568	22 057
	<b>1 137 336</b>	<b>913 279</b>
<b>Operating profit before financing activities</b>		
SA industrial	326 407	581 406
UK industrial	542 038	240 320
Other	(593)	4 565
	<b>867 851</b>	<b>826 291</b>
<b>Total assets</b>		
SA industrial	12 975 694	8 611 914
UK industrial	7 771 693	6 399 580
Other	109 812	191 330
	<b>20 857 199</b>	<b>15 202 824</b>
<b>Total liabilities</b>		
SA industrial	5 352 208	3 048 765
UK industrial	2 495 051	2 374 916
Other	—	9 119
	<b>7 847 259</b>	<b>5 432 800</b>

## Selected explanatory notes to the results

Equites Property Fund Limited and its subsidiaries for the year ended 28 February 2021

### 1 Basis of preparation

The summary consolidated financial statements are prepared in accordance with the requirements of the JSE Limited ("JSE") for summary financial statements, and the requirements of the Companies Act applicable to summary financial statements. The JSE requires summary financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting.

The accounting policies applied in the preparation of the consolidated annual financial statements from which these summary consolidated financial statements were derived are in terms of IFRS and are consistent with those applied in the previous preparation of the consolidated annual financial statements.

These summary consolidated annual financial statements for the year ended 28 February 2021 have been audited by PricewaterhouseCoopers Inc., who expressed an unmodified opinion thereon. The auditor also expressed an unmodified opinion on the annual financial statements from which these summary consolidated annual financial statements were derived.

A copy of the auditor's report on the summary consolidated annual financial statements and of the auditor's report on the consolidated annual financial statements are available for inspection at the company's registered office, together with the financial statements identified in the respective auditor's reports.

The auditor's report does not necessarily report on all of the information contained in this announcement/financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report together with the accompanying financial information from the issuer's registered office.

Laila Razack, in her capacity as Chief Financial Officer, was responsible for the preparation of these summary consolidated financial statements.

### 2 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.

#### 2.1 Basic earnings per share

	28 February 2021 R'000	29 February 2020 R'000
<b>Basic earnings</b>		
Earnings (profit attributable to owners of the parent)	407 499	682 167
<b>Shares in issue</b>	<b>Number of shares</b>	<b>Number of shares</b>
Number of shares in issue at end of year	628 715 573	554 441 246
Weighted average number of shares in issue	613 629 280	529 724 495
Add: weighted potential dilutive impact of conditional shares	9 803 834	2 050 970
Diluted weighted average number of shares in issues	623 433 114	531 775 465
<b>Basic earnings per share</b>	<b>cents</b>	<b>cents</b>
Basic earnings per share	66.4	128.8
Diluted earnings per share	65.4	128.3

Appendix B: Audited summary consolidated financial statements

Notes continued

Equites Property Fund Limited and its subsidiaries for the year ended 28 February 2021

2 Earnings per share continued

2.2 Headline earnings per share

	28 February 2021 R'000	29 February 2020 R'000
<b>Reconciliation between basic earnings and headline earnings:</b>		
Earnings (profit attributable to owners of the parent)	407 499	682 167
<i>Adjusted for:</i>		
Fair value adjustments to investment properties	224 874	(21 764)
Less: Fair value adjustment to investment properties (NCI)	9 553	6 664
Profit on sale of subsidiary	(31 913)	–
<b>Headline earnings</b>	<b>610 013</b>	<b>667 067</b>
<b>Headline earnings per share:</b>	<b>cents</b>	<b>cents</b>
Headline earnings per share	99.4	125.9
Diluted headline earnings per share	97.8	125.4

3 Fair value measurement

All assets and liabilities measured at fair value are classified using a three-tiered fair value hierarchy that reflects the significance of the inputs used in determining the measurement as follows:

**Level 1:** measurements in whole or in part are done by reference to unadjusted, quoted prices in an active market for identical assets and liabilities. Quoted prices are readily available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

**Level 2:** measurements are done by reference to inputs other than quoted prices that are included in level 1.

These inputs are observable for the financial instrument, either directly (i.e. as prices) or indirectly (i.e. from derived prices).

**Level 3:** measurements are done by reference to inputs that are not based on observable market data.

Figures in R'000s	28 February 2021			
	Fair value	Level 1	Level 2	Level 3
<b>Assets</b>				
Non-financial assets at fair value – investment properties	19 308 326	–	–	19 308 326
Derivative financial assets	27 420	–	27 420	–
	<b>19 335 746</b>	<b>–</b>	<b>27 420</b>	<b>19 308 326</b>
<b>Liabilities</b>				
Derivative financial liabilities	301 619	–	301 619	–
	<b>301 619</b>	<b>–</b>	<b>301 619</b>	<b>–</b>

Figures in R'000s	29 February 2020			
	Fair value	Level 1	Level 2	Level 3
<b>Assets</b>				
Non-financial assets at fair value – investment properties	14 874 623	–	–	14 874 623
Financial assets held at fair value	648	–	648	–
Derivative financial assets	22 370	–	22 370	–
	<b>14 897 641</b>	<b>–</b>	<b>23 018</b>	<b>14 874 623</b>
<b>Liabilities</b>				
Derivative financial liabilities	218 204	–	218 204	–
	<b>218 204</b>	<b>–</b>	<b>218 204</b>	<b>–</b>

## Details of valuation techniques

### Investment property

The fair value of investment properties is updated at each reporting period either by way of external valuations or directors' valuations. At 28 February 2021, the Group externally valued 24 of its properties, 20 from SA and 4 from the UK. The remainder of the portfolio was internally valued. The fair value of each property is determined by calculating its net present value by discounting forecasted future net cash flows and a residual value at the end of the cash flow projection period by the discount rate of each property. The residual value is calculated using an appropriate exit capitalisation rate. The discount rate used to determine the fair value of each property is assessed with reference to observable inputs. The capitalisation rate is dependent on a number of factors, including location, asset class, market conditions, lease covenants and the risks inherent in the property. External valuations in the UK were performed by capitalising the current income stream by targeting a net initial yield as well as taking into account the nominal equivalent yield.

### Derivative financial assets and liabilities

#### Interest rate and cross-currency interest rate swaps

The fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted interest rate swap and forward rates. Estimated cash flows are discounted using a yield curve constructed from similar sources which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps. The fair value estimate is subject to a credit risk adjustment that reflects the credit risk of the Group and of the counterparty. This is calculated based on credit spreads derived from current credit default swap or bond prices.

### Sensitivity of fair values

The key input to the valuation of investment property is the discount rate, market rentals and the exit capitalisation rate. The table below illustrates the sensitivity of the fair value to changes in these assumptions:

R000's	28 February 2021					
	Exit capitalisation rates		Discount rates		Market rentals	
	-0.1%	+0.1%	-0.1%	+0.1%	+5%	-5%
	Increase fair value	Decrease fair value	Increase fair value	Decrease fair value	Increase fair value	Decrease fair value
SA Industrial	89 327	(87 097)	40 162	(39 961)	348 932	(348 932)
UK Industrial <sup>1</sup>	51 316	(49 170)	13 047	(12 975)	117 583	(117 583)
<b>Total</b>	<b>140 643</b>	<b>(136 267)</b>	<b>53 209</b>	<b>(52 936)</b>	<b>466 515</b>	<b>(466 515)</b>

  

R000's	29 February 2020					
	Exit capitalisation rates		Discount rates		Market rentals	
	-0.1%	+0.1%	-0.1%	+0.1%	+5%	-5%
	Increase fair value	Decrease fair value	Increase fair value	Decrease fair value	Increase fair value	Decrease fair value
SA Industrial	82 281	(80 365)	26 141	(26 010)	228 788	(228 788)
UK Industrial <sup>1</sup>	116 877	(112 142)	24 010	(23 879)	219 743	(219 743)
<b>Total</b>	<b>199 158</b>	<b>(192 507)</b>	<b>50 150</b>	<b>(49 889)</b>	<b>448 531</b>	<b>(448 531)</b>

<sup>1</sup> The sensitivities are based on those properties that were valued using the DCF method.

There were no transfers between Level 1, 2 or 3 during the year.

Appendix B: Audited summary consolidated financial statements

Notes continued

Equites Property Fund Limited and its subsidiaries for the year ended 28 February 2021

	28 February 2021 R'000	29 February 2020 R'000
<b>4 Investment property</b>		
Investment property (excluding straight-lining) (note 4.1)	15 720 743	12 250 065
Investment property under development (note 4.1)	1 119 669	578 526
Freehold land available for development (note 4.1)	2 017 056	1 667 045
Right-of-use asset (note 4.1)	20 817	21 502
Investment property held for sale (note 4.2)	86 112	40 455
Straight-lining lease income accrual (note 4.3)	364 746	317 030
	<b>19 329 143</b>	<b>14 874 623</b>

4.1 Reconciliation of investment property

R'000	SA					UK					Total	
	Logistics	Industrial	Office development	Properties under development	Zoned industrial land <sup>2</sup>	Strategic land holdings <sup>2</sup>	Right-of-use asset	Logistics development	Properties under development	Zoned industrial land <sup>2</sup>		Strategic land holdings <sup>2</sup>
<b>Balance as at 28 February 2019</b>	6 106 909	2 60 785	1 61 573	3 21 793	588 126	3 66 036	—	3 499 358	416 507	—	—	11 721 087
Change in accounting policy	—	—	—	—	—	—	23 624	—	—	—	—	23 624
<b>Balance as at 01 March 2019</b>	6 106 909	2 60 785	1 61 573	3 21 793	588 126	3 66 036	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 <sup>1</sup>	(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
<b>Balance as at 29 February 2020</b>	6 128 438	4 66 255	1 111 189	4 83 740	8 86 917	1 90 952	21 502	5 544 184	94 786	—	5 89 175	14 517 138
Acquisitions	3 295 498	—	—	—	54 441	260 000	—	—	—	361 822	180 400	4 152 161
Improvements and extensions	31 431	1	—	—	—	—	—	13 995	—	—	—	45 427
Construction and development costs	—	—	—	750 597	88 889	31 945	—	—	434 187	39 019	66 607	1 411 244
Government grants received	—	—	—	—	—	—	—	—	(62 252)	—	—	(62 253)
Transfers <sup>1</sup>	841 601	(46 208)	(111 189)	(720 004)	(10 408)	—	—	279 319	122 926	(239 178)	(504 411)	(387 552)
Letting commission capitalised	2 718	—	—	—	—	—	—	2 093	—	—	—	4 811
Letting commission amortised	(1 524)	—	—	—	—	—	—	(817)	—	—	—	(2 342)
Lease incentives capitalised	1 250	—	—	—	—	—	—	—	—	—	—	1 250
Lease incentives amortised	(246)	—	—	—	—	—	—	—	—	—	—	(246)
Remeasurements	—	—	—	—	—	—	2 472	—	—	—	—	2 472
Fair value adjustment	(337 919)	(99 669)	—	970	9 199	—	(3 157)	206 254	—	—	—	(224 323)
Disposals	—	—	—	—	—	—	—	(863 638)	—	—	—	(863 638)
Foreign exchange movements	—	—	—	—	—	—	—	257 727	14 719	4 142	7 545	284 133
<b>Balance as at 28 February 2021</b>	9 961 247	3 20 379	—	5 15 303	1 029 038	4 82 897	20 817	5 439 117	604 366	1 65 805	339 316	18 878 285

<sup>1</sup> Transfers relates to the following:

- i) Land which has been zoned and service and available for a development to commence;
- ii) Land where a development has commenced;
- iii) Investment properties under development which have been completed;
- iv) Properties that are being refurbished;
- v) Properties that have been recognised as held for sale; and
- vi) Land and developments which are held for trading.

<sup>2</sup> 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.

	28 February 2021 R'000	29 February 2020 R'000
<b>4.2 Investment property held for sale</b>		
Opening balance	40 455	–
Transferred from investment property	46 208	40 455
Fair value adjustment	(551)	–
<b>Fair value of investment properties held for sale</b>	<b>86 112</b>	<b>40 455</b>
<b>4.3 Straight-lining lease income accrual</b>		
Contractual lease receivables are as follows:		
Within one year	1 161 829	606 624
Within two years	1 159 357	639 677
Within three years	1 102 143	607 113
Within four years	1 007 873	491 477
Within five years	911 112	424 598
Beyond five years	9 185 004	1 481 912
	14 527 318	4 251 401
Less: lease revenue on straight-line basis	(14 162 572)	(3 934 371)
<b>Straight-lining lease income accrual</b>	<b>364 746</b>	<b>317 030</b>
<b>5 Loans and borrowings</b>		
<b>Opening balance</b>	<b>4 796 043</b>	<b>3 310 524</b>
Non-current borrowings	4 686 043	3 232 837
Current borrowings	110 000	77 687
Proceeds from borrowings	4 446 720	4 575 403
Repayment of borrowings	(2 522 089)	(3 263 278)
Interest amortisation	(8 975)	6 368
Foreign exchange on borrowings	116 645	167 026
<b>Closing balance</b>	<b>6 828 343</b>	<b>4 796 043</b>
Non-current borrowings	5 843 785	4 686 043
Current borrowings	984 558	110 000
<b>6 Other net gains or losses</b>		
Income from foreign exchange derivative instruments	138 845	127 336
Fair value adjustment on foreign exchange derivative instruments	(35 922)	(174 082)
Insurance recoveries	12	5
Profit on sale of subsidiary companies	31 913	–
Foreign exchange (loss)/gain	(9 280)	12 995
Sundry income	1 379	11 405
Sundry income – capital in nature (non-distributable)	394	2 180
	<b>127 341</b>	<b>(20 162)</b>
<b>7 Finance costs</b>		
Interest expense on borrowings	245 182	250 695
Interest on lease liabilities	2 364	2 443
Finance costs relating to interest rate derivatives	68 378	9 890
Fair value movement on interest rate derivatives	194 079	105 234
Interest on utility accounts and other	133	107
Borrowing costs capitalised to investment property <sup>1</sup>	(223 128)	(149 840)
	<b>287 008</b>	<b>218 529</b>

<sup>1</sup> The capitalisation rate applied during the year was 7.6% (2020: 8.7%) in relation to general borrowings and 2.7% (2020: 2.9%) in relation to specific borrowings.

Appendix B: Audited summary consolidated financial statements

Notes continued

Equites Property Fund Limited and its subsidiaries for the year ended 28 February 2021

	28 February 2021 R'000	29 February 2020 R'000
<b>8 Capital commitments</b>		
Authorised and contracted for acquisition or construction of new industrial properties	1 790 914	1 901 346
Authorised but not contracted	380 024	46 509
	<b>2 170 938</b>	<b>1 947 854</b>
<b>9 Related parties</b>		
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	134 013	137 570
Fees paid to BTKM (Pty) Ltd (in which Nazeem Khan is a director)	955	299
Fees paid to Automotion (Pty) Ltd (in which Kevin Dreyer is a director)	9	32
	<b>134 977</b>	<b>137 901</b>

## Annexure 1 – Distributable earnings

Equites Property Fund Limited and its subsidiaries for the year ended 28 February 2021

### Reconciliation between earnings and distributable earnings

#### Distributable earnings policy

The Group has established strict guidelines regarding its distribution policy to ensure that the distributable earnings is a fair reflection of sustainable earnings; this comprises property related income net of property related expenditure, interest expense and administrative costs.

The principles encompassed in the calculation below are largely aligned with the best practice recommendations established by the SA REIT Association published in 2016 and the guidelines further developed in the revised best practice recommendations which were published in November 2019.

As distributable earnings is a measure of core earnings, the company has adjusted for the following key items in the determination of this metric:

- certain non-cash and accounting adjustments;
- gains or losses on the disposal of assets and the associated tax treatment;
- certain foreign exchange and hedging items;
- antecedent earnings adjustment.

The specific adjustments are detailed in the statement of distributable earnings presented below. All of these adjustments are derived from the face of the income statement presented and the notes accompanying these financial statements.

#### Distributable earnings

	Unaudited 28 February 2021 R'000	Unaudited 29 February 2020 R'000
<b>Profit or loss for the period (attributable to owners of the parent)</b>	407 499	682 167
<i>Adjusted for:</i>		
Fair value adjustments to investment properties	224 874	(21 764)
Less: Fair value adjustment to investment properties (NCI)	9 553	6 664
Profit or loss on sale of non-current assets	(31 913)	—
<b>Headline earnings</b>	<b>610 013</b>	<b>667 067</b>
<i>Adjusted for:</i>		
Straight-lining of leases adjustment	(48 044)	(80 420)
Fair value adjustments to derivative financial assets and liabilities	230 001	279 316
Equity-settled share-based payment reserve	11 752	11 150
Capital items non-distributable	15 341	2 017
Deferred taxation	108 160	(79 471)
Attributable to NCI	26 632	3 809
Antecedent dividend <sup>1</sup>	20 618	35 899
<b>Distributable earnings</b>	<b>974 473</b>	<b>839 367</b>

#### <sup>1</sup> 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 3 March 2020 and the two dividend reinvestment programmes in May and October 2020 which gave rise to antecedent earnings included above.

Appendix B: Audited summary consolidated financial statements

Annexure 1 – Distributable earnings continued

Equites Property Fund Limited and its subsidiaries for the year ended 28 February 2021

	Unaudited 28 February 2021 R'000	Unaudited 29 February 2020 R'000
<b>The following inputs impacted the antecedent earnings adjustment:</b>		
Opening balance – shares in issue	554 441 236	503 416 786
Increase in shares in issue as a result of accelerated bookbuild	42 780 748	37 091 989
Dividend reinvestment programme	27 300 638	13 391 072
Shares issued in terms of conditional share plan	813 821	541 399
Share issue in respect of property acquisition	3 379 130	–
<b>Closing balance – shares in issue</b>	<b>628 715 573</b>	<b>554 441 246</b>
<b>Dividends declared and distribution per share</b>		
<b>Total distribution for the year – 2021</b>	<b>Cents per share</b>	<b>R'000</b>
Interim dividend declared on 12 October 2020 (Dividend number 14)	74.44	457 572
Final dividend declared on 3 May 2021 (Dividend number 15)	80.56	516 901
<b>Total distribution for the year ended 28 February 2021</b>	<b>155.00</b>	<b>974 473</b>
<b>Total distribution for the year – 2020</b>	<b>Cents per share</b>	<b>R'000</b>
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
<b>Total distribution for the year ended 29 February 2020</b>	<b>151.39</b>	<b>839 367</b>

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 Friday, 23 July 2021.**
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 Monday, 26 July 2021, provide the Participants, by email, a secure link and instructions to participate in the AGM electronically.
  - 2.4. The secure link provided is not transferrable 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*
<b>Special Resolutions</b>				
1	Non-executive director remuneration			
2	General approval to repurchase shares			
3	Financial assistance in terms of section 45 of the Companies Act to related and inter-related parties			
4	Financial assistance in terms of section 44 of the Companies Act			
<b>Ordinary Resolutions</b>				
1	Adoption of annual financial statements			
2	Re-appointment of auditors			
3	Re-election of R Benjamin-Swales as director			
4	Appointment of AD Murray as director			
5	Election and re-election of members of the Audit Committee			
	5.1 R Benjamin-Swales			
	5.2 MA Brey			
	5.3 K Ntuli			
	5.4 AD Murray			
6	The report of the Social, Ethics and Transformation Committee			
7	Unissued shares under control of directors			
8	General authority to issue shares for cash			
9	Specific authority to issue shares pursuant to a reinvestment option			
10	Implementation of resolutions			
<b>Non-binding Resolutions</b>				
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..... 2021

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

## Appendix D

# Form of proxy continued

### Notes

1. For use by shareholders, who were registered as shareholders on **Friday, 16 July 2021**, 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 Tuesday, 27 July 2021** 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 Friday, 23 July 2021**. 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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