

# SA CORPORATE REAL ESTATE LIMITED

Registration number: 2015/015578/06

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MINUTES OF THE 16<sup>TH</sup> ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF SA CORPORATE REAL ESTATE LIMITED (BEING THE FIRST OF THE RECONSTITUTED CORPORATE REIT) HELD IN THE BOARDROOM, SOUTH WING, FIRST FLOOR, BLOCK A, THE FORUM, NORTH BANK LANE, CENTURY CITY ON FRIDAY, 20 MAY 2016 AT 11H00.

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## PRESENT:

As per the signed attendance register 1 822 050 769 shares were represented at the meeting by way of proxy, letter of representation and by way of shareholders personally present representing a total of 79.66% of the 2 287 303 523 voteable number of shares. The number of shares voted, excluding abstentions, were 1 810 266 746 representing 79.14% of the voteable number of shares in issue.

## Also present were:

Directors: Messrs RJ Biesman-Simons ("the Chairman" of the meeting and Chairman of the Audit Committee), Mr KJ Forbes (Chairman of the Investment Committee and member of the Social, Ethics and Environmental Committee), TR Mackey (Managing Director) and Ms AM Basson (Financial Director), all of whom are shareholders.

Shareholders: Mr M Kerkhoff.

## In attendance were:

Auditor: Ms C Ringwood and Ms M Frey representing Deloitte & Touche.

Scrutineer: Mr I van Schoor representing Computershare Investor Services.

Company Secretary: Mr B Swanepoel (a shareholder).

## WELCOME

The Chairman welcomed everyone to the Annual General Meeting of SA Corporate Real Estate Limited.

## APOLOGIES

Apologies were recorded from Mr J Molobela (Chairman of the Board) and Ms EM Hendricks (Chairman of the Social, Ethics and Environmental Committee).

## CONSTITUTION

The Chairman, in consultation with the secretary and scrutineers, confirmed that a quorum was present and declared the meeting duly constituted.

## NOTICE

The notice convening the meeting was, with the consent of the members present, taken as read.

## CONFIRMATION OF MINUTES

The minutes of the 15<sup>th</sup> Annual General Meeting held on the 15<sup>th</sup> day of May 2015 and the general meeting held on Friday 29 May 2016 circulated to all shareholders present, were taken as read and confirmed.

## CHAIRMAN'S STATEMENT

The Chairman's Statement as contained in the 2015 Integrated Annual Report on pages 14 to 16 was noted and taken as read.

The Chairman invited Mr Kerkhoff to ask questions. Mr Mackey responded to the questions raised as follows:

- Jeppe Street Post Office heritage considerations: Afhco Management has a track record in dealing with heritage considerations and embraces them. It works closely with heritage architects and has good relations with the Heritage Council in Johannesburg to obtain the necessary approvals. No particular delays are foreseen to redevelop the building at a targeted yield of 11%.
- Comaro Crossings: The rejuvenation and repositioning of the centre is underway and Management is confident that it will be a success. The only other remaining Sharemax portfolio property is Northpark Mall, which is under offer for disposal. The retail portfolio performed well in 2015.
- The risk associated with the residential portfolio in the Johannesburg CBD: Management sees the residential portfolio as being defensive. In a rising interest rate environment there is a migration to rental properties (as opposed to owning them) and the increased urbanisation of people leads to a further demand for residential accommodation. The economic environment is having an impact on the portfolio, but less so that on the traditional portfolio. R1.8 billion has been invested in the AFHCO portfolio and there is a pipeline of an additional R1 billion. Management plans to complete 60 apartments per month over the next three years.
- Strategy: SA Corporate's residential and inner-city retail strategy is different to that of Arrowhead Properties, which uses external property manager(s). It has an in-house property manager in AFHCO, which is a well-established brand. AFHCO buys buildings that are large and close to transport modes in order to control precincts. Management's purpose is to build AFHCO to become a dominant, trusted residential rental brand of choice in South Africa.

## RESOLUTIONS

The resolutions as detailed in the Notice of the Annual General Meeting were put to the meeting.

The Chairman noted that, at the request of shareholders, all voting would be done by poll and explained the procedure for conducting the voting by poll.

### **Ordinary Resolution 1** **Annual Financial Statements**

To receive and adopt the Annual Financial Statements of the Company and the Group, together with the reports of the Directors and Auditor thereon and the Audit Committee report for the year ended 31 December 2015. The motion was proposed by the Chairman and seconded by Mr KJ Forbes.

The results of the poll were as follows:

- 100.00% in favour
- 00.00% against
- 00.52% abstained

The resolution was carried as per the results of the poll.

### **Ordinary Resolution 2**

To re-elect and confirm the appointment of the Directors who retire by rotation and being eligible offer themselves for re-election. Each Director was voted on individually.

#### Ordinary Resolution 2.1

To elect and confirm the appointment of Mr RJ Biesman-Simons. The motion was proposed by Mr KJ Forbes and seconded by Ms A Basson.

The results of the poll were as follows:

- 100.00% in favour
- 00.00% against
- 00.52% abstained

The resolution was carried as per the results of the poll.

### Ordinary Resolution Number 2.2

To elect and confirm the appointment of MS EM Hendricks. The motion was proposed by the Chairman and seconded by Mr B Swanepoel.

The results of the poll were as follows:

- 99.80% in favour
- 0.20% against
- 00.52% abstained

The resolution was carried as per the results of the poll.

### Ordinary Resolution Number 2.3

In accordance with the provisions of the Company's Board Charter, to re-elect Mr KF Forbes, who is 67 years old and retires as a Director until the next Annual General Meeting to be held in 2017. The motion was proposed by the Chairman and seconded by Ms A Basson.

The results of the poll were as follows:

- 65.95% in favour
- 34.05% against
- 00.52% abstained

The resolution was carried as per the results of the poll.

### **Ordinary Resolution 3**

To re-elect by individual resolutions, the following independent non-executive Directors, as members of the Audit Committee.

Shareholders voted individually on resolutions 3.1 to 3.3 and the results of the poll were as follows:

Resolution 3.1 – Mr RJ Biesman-Simons. The motion was proposed by Mr B Swanepoel and seconded by Mr KJ Forbes.

- 100.00% in favour
- 00.00% against
- 00.52% abstained

The resolution was carried as per the results of the poll.

Resolution 3.2 - Mr ES Seedat. The motion was proposed by the Chairman and seconded by Mr TR Mackey.

- 65.95% in favour
- 34.05% against
- 00.52% abstained

The resolution was carried as per the results of the poll.

Resolution 3.3 – Ms GP Dingaen. The motion was proposed by the Chairman and seconded by Mr TR Mackey.

- 100.00% in favour
- 00.00% against
- 00.52% abstained

The resolution was carried as per the results of the poll.

### **Ordinary Resolution 4**

#### **Re-appointment of auditors**

To reappoint Deloitte & Touche as the registered independent Auditor of the Company for the period until the next Annual General Meeting. The motion was proposed by the Chairman and seconded by Ms A Basson.

The results of the poll were as follows:

- 100.00% in favour
- 00.00% against
- 00.52% abstained

The resolution was carried as per the results of the poll.

### **Ordinary Resolution 5**

#### **Remuneration policy**

To approve, on the Board's recommendation, SA Corporate Real Estate Fund Managers Proprietary Limited's remuneration policy by way of a non-binding advisory vote, as per the summary set out in the Remuneration Report contained in the Integrated Annual Report. The motion was proposed by the Chairman and seconded by Mr KJ Forbes.

The results of the poll were as follows:

- 90.98% in favour
- 9.02% against
- 00.54% abstained

The resolution was carried as per the results of the poll.

### **Ordinary Resolution 6**

#### **Placing 10% of the unissued shares under the control of the Directors**

To place 10% of the unissued authorised ordinary shares of no par value under the control of the Directors, who are authorised to issue and allot any such shares at their discretion, subject to the Companies Act no. 71 of 2008 as amended ("the Companies Act), the Company's Memorandum of Incorporation ("MOI"), the JSE Listings Requirements and the limitations as set out in the Notice of the Annual General Meeting. The motion was proposed by the Chairman and seconded by Mr TR Mackey.

The results of the poll were as follows:

- 83.97% in favour
- 16.03% against
- 00.527% abstained

The resolution was carried as per the results of the poll.

### **Ordinary Resolution 7**

#### **General authority to issue of shares pursuant to a distribution reinvestment option**

To authorise the Directors, by way of a specific standing authority, to issue ordinary shares of no par value as and when they deem appropriate for the exclusive purpose of affording shareholder opportunities, from time to time, to elect to reinvest distributions received by them in new ordinary shares in the Company. The motion was proposed by the Chairman and seconded by Mr B Swanepoel.

The results of the poll were as follows:

- 99.88% in favour
- 00.12% against
- 00.52% abstained

The resolution was carried as per the results of the poll.

### **Ordinary Resolution 8**

#### **General, but restricted authority to issue shares for cash**

To authorise the Directors, by way of general authority, to issue ordinary shares of no par value in the Company for cash, as and when they in their discretion deem fit, subject to the Companies Act, the Company's MOI, the JSE Listings Requirements and the limitations as set out in the Notice of the Annual General Meeting. The motion was proposed by the Chairman and seconded by Mr KJ Forbes.

The results of the poll were as follows:

- 89.41% in favour
- 10.59% against
- 00.52% abstained

The resolution was carried as per the results of the poll.

### **Special Resolution 1**

#### **Non-executive Directors remuneration**

To approve the remuneration to be paid to non-executive Directors in respect of the financial year ending 31 December 2016 on the basis set out in the Notice of the Annual General Meeting.

Shareholders voted individually on special resolutions 1.1 to 1.14 and all motions were proposed by Ms Basson and seconded by Mr TR Mackey.

1.1	Board – Chair	R283 540
1.2	Board – Member	R170 132
1.3	Audit Committee – Chair	R136 095
1.4	Audit Committee – Member	R 77 130
1.5	Risk & Compliance Committee – Chair	R 34 030
1.6	Risk & Compliance Committee – Member	R 27 220
1.7	Nomination Committee – Chair	R 56 710
1.8	Nomination Committee – Member	R 22 680
1.9	Remuneration Committee – Chair	R 90 735
1.10	Remuneration Committee – Member	R 45 375
1.11	Investment Committee – Chair	R136 116
1.12	Investment Committee – Member	R 90 750
1.13	Social, Ethics & Environmental Committee – Chair	R 56 700
1.14	Social, Ethics & Environmental Committee – Member	R 45 375

The results of the poll for resolutions 1.1 to 1.14 were all 100% in favour and 0.54% abstained.

The resolutions were all carried as per the results of the poll.

### **Special Resolution 2**

#### **Financial assistance in terms of sections 44 and 45 of the Companies Act**

To generally provide any financial assistance, for the purpose of or in connection with the acquisition of shares in the Company or of a related company, in terms of sections 44 and 45 of the Companies Act to any Director, prescribed officer or senior employee, pursuant to and in connection with the Forfeitable Share Incentive Scheme as set out in the Notice of the Annual General Meeting. The motion was proposed by the Chairman and seconded by Mr KJ Forbes.

The results of the poll were as follows:

- 92.91% in favour
- 7.09% against
- 00.52% abstained

The resolution was carried as per the results of the poll.

### **Special Resolution 3**

#### **Financial assistance to related and inter-related parties**

To provide direct and indirect financial assistance as contemplated in section 45 of the Companies Act subject to the Company's MOI and the JSE Listings Requirements, by way of loans, guarantees, the provision of security or otherwise to related and inter-related parties as set out in the notice of the Annual General Meeting for no more than two years. The motion was proposed by the Chairman and seconded by Mr B Swanepoel.

The results of the poll were as follows:

- 100.00% in favour
- 00.00% against
- 00.52% abstained

The resolution was carried as per the results of the poll.

### **Special Resolution 4**

#### **Specific authority to issue shares to Directors pursuant to a distribution reinvestment option**

To authorise the Directors, to issue new ordinary shares of no par value to persons contemplated in section 41(1) of the Companies Act, which includes Directors and officers of the Company and persons related or inter-related to the Company and its Directors and officers, who are shareholders and have elected to reinvest their distributions in accordance with the Distribution Reinvestment Alternative contemplated in ordinary resolution number 7. The motion was proposed by the Chairman and seconded by Mr KJ Forbes.

The results of the poll were as follows:

- 100.00% in favour
- 00.00% against
- 00.52% abstained

The resolution was carried as per the results of the poll.

### **Special Resolution 5**

#### **General authority to repurchase securities**

To acquire ordinary shares of no par value issued by the Company by way of general authority upon such terms and conditions and in such amounts as the Directors may from time to time decide, but subject to the Companies Act and JSE Listing Requirements as set out in the Notice of the Annual General Meeting. The motion was proposed by the Chairman and seconded by Ms A Basson.

The results of the poll were as follows:

- 97.77% in favour
- 2.23% against
- 00.80% abstained

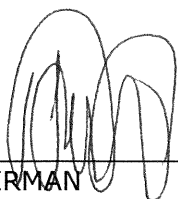
The resolution was carried as per the results of the poll.

### **CLOSURE**

The Chairman advised that the voting results for all resolutions will be released on SENS within 48 hours in terms of the JSE Listing Requirements.

There being no further business to discuss, the Chairman thanked all for their attendance and declared the meeting closed.

Confirmed a correct record of the proceedings this 19<sup>th</sup> day of May 2017.

  
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CHAIRMAN