

# SA CORPORATE REAL ESTATE LIMITED

Registration number: 2015/015578/06

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## MINUTES OF THE ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF SA CORPORATE REAL ESTATE LIMITED HELD BY WAY OF ELECTRONIC PARTICIPATION ON TUESDAY, 30 JUNE 2020 AT 11H00.

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### PRESENT:

#### Directors:

Messrs Moloto (Chairman), O Mosetlhi (Lead Independent Director), TR Mackey (Chief Executive Officer), RJ Biesman-Simons (Chairman of the Audit Committee), and Mesdames AM Basson (Chief Financial Officer), E Hendricks (Chairperson of the Social, Ethics and Environmental Committee) and N Ford-Hoon (Fok) (Chairman of the Remuneration Committee), G Heron (Chairperson of the Investment Committee), A van Heerden (Audit Committee and Risk and Compliance Committee member).

#### Shareholders:

T Polaki, S Herring, S Swanepoel, A Chowan, Y Mowlana, M Madavha, M Mncube, M Chowan, A Ntonga, S Oberholzer, A Carstens, D Govender, A Marcus, A Majola, M MacKaiser and Z Perrins-Kapery.

### IN ATTENDANCE:

#### External Auditors:

Mesdames N le Riche and M Frey representing Deloitte & Touche.

Mr J de Villiers representing PricewaterhouseCoopers.

#### Legal advisors:

William Midgley representing Cliffe Dekker Hofmeyr

#### Scrutineer:

Mr I van Schoor representing The Meeting Specialist (Proprietary) Limited.

#### Company Secretariat:

Mesdames T Kodde and D Parker.

### WELCOME

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

As a consequence of the impact of the COVID-19 pandemic and the restrictions placed on public gatherings, he advised that the meeting would mostly be conducted by way of electronic participation, as provided for by the JSE Limited and in terms of the provisions of the Companies Act 71 of 2008, as amended, and the Company's Memorandum of Incorporation (MOI).

The Chairman welcomed The Meeting Specialists (Pty) Limited (TMS) who was appointed to act as scrutineer to check the Proxy forms and to assist with the facilitation of the virtual voting platform.

### CONSTITUTION

The Chairman confirmed that in accordance with the Company's MoI, the quorum requirements for the AGM had been met. As confirmed by the scrutineers, 2 148 090 571 shares were represented at the meeting by way of proxy, letter of representation and by way of shareholders being virtually present, representing a total of 85.42% of the 2 514 732 095 voteable number of shares.

### NOTICE

The notice of the meeting was circulated to all shareholders of the Company entitled to receive such notice, and within the prescribed period. The notice contained the full

details of the ordinary and special resolutions to be considered at the meeting. The notice was taken as read, and with no objections posed, the Chairman continued with the proceedings.

### **VOTING PROCEDURE ON RESOLUTIONS**

The Chairman indicated that in accordance with the Company's MoI, all resolutions would be conducted by way of a poll on the virtual voting platform. The Chairman referred the shareholders to each of the resolutions proposed for adoption. As the comprehensive content of each resolution was included in the Notice of the AGM, it will be displayed in full on the Virtual Participation platform for ease of reference. The Chairman confirmed that the results of all the resolutions would be announced before the conclusion of the meeting. The Chairman requested that TMS recap on the voting procedures.

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

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

To adopt the audited Annual Financial Statements for the Group for the year ended 31 December 2019, including the reports of the directors, the auditor's report and the Audit Committee report.

Ordinary resolution number 1 was passed with 100.00% of the total number of shares voted at the meeting.

#### **Ordinary Resolution 2**

##### **To place the unissued authorised ordinary shares under the control of the directors**

To propose that the unissued authorised ordinary shares of no par value in the Company be and are hereby placed under the control of the directors of the Company, who are authorised to allot and issue any such shares at their discretion, subject at all times to the provisions of the Companies Act, the Company's MOI and the JSE Listings Requirements, provided that the number of shares issued hereunder in aggregate in any one financial year, will not exceed 126 534 467 ordinary shares which number represents 5% of the number of shares in issue (excluding treasury shares) as at the date of the notice of this AGM, being 2 530 689 337 ordinary shares, and is subject to a maximum discount of 5% of the weighted average traded price on the JSE of those shares over the 30 business days prior to the allotment, issue or disposal as the case may be.

Ordinary resolution number 2 was passed with 75.107% of the total number of shares voted at the meeting.

#### **Ordinary Resolution 3**

##### **The specific authority to issue shares to afford shareholders distribution reinvestment alternatives**

To propose that subject to the provisions of the Companies Act and the JSE Listings Requirements, the directors be and they are hereby authorised by way of a specific standing authority (which is separate from and in addition to the authority referred to in ordinary resolution number 2 of the notice of this AGM) to issue ordinary shares of no par value (ordinary shares) as and when they deem appropriate, for the exclusive purpose of affording shareholders opportunities from time to time to elect to reinvest distributions received by them in new ordinary shares of the Company, for which purpose such ordinary shares are hereby placed under the control of the directors.

Ordinary resolution number 3 was passed with 99.507% of the total number of shares voted at the meeting.

#### **Ordinary Resolution 4**

##### **General authority to issue shares for cash**

Is to authorise the board of directors to issue ordinary shares for cash, such issue or issues not to exceed 5% of the aggregate number of ordinary shares in the total issued share capital of the Company.

Although this is an ordinary resolution, in terms of the JSE Listings Requirements the minimum percentage of voting rights that is required for this resolution to be adopted is 75% (seventy-five percent) of the voting rights.

Ordinary resolution number 4 was passed with 75.309% of the total number of shares voted at the meeting.

#### **Ordinary Resolution 5**

##### **The appointment of the independent external auditor**

To appoint PricewaterhouseCoopers as the external auditors of the Company and to appoint Jacques de Villiers as the designated audit partner.

Ordinary resolution number 5 was passed with 100.00% of the total number of shares voted at the meeting.

[Ordinary Resolution 6 was proposed by Mr Oratile Mosetlhi]

#### **Ordinary Resolution 6**

##### **The re-election of Arthur Moloto as director**

To re-elect Arthur Moloto as director of the Company.

Ordinary resolution number 6 was passed with 99.724% of the total number of shares voted at the meeting.

#### **Ordinary Resolution 7**

##### **The re-election of Ms Emily Hendriks as director**

To re-elect Emily Hendriks as director of the Company.

Ordinary resolution number 7 was passed with 100.00% of the total number of shares voted at the meeting.

#### **Ordinary Resolution 8**

##### **The re-election of John Biesman-Simons as director**

To re-elect John Biesman-Simons as director of the Company.

The objection from Mr and Mrs Chowan on the re-election of Mr John Biesman-Simons was noted. Shareholders were requested to cast their votes on the virtual platform.

Ordinary resolution number 8 was passed with 97.926% of the total number of shares voted at the meeting.

#### **Ordinary Resolutions 9 to 12**

The following directors have been appointed by the Board since the last AGM of the Company, and in accordance with the requirements of the Company's MOI, are obliged to retire at this AGM and, being eligible., offers themselves for election as independent non-executive directors of the Company.

#### **Ordinary Resolution 9**

##### **The election of Greg Heron as director**

To elect Greg Heron as director of the Company.

Ordinary resolution number 9 was passed with 99.995% of the total number of shares voted at the meeting.

### **Ordinary Resolution 10**

#### **The election of André van Heerden as director**

To elect André van Heerden as director of the Company.

Ordinary resolution number 10 was passed with 99.995% of the total number of shares voted at the meeting.

### **Ordinary Resolution 11**

#### **The election of Oratile Moselehi as director**

To elect Oratile Moselehi as director of the Company.

Ordinary resolution number 11 was passed with 100.00% of the total number of shares voted at the meeting.

### **Ordinary Resolution 12**

#### **The election of Naidene Ford-Hoon (Fok) as director**

To elect Naidene Ford-Hoon (Fok) as director of the Company.

Ordinary resolution number 12 was passed with 100.00% of the total number of shares voted at the meeting.

### **Ordinary Resolution 13 to 15**

To re-elect and elect, by separate resolutions, the following independent non-executive directors, as members of the Audit Committee.

Shareholders voted individually on resolutions 13 to 15, and the results of the polls were as follows:

### **Ordinary Resolution 13**

#### **Re-election of John Biesman-Simons as chairman and member of the Audit Committee.**

The objection from Mr and Mrs Chowan on the re-election of John Biesman-Simons as chairman and member of the Audit Committee was noted.

Ordinary resolution number 13 was passed with 78.405% of the total number of shares voted at the meeting.

### **Ordinary Resolution 14**

#### **Election of André van Heerden as a member of the Audit Committee.**

Ordinary resolution number 14 was passed with 99.995% of the total number of shares voted at the meeting.

### **Ordinary Resolution 15**

#### **Election of Naidene Ford-Hoon (Fok) as a member of the Audit Committee.**

Ordinary resolution number 15 was passed with 100.00% of the total number of shares voted at the meeting .

### **Non-Binding Advisory Vote 1**

#### **Endorsement of the remuneration policy of the Company**

To endorse the Company's Remuneration Policy by way of a non-binding advisory vote.

Non-binding advisory vote number 1 was passed with 90.271% of the total number of shares voted at the meeting.

### **Non-Binding Advisory Vote 2**

#### **Endorsement of the implementation of the remuneration policy of the Company**

To endorse the implementation of the remuneration policy by way of a non-binding advisory vote.

Non-binding advisory vote number 2 was not passed with 57.724 % of the total number of shares voted at the meeting. . As a result of more than 25% of the votes cast against the Non-Binding Advisory Vote, in accordance with the King IV report on Corporate Governance for South Africa, 2016 and paragraph 3.84(k) of the Listings Requirements shareholders will be invited to share their questions and suggestions regarding the implementation of the remuneration policy report with the Company.

### **Special Resolution 1**

#### **Authorisation to provide financial assistance in terms of sections 44 and 45 of the Companies Act**

That the Company be authorised to generally provide any financial assistance, for the purpose of, or in connection with the acquisition of the shares of the Company or of a related company, in terms of sections 44 and 45 of the Companies Act

Special resolution number 1 was passed with 93.202% of the total number of shares voted at the meeting.

### **Special Resolution 2**

#### **Assistance to related and inter-related parties**

In terms of the Companies Act, shareholders need to approve the giving of financial assistance by the Company to its related or inter-related companies. The Company requires the shareholders to provide them with the authorisation to do so.

Special resolution number 2 was passed with 99.997% of the total number of shares voted at the meeting.

### **Special Resolution 3**

#### **Authority to issue shares to directors who elect to reinvest their distributions under the reinvestment option**

To propose that subject to the provisions of the Companies Act, the Company's MOI and the JSE Listings Requirements, in the event that:

- the Company elects, upon declaration by the Company of a distribution in respect of its shares, to afford all shareholders the option of reinvesting their distributions by subscribing for new shares of the Company ("the Distribution Reinvestment Alternative");
- some of the Company's shareholders, who are also persons contemplated in section 41(1) of the Companies Act (which includes present or future directors or officers of the Company and persons related or inter-related to the Company or its directors and officers), elect to reinvest their distributions in accordance with the Distribution Reinvestment Alternative; and
- the directors be and are hereby authorised to issue to each such shareholder who elects to reinvest their distributions in accordance with the Distribution Reinvestment Alternative such number of shares as are equivalent in value to the distributions reinvested by such shareholder, on such terms and conditions as the directors may, at their discretion, determine.

Special resolution number 3 was passed with 99.997% of the total number of shares voted at the meeting.

### **Special Resolution 4.1 to 4.16**

#### **Approval of non-executive directors' fees**

In terms of the Companies Act, the fees for non-executive directors for services as directors require approval by way of special resolution at the AGM.

It was noted that given the current economic climate and the unknown impact of the Covid-19 pandemic, the directors resolved that their fees should not be increased for 2020

Shareholders voted individually on special resolutions 4.1 to 4.16.

The results of the poll were as follows:

		Favour %	Against %
4.1	Board Chairman	99,894%	0,106%
4.2	Board Members	99.995%	0,005%
4.3	Audit Chairman	99,894%	0,106%
4.4	Audit Members	99.995%	0,005%
4.5	Risk and Compliance Chairman	99.995%	0,005%
4.6	Risk and Compliance Members	99.995%	0,005%
4.7	Remuneration Chairman	99,894%	0,106%
4.8	Remuneration Members	99.995%	0,005%
4.9	Nominations Chairman	99,894%	0,106%
4.10	Nominations Members	99.995%	0,005%
4.11	Investment Chairman	99.995%	0,000%
4.12	Investment Members	99.995%	0,005%
4.13	Social, Ethics & Environmental Chairman	99.995%	0,005%
4.14	Social, Ethics & Environmental Members	99.997%	0,003%
4.15	Conference and strategy sessions flat fee	99.995%	0,005%
4.16	Ad-hoc meetings per hour capped at 1/3 of annual fee	99.997%	0,003%

Special resolutions 4.1 to 4.16 were passed as indicated above by the percentage of the total number of shares voted at the meeting.

### **Special Resolution 5**

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

Approval is required by the shareholders to authorise the Company and its subsidiaries to acquire some of the Company's issued ordinary shares should circumstances warrant it.

Special resolution number 5 was passed with 96.237% of the total number of shares voted at the meeting.

### **GENERAL**

The Chairman referred to the questions posted on the virtual platform. The following questions from shareholders were highlighted:

*The Company had a challenging year and given the prevailing Covid challenged underperformance is expected. How is the Remuneration policy going to address the performance of executives while retaining talent.*

Ms Ford-Hoon (Fok) mentioned the remuneration policy is the policy and it will be assessed annually for relevance, she also added that the 2020 performance conditions were agreed and finalised prior to Covid-19. The Board is well aware that several of the performance measures already determined may already be unattainable or unachievable. The Remuneration Committee (Remco) and the Board will continue to monitor the performance measures, and if necessary can apply discretion when assessing the actual results at the financial year end. The objective is to ensure we retain talent and as mentioned Remco and the Board can exercise discretion when it comes to awarding long and short term incentives, as this is a very unusual year.

The Board and Remco recognised that the business has a very flat management structure. Remco embarked on an exercise to identify the talent within the organisation as well as to identify the relevant skills that are required to take the business forward. The Board considered and agreed to create two additional senior positions. A Head of Corporate Finance that will also assist with Investor Relations and a Chief Operating Officer. The Asset Management teams have also been strengthened. The process for the appointment of the Head of Corporate Finance has been completed and the incumbent

was onboarded in June 2020. The process of finalising the appointment of the Chief Operating Officer was imminent.

*An explanation was requested for the re-appointment of Mr Rory as CEO after he resigned.*

The Chairman stated the Board placed the CEO on a six month contract to afford the new board members and himself the opportunity to work together. After the six month period, the Board deliberated this matter and unanimously agreed that Mr Mackey is the best candidate to run the organisation and to drive the Company strategy. The CEO has the full support of the Board. The Board is pleased with Mr Mackey's performance, especially under the current challenging circumstances that the property sector finds itself.

*Is there a sufficient mix of skills on the board to meet the challenges facing the company?*

The Chairman expressed his appreciation for the recommended appointments of directors from shareholders following the last AGM. He confirmed that the skills and the Board composition were well balanced. The Chairperson assured shareholders that he is confident that the current Board will be able to guide the Company through the uncertainties that lie ahead. The focus of the Board is on the business and can provide strategic guidance to Management on extremely challenging issues that the Company is faced with in the difficult economic climate.

#### **CLOSURE**

The Chairman mentioned that as communicated to shareholders, Mr Seedat decided to retire as director of the Board. The Chairman extended a word of appreciation to Mr Seedat for his years of service, guidance, and experience that he shared on the Board of the Company. He wished him well in his future endeavours.

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.



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CHAIRMAN  
30 June 2020