

## THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 22 of this circular have, where appropriate, been used on this cover page.

### Action required

If you have disposed of all of your Fortress shares, then this circular, together with the attached notices of Fortress shareholder meetings, forms of proxy (*pink, green and yellow*) and forms of surrender and transfer (*blue and grey*), should be handed to the purchaser of such Fortress shares or to the broker, CSDP, banker or other agent through whom the disposal was effected.

Beneficial shareholders who hold dematerialised shares through a CSDP or broker but who have not elected own name registration who wish to attend the appropriate Fortress shareholder meeting(s) must request their CSDP or broker to provide them with the necessary letter of representation to attend the Fortress shareholder meeting(s) or must instruct their CSDP or broker to vote on their behalf in terms of their agreement with their CSDP or broker.

Shareholders are referred to page 9 of this circular, which sets out the detailed action required of them in respect of the transaction and ancillary matters set out in this circular.

If you are in any doubt as to the action you should take, please consult your broker, CSDP, banker, legal advisor, accountant or other professional advisor immediately.

**Fortress does not accept responsibility and will not be held liable for any act by or failure of any registered holder of shares to notify the holder of any beneficial interest in those shares of the action required of them in respect of the transaction and ancillary matters set out in this circular.**



## FORTRESS REAL ESTATE INVESTMENTS LIMITED

(formerly Fortress REIT Limited)

(Incorporated in the Republic of South Africa)

(Registration number 2009/016487/06)

JSE share codes: FFA ISIN: ZAE000248498

FFB ISIN: ZAE000248506

LEI: 378900FE98E30F24D975

("Fortress" or the "company")

## CIRCULAR TO FORTRESS SHAREHOLDERS

relating to:

- a scheme of arrangement in terms of section 114(1)(c) of the Companies Act (read with section 115 of the Companies Act) between Fortress and FFB shareholders, which, if implemented, will result in Fortress repurchasing all of the FFB shares held by scheme participants, in consideration for 0.060207 NRP shares for every FFB share held on the scheme record date;
- a section 48 resolution to repurchase the scheme shares;
- the cancellation of all FFA and FFB treasury shares in issue prior to the implementation of the scheme;
- the conversion of all of the FFA shares into FFB shares following the implementation of the scheme by special resolution to be adopted at a general meeting of FFA shareholders and at a combined general meeting of all Fortress shareholders, and by way of amendments to the MOI of Fortress; and
- certain other consequential amendments to the MOI of Fortress;

and incorporating:

- a report prepared by the independent expert in terms of sections 114(2) and 114(3) of the Companies Act (read with regulation 90 of the Takeover Regulations);
- a notice of a combined general meeting of all Fortress shareholders;
- a notice of a general meeting of FFA shareholders;
- a notice of a general meeting of FFB shareholders;
- a form of proxy (*pink*) to attend and vote at the combined general meeting of Fortress shareholders for use by certificated shareholders and dematerialised shareholders who have elected own name registration only;
- a form of proxy (*green*) to attend and vote at the general meeting of FFA shareholders for use by certificated FFA shareholders and dematerialised FFA shareholders who have elected own name registration only;
- a form of proxy (*yellow*) to attend and vote at the general meeting of FFB shareholders for use by certificated FFB shareholders and dematerialised FFB shareholders who have elected own name registration only;
- a form of surrender and transfer (*blue*) for use by certificated FFA shareholders only; and
- a form of surrender and transfer (*grey*) for use by certificated FFB shareholders only.

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Financial advisor to the independent board



Sponsor to Fortress



Legal advisors to Fortress



Independent expert



Independent reporting accountants



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Date of issue: Thursday, 30 November 2023

*This circular is available in English only. Hard copies of this circular will be available at the registered address of the company during business hours from the date of posting of the circular to the date on which the Fortress shareholder meetings are held. Electronic copies of the circular will also be available on Fortress' website (<https://fortressfund.co.za/investor-relations/investor-documents?document=circulars>) from the date of posting of the circular.*

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## CORPORATE INFORMATION

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### **Company secretary and registered office**

Tamlyn Stevens CA(SA)  
Block C, Cullinan Place  
Cullinan Close  
Morningside, 2196  
(PO Box 138, Rivonia, 2128)

### **Sponsor**

Java Capital Trustees and Sponsors Proprietary Limited  
(Registration number 2006/005780/07)  
6th Floor, 1 Park Lane  
Wierda Valley  
Sandton, 2196  
(PO Box 522606, Saxonwold, 2132)

### **Independent expert**

Ernst & Young Advisory Services (Pty) Ltd  
(Registration number 2006/018260/07)  
3<sup>rd</sup> Floor, Waterway House  
3 Dock Road, V&A Waterfront  
Cape Town, 8001  
(Postal address same as physical address)

### **Transfer secretaries**

JSE Investor Services Proprietary Limited  
(Registration number 2000/007239/07)  
One Exchange Square  
Gwen Lane  
Sandown, 2196  
(PO Box 4844, Johannesburg, 2000)

### **Place and date of incorporation of Fortress**

Incorporated in the Republic of South Africa on 25 August 2009

### **Financial advisor to the independent board**

Rothschild & Co South Africa Proprietary Limited  
(Registration number 1999/021764/07)  
7th Floor, 144 Oxford  
144 Oxford Road  
Rosebank, 2196  
(PO Box 411332, Craighall, 2014)

### **Legal advisors**

DLA Piper Advisory Services Proprietary Limited  
(Registration number 2015/222271/07)  
6<sup>th</sup> Floor  
61 Katherine Street  
Sandton, 2196  
(Private Bag X17, Benmore, 2010)

### **Independent reporting accountants**

KPMG Inc.  
(Registration number 1999/021543/21)  
KPMG Crescent  
85 Empire Road  
Parktown, 2193  
(Private Bag X9, Parkview, 2122)

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## **IMPORTANT LEGAL NOTICES**

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The definitions and interpretations commencing on page 22 of this circular have, where applicable, been used in this section.

### **APPLICABLE LAWS**

The release, publication or distribution of this circular in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this circular is released, published or distributed should inform themselves about and observe such restrictions. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. This circular does not constitute the solicitation of an offer to purchase shares or a solicitation of any vote or approval in any jurisdiction in which such solicitation would be unlawful.

The scheme and the FFA conversion, which are the subject of this circular, may be affected by the laws of the relevant jurisdictions of non-resident shareholders. Such non-resident shareholders (and the other Fortress shareholders holding Fortress shares as nominee, custodian or otherwise on behalf of persons that are not residents of South Africa) should familiarise themselves with and observe any applicable legal requirements of such jurisdictions. It is the responsibility of any non-resident shareholder (and any other Fortress shareholder holding Fortress shares as nominee, custodian or otherwise on behalf of persons that are not residents of South Africa) to satisfy himself as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection with the scheme and the FFA conversion, which are the subject of this circular, including the obtaining of any governmental, exchange control or other consents or the making of any filings which may be required, the compliance with other necessary formalities, the payment of any issue, transfer or other taxes or other requisite payments due to such jurisdiction.

The scheme is governed by the laws of South Africa and is subject to any applicable laws and regulations, including the Companies Act, the Takeover Regulations and, where applicable, the JSE Listings Requirements.

Any shareholder who is in doubt as to its position, including, without limitation, the tax consequences for the shareholder arising from the scheme or the FFA conversion, should consult an appropriate independent professional advisor in the relevant jurisdiction without delay.

### **NOTICE TO FOREIGN SHAREHOLDERS**

The scheme consideration has not been, and will not be, registered under the US Securities Act, or under any securities laws or regulations of any state or other jurisdiction of the United States and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of, the US Securities Act and in compliance with any applicable securities laws or regulations of any state or other jurisdiction of the United States. There will be no public offer of the scheme consideration in the United States or in any other jurisdiction. Subject to certain limited exceptions, the scheme consideration is being offered and sold only outside the United States in offshore transactions in compliance with Regulation S.

The scheme consideration will also not be registered under the securities laws or regulations of any other jurisdiction, in particular the restricted territories, and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within any of the restricted territories, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of such jurisdiction and where it is lawful to do so and does not require further action for such purpose. Subject to certain exceptions, this circular and any accompanying documents should not be distributed in, forwarded to or transmitted in or into the United States or any other restricted territory.

### **FORWARD-LOOKING STATEMENTS**

This circular contains statements about Fortress that are or may be forward-looking statements. All statements, other than statements of historical fact, are, or may be deemed to be, forward-looking statements, including, without limitation, those concerning: strategy; the economic outlook for the industry; cash costs and other operating results; growth prospects and outlook for operations, individually or in the aggregate; liquidity and capital resources and expenditure and the outcome and consequences of any pending litigation proceedings. These forward-looking statements are not based on historical facts, but rather reflect current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as “believe”, “aim”, “expect”, “anticipate”, “intend”, “foresee”, “forecast”, “likely”, “should”, “planned”, “may”, “estimated”, “potential” or similar words and phrases.

Examples of forward-looking statements include statements regarding a future financial position or future profits, cash flows, corporate strategy, anticipated levels of growth, estimates of capital expenditure, acquisition strategy, and expansion prospects for future capital expenditure levels and other economic factors, such as, *inter alia*, interest rates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Fortress cautions that forward-looking statements are not guarantees of future performance. Actual results, financial and operating conditions, liquidity and the developments within the industry in which Fortress operates may differ materially from those made in, or suggested by, the forward-looking statements contained in this circular.

All these forward-looking statements are based on estimates and assumptions, as regards Fortress, made by Fortress, all of which estimates and assumptions, although Fortress believes them to be reasonable, are inherently uncertain. Such estimates, assumptions or statements may not eventuate. Factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in those forward-looking statements or assumptions include other matters not yet known to Fortress or not currently considered material by Fortress.

Shareholders should keep in mind that any forward-looking statement made in this circular or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors that could cause the business of Fortress not to develop as expected may emerge from time to time and it is not possible to predict all of them. Further, the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement are not known. Fortress has no duty to, and does not intend to, update or revise the forward-looking statements contained in this circular after the date of issue of this circular, except as may be required by law. Any forward looking statements have not been reviewed nor reported on by the company's external auditors.

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## SUMMARY OF THE TRANSACTION AND THE RIGHTS ATTACHING TO FFA AND FFB SHARES

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The definitions and interpretations commencing on page 22 of this circular have, where applicable, been used in this section.

The following summary information should be read as an introduction to the more detailed information appearing elsewhere in this circular. Fortress shareholders are advised to consider this circular as a whole before making any decision in respect of the transaction resolutions, and such decision should not be based solely on this summarised information.

The purpose of this summary is to explain, in simplified terms, (i) the scheme of arrangement to effect the repurchase and cancellation of all of the FFB shares currently in issue in return for which the FFB shareholders will receive NEPI Rockcastle shares; and (ii) the subsequent conversion of all of the FFA shares to FFB shares and the termination of the FFA listing on the Main Board of the JSE such that going forward, Fortress will have a single class of share in issue.

### 1. Background

The company has two classes of equity securities in its authorised and issued share capital, namely the FFA shares and the FFB shares.

In terms of the MOI, the FFA share has a preferential right to distributions of income (if declared by the board) equal to the Fortress A distribution benchmark for each six month period and to a fixed capital participation on redemption of the FFA shares or winding up of Fortress. Whilst there are FFA shares in issue, the FFB share is only entitled to residual distributions of income (if declared by the board) and to the residual assets on a winding up of Fortress. In terms of the current capital structure, Fortress has both FFA shares and FFB shares in issue.

If the distributable earnings for an income period are below the Fortress A distribution benchmark, the board may not declare a distribution of income to any shareholders. The company did not meet the Fortress A distribution benchmark in respect of both 1H 2022 and 2H 2022 and accordingly did not declare distributions out of income for these periods. In line with market guidance given in 2022, Fortress has not declared a dividend in 2023.

Other than in respect of (i) distributions of income (if declared by the board); (ii) capital participation on redemption of the FFA shares; or (iii) capital participation on winding up of the company, the FFA shares and the FFB shares rank *pari passu*.

The board proposes to collapse Fortress's dual capital structure into a single class of issued shares which will, among other things, permit the distribution of income to Fortress shareholders in accordance with the company's dividend policy and without MOI restrictions, and which should deliver significant benefits to Fortress and its shareholders as more fully set out in the circular.

### 2. Transaction structure

The board proposes to effect the collapse of Fortress's dual capital structure by implementing the following steps:

- 2.1 repurchasing all the issued FFB shares in terms of the scheme in consideration for 0.060207 NEPI Rockcastle shares for every FFB share by way of a scheme of arrangement, so that following such repurchase, there will only be one class of issued shares, namely the FFA shares;
- 2.2 following the repurchase of all the issued FFB shares, adopting a special resolution of FFA shareholders, and of FFA and FFB shareholders, converting all the issued FFA shares into FFB shares by amending all the rights and privileges of the issued FFA shares where necessary to match those of the FFB shares (which amendments shall include alterations to the rights and privileges pertaining to (i) distributions of income (if declared by the board); (ii) capital participation on redemption of the FFA shares; and (iii) capital participation on winding up of the company). These amendments do not require any amendment to the MOI (other than to record that the number of authorised FFA shares shall decrease and the number of authorised FFB shares shall increase) as the rights and privileges of the FFB shares are already set out in the MOI; and



- 2.3 making consequential changes to the MOI to ensure that notwithstanding that Fortress will continue to have authorised (but unissued) FFA shares, for as long as there are no FFA shares in issue the FFB shares will constitute the ordinary shares of Fortress which will be entitled to distributions of income without restriction (if declared by the board). The issue of any new FFA shares (if ever proposed by the board) will require approval by FFB shareholders, by resolution supported by 75% of the FFB shareholders present and voting.

Following the implementation of the transaction as contemplated above, shareholders currently holding FFB shares will have disposed of their FFB shares and will hold NEPI Rockcastle shares, and the FFA shareholders will continue to hold their (currently FFA) shares which will convert to FFB shares pursuant to the FFA conversion. The converted FFB shares will constitute the only shares in issue in the share capital of Fortress. Fortress will continue to have two classes of authorised shares (namely the FFA shares and the FFB shares), but only FFB shares will be in issue.

### 3. **Summary of rights attaching to FFA and FFB shares**

The conversion of the issued FFA shares to FFB shares does not require any amendments to the MOI to create or amend any of the rights, preferences, limitations or other terms attaching to the FFA shares or the FFB shares, other than to record that the number of authorised FFA shares shall decrease and the number of authorised FFB shares shall increase. The reason no other amendments are required is that Fortress will retain its current two classes of authorised shares, namely the FFA shares and the FFB shares. As all of the terms of the FFB shares are already set out in the MOI, the conversion of the issued FFA shares to FFB shares does not affect the rights attaching to either class of share – the issued FFA shares will become FFB shares pursuant to their conversion.

Notwithstanding the above, the MOI was drafted on the assumption and basis that both FFA shares and FFB shares would be in issue at all times. As there will no longer be any FFA shares in issue following the conversion of the FFA shares to FFB shares, shareholders are requested to approve amendments to the MOI in order to provide for the FFB shares being the only class of issued shares after the implementation of the transactions contemplated in paragraph 2 above. The rights attaching to the FFA shares and the FFB shares remain unchanged. However, (i) as there will be no FFA shares in issue, the restrictions imposed on the FFB shares by virtue of the FFA shares' preferential rights to distributions of income (when declared) shall not be applicable; and (ii) an additional restriction, being the approval of holders of 75% of the issued FFB shares, will be imposed on any fresh issue of FFA shares.

In addition, by converting all the issued FFA shares to FFB shares such that there are no longer any FFA shares in issue following the implementation of the transaction, the restriction in clause 34 of the MOI, namely that the board may not declare and pay a distribution out of income where income does not equal or exceed the Fortress A distribution benchmark will not apply. Furthermore, the requirement in clause 34 of the MOI that any distribution out of income declared by the board must equal the Fortress A distribution benchmark will not apply. As such, the current holders of FFA shares (who will become the holders of FFB shares upon implementation of the FFA conversion) will hold shares in respect of which the board shall not be restricted as to the amount or source of distribution (subject only to the solvency and liquidity requirements of the Companies Act).

Because all of the issued FFB shares as at the scheme record date will have been repurchased and delisted on the scheme operative date, the only holders of FFB shares following the FFA conversion will be shareholders who held issued FFA shares on the FFA conversion record date.

The following table sets out the rights attaching to FFA shares and FFB shares pre-transaction and post-transaction:

	<b>Current FFA share terms</b>	<b>Current FFB share terms</b>	<b>Amended FFA share terms</b>	<b>Amended FFB share terms</b>
Redemption	Redeemable at a determinable price upon approval by shareholders	Not redeemable	If any FFA shares are in issue, they will be redeemable (i.e. no change)	Not redeemable (i.e. no change)
Distributions	Distribution equal to the Fortress A distribution benchmark to be made to holders of FFA shares prior to any distribution being made to FFB shares	Provided that the FFA distribution has been made, no restrictions on the board's ability to declare distributions from residual income	If any FFA shares are in issue, a distribution equal to the Fortress A distribution benchmark (i.e. no change)	For as long as there are no FFA shares in issue there will be no restriction on the board's ability to declare distributions to FFB shareholders, whether from distributable earnings or otherwise (i.e. no change to the wording of the applicable right per the MOI. However, the effect of having no FFA shares in issue is that the board's ability to declare distributions to FFB shareholders will be unrestricted, subject only to the solvency and liquidity requirements of the Companies Act)
Winding up	Upon winding up, the holders of FFA shares are entitled to a minimum distribution	Upon winding up, the holders of FFB shares are entitled to a distribution of any surplus amount (following payment to the holders of FFA shares, if any)	If any FFA shares are in issue, the same preferential right on winding up (i.e. no change)	For as long as there are no FFA shares in issue, the holders of FFB shares will be entitled to a distribution of all residual income on winding up (i.e. no change to the wording of the applicable right per the MOI. However if there are no FFA shares in issue, the FFB share rights on winding up shall be unrestricted)
Issue of shares	If both FFA shares and FFB shares are in issue, then an FFA share may only be issued if an FFB share is also issued contemporaneously in a 1:1 ratio	No restriction	In addition to the existing restriction, FFA shares may only be issued following approval by the holders of 75% of the FFB shares in issue at the time	No restriction (i.e. no change)

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## ACTION REQUIRED BY FORTRESS SHAREHOLDERS IN RELATION TO THE SCHEME AND THE FFA CONVERSION

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The definitions and interpretations commencing on page 22 of this circular have, where appropriate, been used in this section.

If you have disposed of all your Fortress shares, then this circular, together with the attached notices of Fortress shareholder meetings, forms of proxy (*pink, green and yellow*) and forms of surrender and transfer (*blue and grey*), should be handed to the purchaser of such Fortress shares or to the broker, CSDP, banker or other agent through whom the disposal was effected.

Please take careful note of the following provisions regarding the action to be taken by Fortress shareholders in relation to the scheme and the FFA conversion.

**The attention of scheme participants is drawn to the fact that all NEPI Rockcastle shares are and will be registered in the name of Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. (“Euroclear Nederland”) for and on behalf of shareholders. Shareholders, including the Fortress subsidiaries, hold security entitlements issued by Euroclear Nederland representing beneficial ownership of NEPI Rockcastle. Security entitlements to NEPI Rockcastle shares traded on the JSE and A2X are delivered in accordance with the rules of Strate and those traded on Euronext Amsterdam N.V. are delivered in accordance with the rules of Euroclear Nederland. Accordingly, scheme participants will not have registered ownership of the NEPI Rockcastle shares that they receive pursuant to the scheme. Fortress will instead procure delivery by the Fortress subsidiaries of dematerialised security entitlements representing the beneficial ownership of NEPI Rockcastle shares. References throughout the circular to NEPI Rockcastle shares received pursuant to the scheme or to any shareholding in NEPI Rockcastle should therefore be read as a reference to a receipt or holding of security entitlements representing beneficial ownership of NEPI Rockcastle shares, and not to any registered ownership of NEPI Rockcastle shares.**

The combined general meeting of Fortress shareholders will be held at 10:00 on Friday, 19 January 2024, or any other adjourned or postponed date and time determined in accordance with sections 64(4) or 64(11)(a)(i) of the Companies Act, at the registered office of Fortress (Block C, Cullinan Place, Cullinan Close, Morningside, 2196), as well as virtually via a remote interactive electronic platform, Microsoft Teams, for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions required to approve, *inter alia*, the repurchase by Fortress of the scheme shares in terms of section 48(8)(a) and (b) and section 115 of the Companies Act, and the FFA conversion, including by way of consequential amendments to the MOI to amend the FFA share preferences, rights and limitations to match the preferences, rights and limitations attaching to the FFB shares. A notice convening the combined general meeting is attached to and forms part of this circular.

The general meeting of FFA shareholders will be held at 10:30 on Friday, 19 January 2024 or 5 minutes after the completion of the combined general meeting, whichever is the later, or any other adjourned or postponed date and time determined in accordance with sections 64(4) or 64(11)(a)(i) of the Companies Act, at the registered office of Fortress (Block C, Cullinan Place, Cullinan Close, Morningside, 2196), as well as virtually via a remote interactive electronic platform, Microsoft Teams, for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions required to approve, *inter alia*, the FFA conversion, including by way of consequential amendments to the MOI to amend the FFA share preferences, rights and limitations to match the preferences, rights and limitations attached to the FFB shares. A notice convening the FFA general meeting is attached to and forms part of this circular.

The general meeting of FFB shareholders will be held at 11:00 on Friday, 19 January 2024 or 5 minutes after the completion of the FFA general meeting, whichever is the later, or any other adjourned or postponed date and time determined in accordance with sections 64(4) or 64(11)(a)(i) of the Companies Act, at the registered office of Fortress (Block C, Cullinan Place, Cullinan Close, Morningside, 2196), as well as virtually via a remote interactive electronic platform, Microsoft Teams, for the purpose of considering and, if deemed fit, passing, with or without modification, *inter alia*, the scheme resolution. A notice convening the FFB general meeting is attached to and forms part of this circular.

Shareholders should take note that the independent board and the Fortress board recommend that shareholders vote in favour of the resolutions to be proposed at the respective Fortress shareholder meetings.

## 1. VOTING AT THE FORTRESS SHAREHOLDER MEETINGS

### 1.1 Dematerialised shareholders who do not have own name registration

- 1.1.1 Dematerialised shareholders who have not elected own name registration in the share register of Fortress and who wish to attend the appropriate Fortress shareholder meeting(s) must instruct their CSDP or broker timeously in order that such CSDP or broker issues them with the necessary letter of representation.
- 1.1.2 Dematerialised shareholders who have not elected own name registration in the share register of Fortress and who do not wish to attend the appropriate Fortress shareholder meeting(s) but wish to vote thereat, must provide their CSDP or broker with their instruction for voting at the appropriate Fortress shareholder meeting(s) in the manner stipulated in the agreement governing the relationship between each such shareholder and his/her CSDP or broker. These instructions must be provided to the CSDP or broker by the cut-off time and date advised by the CSDP or broker for instructions of this nature.
- 1.1.3 Dematerialised shareholders who have not elected own name registration in the share register of Fortress must **not** complete the attached form(s) of proxy (*pink, green and yellow*).
- 1.1.4 **Fortress does not accept responsibility and will not be held liable for any failure on the part of the CSDP or broker of a dematerialised shareholder who has not elected own name registration in the share register of Fortress to notify such shareholder of the Fortress shareholder meetings or any business to be conducted thereat.**

### 1.2 Dematerialised shareholders who have own name registration

- 1.2.1 Although shareholders are allowed to attend, participate and vote at the appropriate Fortress shareholder meeting(s), shareholders are encouraged to make use of proxies for purposes of voting at the Fortress shareholder meeting(s).
- 1.2.2 Own name dematerialised shareholders who are unable to attend the appropriate Fortress shareholder meeting(s) but who wish to be represented thereat are requested to complete and return the attached form(s) of proxy (*pink, green and yellow*) in accordance with the instructions contained therein. The duly completed forms of proxy are requested to be received by the transfer secretaries by no later than 10:00 on Wednesday, 17 January 2024. Form(s) of proxy not lodged with the transfer secretaries by such time may be handed to the chairperson of the applicable Fortress shareholder meeting(s) or to the transfer secretaries prior to the proxy exercising any rights of the shareholder at the applicable Fortress shareholder meeting(s).

### 1.3 Certificated shareholders

- 1.3.1 Although shareholders are allowed to attend, participate and vote at the appropriate Fortress shareholder meeting(s), shareholders are encouraged to make use of proxies for purposes of voting at the Fortress shareholder meeting(s).
- 1.3.2 Certificated shareholders who are unable to attend the appropriate Fortress shareholder meeting(s) but who wish to be represented thereat are requested to complete and return the attached form(s) of proxy (*pink, green and yellow*) in accordance with the instructions contained therein. The duly completed form(s) of proxy are requested to be received by the transfer secretaries by no later than 10:00 on Wednesday, 17 January 2024. Forms of proxy not lodged with the transfer secretaries in time may be handed to the chairperson of the applicable Fortress shareholder meeting(s) or to the transfer secretaries prior to the proxy exercising any of the rights of the shareholder at the applicable Fortress shareholder meeting(s).

### 1.4 Electronic participation at the Fortress shareholder meetings

- 1.4.1 Shareholders wishing to participate in the applicable Fortress shareholder meeting(s) are requested, for administrative purposes, to submit notification of their intent (the “**electronic notice**”) by e-mail to the transfer secretaries, JSE Investor Services Proprietary Limited, at meetingservices@jseinvestorservices.co.za as soon as possible and by no later than 10:00 on Wednesday, 17 January 2024. The electronic notice should include relevant contact details including email address, cellular number and landline, as well as full details of the shareholder’s title to the shares and proof of identity, in the form of copies of identity documents and share certificates (in the case of certificated shareholders), and (in the case of dematerialised shareholders) written confirmation from the shareholder’s CSDP confirming the shareholder’s title to the dematerialised shares. The shareholder should also indicate whether the

shareholder wishes to vote by proxy or wishes to exercise votes during the applicable Fortress shareholder meeting(s). Upon receipt of the required information, the shareholder concerned will be provided with a link to access the applicable Fortress shareholder meeting(s) which will take place via Microsoft Teams together with any further instructions. The fact that shareholders are requested to submit an electronic notice to the transfer secretaries before 10:00 on Wednesday, 17 January 2024 will not in any way affect the rights of shareholders who submit an electronic notice after this date and who have been fully verified (as required in terms of section 63(1) of the Companies Act) to participate in and/or vote at the applicable Fortress shareholder meeting(s).

## 1.5 **Voting procedure and quorum for the Fortress shareholder meeting(s)**

1.5.1 The quorum requirement for each of the Fortress shareholder meeting(s) to begin or for a matter to be considered at each of the Fortress shareholder meeting(s) is at least three shareholders entitled to attend and vote and who are present in person or able to participate in the applicable Fortress shareholder meeting by electronic communication or represented by a proxy who is present in person or able to participate in the applicable Fortress shareholder meeting by electronic communication. In addition:

1.5.1.1 the applicable Fortress shareholder meeting may not begin until sufficient persons are present in person or represented by proxy to exercise, in aggregate, at least 25% of the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the applicable Fortress shareholder meeting, and in the case of the FFA conversion, at least 50% of the voting rights that are entitled to be exercised in respect of the FFA conversion;

1.5.1.2 a matter to be decided at the applicable Fortress shareholder meeting may not begin to be considered unless sufficient persons are present in person or represented by proxy to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised in respect of that matter, and, in the case of the FFA conversion, at least 50% of the voting rights that are entitled to be exercised in respect of the FFA conversion, at the time the matter is called on the agenda; and

1.5.1.3 a special resolution may only be passed by shareholders at the applicable Fortress shareholder meeting if at least 75% of the votes cast by shareholders at the applicable, duly constituted meeting in respect of the special resolution are in favour of the special resolution.

1.5.2 Every shareholder present in person or represented by proxy and entitled to exercise voting rights at the applicable Fortress shareholder meeting(s) shall be entitled to vote on a show of hands, irrespective of the number of voting rights that shareholder would otherwise be entitled to exercise. On a poll, a shareholder who is present in person or represented by proxy shall be entitled to one vote in respect of each share that he holds. No objection shall be raised to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairperson of the applicable Fortress shareholder meeting, whose decision shall be final and conclusive.

## 2. **ACTION REQUIRED BY FFB SHAREHOLDERS IN RESPECT OF THE SCHEME**

### 2.1 **Surrender of documents of title by dematerialised FFB shareholders**

Dematerialised FFB shareholders do not have to surrender any documents of title. The transfer of your scheme shares will be handled by your CSDP or broker.

### 2.2 **Surrender of documents of title by certificated FFB shareholders**

2.2.1 Scheme participants that are certificated shareholders will, subject to the scheme becoming operative and being implemented, only be entitled to receive the scheme consideration in respect of their scheme shares once they have surrendered their documents of title.

2.2.2 In order to surrender your documents of title, you must complete the attached form of surrender and transfer (*grey*) in accordance with the instructions contained therein, and return it, together with your documents of title, to the transfer secretaries, JSE Investor Services Proprietary Limited, One Exchange Square, Gwen Lane, Sandown, 2196 (PO Box 4844, Johannesburg, 2000) to be received by them by no later than 12:00 on the scheme record date. Should you require assistance, please contact JSE Investor Services by calling 086 147 2644 (call centre) or 011 713 0800 (switch board) between 08:00 and 16:30 on business days.

- 2.2.3 You may surrender your documents of title in anticipation of the scheme being implemented. No receipts or proof of receipt will be issued unless specifically requested. Documents of title surrendered in anticipation of the scheme being implemented will be held in trust by the transfer secretaries, at the relevant shareholder's risk, pending the implementation of the scheme.
- 2.2.4 Your attention is drawn to the fact that if you surrender your documents of title in advance, you will be unable to dematerialise and/or trade in those shares on the JSE from the date of surrender. However, your right to attend and vote at the Fortress shareholder meetings will remain unaffected.
- 2.2.5 The form of surrender and transfer (*grey*) should be retained as no further copies will be circulated. Additional copies may be requested from the transfer secretaries.
- 2.2.6 If documents of title relating to any FFB shares to be surrendered are lost or destroyed, Fortress may dispense with the surrender of such documents of title upon production of evidence satisfactory to Fortress that the documents of title in question have been lost or destroyed, and upon provision of a suitable indemnity on terms satisfactory to the company. Accordingly, if the documents of title in respect of any of your shares have been lost or destroyed, you should nevertheless return the attached form of surrender and transfer (*grey*), duly signed and completed, together with a duly signed and completed indemnity form which is obtainable from the transfer secretaries.
- 2.2.7 Where, on or subsequent to the scheme operative date, a person who was not a registered holder of certificated FFB shares on the scheme record date, tenders to the transfer secretaries, documents of title together with a duly stamped form of surrender and transfer (*grey*) purporting to have been executed on or before the scheme record date by or on behalf of the then registered holder of such shares, and provided that the scheme consideration will not already have been delivered to the registered holder of the relevant scheme shares, then such transfer shall be accepted by Fortress as if it were a valid transfer to such person of the shares concerned. The scheme consideration will be settled to such person in accordance with the provisions of paragraph 2.3.2 below, subject to proof satisfactory to the transfer secretaries as to the payment of any duty or tax payable, and provided that Fortress is given an indemnity on terms acceptable to it in respect of the scheme consideration, if so required by it.
- 2.2.8 Should you surrender your documents of title in anticipation of the scheme becoming operative and the scheme then does not become operative, the transfer secretaries shall, within five business days of either the scheme record date or on receipt by the transfer secretaries of the required documents of title, whichever is the later, return the documents of title to you, by registered post, at your own risk.

### 2.3 Delivery and settlement of the consideration shares

**The attention of scheme participants is drawn to the fact that all NEPI Rockcastle shares are and will be registered in the name of Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. ("Euroclear Nederland") for and on behalf of shareholders. Shareholders, including the Fortress subsidiaries, hold security entitlements issued by Euroclear Nederland representing beneficial ownership of NEPI Rockcastle. Security entitlements to NEPI Rockcastle shares traded on the JSE and A2X are delivered in accordance with the rules of Strate and those traded on Euronext Amsterdam N.V. are delivered in accordance with the rules of Euroclear Nederland. Accordingly, scheme participants will not have registered ownership of the NEPI Rockcastle shares that they receive pursuant to the scheme. Fortress will instead procure delivery by the Fortress subsidiaries of dematerialised security entitlements representing the beneficial ownership of NEPI Rockcastle shares. References throughout the circular to NEPI Rockcastle shares received pursuant to the scheme or to any shareholding in NEPI Rockcastle should therefore be read as a reference to a receipt or holding of security entitlements representing beneficial ownership of NEPI Rockcastle shares, and not to any registered ownership of NEPI Rockcastle shares.**

#### 2.3.1 Dematerialised FFB shareholders

- 2.3.1.1 Should the scheme be implemented, dematerialised FFB shareholders reflected in the register on the scheme record date will have their accounts held at their CSDP or broker updated on the scheme operative date with the relevant consideration shares to which such shareholders are entitled.
- 2.3.1.2 Any fractional entitlement to a NEPI Rockcastle share will be settled in cash at a rate to be determined based on the weighted average price of an NRP share (less 10%) on the day immediately following the last day to trade FFB shares. Cash payments will be credited to the custody account of the shareholder concerned.

## 2.3.2 **Certificated FFB shareholders**

- 2.3.2.1 Should the scheme be implemented, documents of title held by scheme participants that are certificated FFB shareholders reflected in the register on the scheme record date will be required to be surrendered to Fortress, via the transfer secretaries, in accordance with this paragraph 2.3.2, in order to receive the consideration shares from the Fortress subsidiaries. Any fractional entitlements to a NEPI Rockcastle share will be settled in cash at a rate to be determined based on the weighted average price of an NRP share (less 10%) on the day immediately following the last day to trade in FFB shares in order to participate in the scheme. Cash payments will be made into the bank account specified by the certificated FFB shareholder concerned.
- 2.3.2.2 Certificated FFB shareholders will be required to move into a dematerialised environment in order to take delivery of their consideration shares without making arrangements with the settlement agent in terms of paragraph 2.3.3 below.
- 2.3.2.3 If you surrender your documents of title to the transfer secretaries on or before 12:00 on the scheme record date and you specify valid account details with a CSDP or broker into which the consideration shares you are entitled to are to be transferred, you will have your account at your CSDP or broker credited on the scheme operative date with the relevant consideration shares.
- 2.3.2.4 If you surrender your documents of title to the transfer secretaries after 12:00 on the scheme record date or if you surrender your documents of title to the transfer secretaries before 12:00 on the scheme record date but fail to specify valid account details with a CSDP or broker into which the consideration shares which you are entitled to are to be transferred, the provisions of paragraph 2.3.3 below shall apply and your entitlement to the relevant consideration shares shall be transferred to the settlement agent to be dealt with in accordance with the provisions of paragraph 2.3.3 below.
- 2.3.2.5 The relevant consideration shares accruing to any unknown/untraceable scheme participants who hold certificated FFB shares or any known/traceable scheme participants who hold certificated FFB shares who have failed to comply with the provisions of paragraph 2.3.2.3 above will be transferred to the settlement agent and held in accordance with the custody agreement. Should such scheme participant wish to claim the relevant consideration shares, it will have to (i) tender its documents of title to the transfer secretaries; and (ii) complete such forms as may from time to time be specified by the transfer secretaries for the purposes of stipulating a valid account with a CSDP or broker into which the consideration shares it is entitled to is to be transferred. The consideration shares will then be transferred into such account with the CSDP or broker as may have been specified by the scheme participant concerned. Should an unknown/untraceable scheme participant or a known/traceable scheme participant tender its documents of title but not wish to hold its consideration shares in dematerialised form and prefer to hold its consideration shares in certificated form, it will be afforded the option to rematerialise its consideration shares and replace these with a physical document of title at its own expense in accordance with the provisions of paragraph 2.3.3.3 below. FFB shareholders should note that their entitlement to the consideration shares will lapse after three years from the scheme operative date.
- 2.3.2.6 **In order to avoid the consideration shares to which they are entitled being held by the settlement agent, certificated FFB shareholders are advised to move into a dematerialised environment prior to the scheme record date, in which case they will receive the consideration shares to which they are entitled as per this paragraph 2.3.2.**

## 2.3.3 **Arrangements with the settlement agent**

- 2.3.3.1 If any certificated FFB shareholder has not before 12:00 on the scheme record date provided details of either a CSDP or broker account into which the consideration shares to which such shareholder is entitled pursuant to the scheme are to be delivered, on the scheme operative date, Fortress will procure the delivery by the Fortress subsidiaries of the consideration shares to which such shareholder is entitled to an account in the name of the settlement agent, which will hold such shares for and on such shareholder's behalf. In this regard, each certificated FFB shareholder is deemed to have concluded a custody agreement with the transfer secretaries, which establishes a business relationship between the transfer secretaries and each certificated FFB shareholder.

- 2.3.3.2 Should a certificated FFB shareholder wish to claim the relevant consideration shares from the settlement agent, it will have to complete such forms as may, from time to time, be specified by the transfer secretaries for the purposes of stipulating a valid account with a CSDP or broker into which the consideration shares are to be delivered. Upon receipt of an instruction to transfer the consideration shares, they will be delivered into such account as may have been specified by the shareholder concerned. Simultaneously with such delivery, the transfer secretaries will pay to the certificated FFB shareholder any amounts accrued (including dividends) in respect of the consideration shares while held by the settlement agent and to which the shareholder is entitled in accordance with the custody agreement. Certificated FFB shareholders should note that their entitlement to the consideration shares will lapse after three years from the scheme operative date, in which event, the company will procure the sale of such consideration shares on the JSE on a best efforts basis and make the proceeds over to the Guardians Fund of the High Court of South Africa.
- 2.3.3.3 Certificated FFB shareholders which do not wish to hold their consideration shares in dematerialised form and prefer to hold their consideration shares in certificated form will be afforded the option to rematerialise their consideration shares and replace these with a physical document of title. Certificated FFB shareholders should note that all costs associated with rematerialising their consideration shares shall be borne at their own expense. Certificated FFB shareholders that wish to utilise this option must elect the “Rematerialise” option on the form of surrender and transfer (*grey*).
- 2.3.3.4 **Certificated FFB shareholders are advised to open an account with a CSDP or broker as soon as possible. However, this is not a condition to being able to participate in the scheme.**
- 2.3.3.5 For assistance in opening an account with any CSDP or broker in South Africa, certificated FFB shareholders should visit the website of the JSE ([www.jse.co.za](http://www.jse.co.za)) or Strate ([www.strate.co.za/aboutstrate/participants](http://www.strate.co.za/aboutstrate/participants)), which set out all the names and numbers of the CSDPs and members of the JSE who can assist with the opening of such accounts. You will need to complete a custody mandate and provide verification in terms of the Financial Intelligence Centre Act, No. 38 of 2001 to your chosen CSDP or broker, a process similar to opening a bank account in South Africa.

### 3. ACTION REQUIRED BY FFA SHAREHOLDERS IN RESPECT OF THE FFA CONVERSION

#### 3.1 Surrender of documents of title by dematerialised FFA shareholders

Dematerialised FFA shareholders do not have to surrender any documents of title. The conversion of your FFA shares into FFB shares on the FFA conversion operative date will be recorded electronically in your custody account by your CSDP or broker.

#### 3.2 Surrender of documents of title by certificated FFA shareholders

- 3.2.1 FFA shareholders that are certificated shareholders will, subject to the FFA conversion becoming operative and being implemented, only be entitled to receive the FFB shares into which their FFA shares have been converted once they have surrendered their documents of title.
- 3.2.2 In order to surrender your documents of title, you must complete the attached form of surrender and transfer (*blue*) in accordance with the instructions contained therein, and return it, together with your documents of title, to the transfer secretaries, JSE Investor Services Proprietary Limited, One Exchange Square, Gwen Lane, Sandown, 2196 (PO Box 4844, Johannesburg, 2000) to be received by them by no later than 12:00 on the FFA conversion record date. Should you require assistance, please contact JSE Investor Services by calling 086 147 2644 (call centre) or 011 713 0800 (switch board) between 08:00 and 16:30 on business days.
- 3.2.3 You may surrender your documents of title in anticipation of the FFA conversion being implemented. No receipts or proof of receipt will be issued unless specifically requested. Documents of title surrendered in anticipation of the FFA conversion being implemented will be held in trust by the transfer secretaries, at the relevant shareholder’s risk, pending the implementation of the FFA conversion.
- 3.2.4 Your attention is drawn to the fact that if you surrender your documents of title in advance, you will be unable to dematerialise and/or trade in those shares on the JSE from the date of surrender. However, your right to attend and vote at the Fortress shareholder meetings will remain unaffected.



- 3.2.5 The form of surrender and transfer (*blue*) should be retained as no further copies will be circulated. Additional copies may be requested from the transfer secretaries.
- 3.2.6 If documents of title relating to any FFA shares to be surrendered are lost or destroyed, Fortress may dispense with the surrender of such documents of title upon production of evidence satisfactory to Fortress that the documents of title in question have been lost or destroyed, and upon provision of a suitable indemnity on terms satisfactory to the company. Accordingly, if the documents of title in respect of any of your FFA shares have been lost or destroyed, you should nevertheless return the attached form of surrender and transfer (*blue*), duly signed and completed, together with a duly signed and completed indemnity form which is obtainable from the transfer secretaries.
- 3.2.7 Where, on or subsequent to the FFA conversion operative date, a person who was not a registered holder of certificated shares on the FFA conversion record date, tenders to the transfer secretaries, documents of title together with a duly stamped form of surrender and transfer (*blue*) purporting to have been executed on or before the FFA conversion record date by or on behalf of the then registered holder of such shares, and provided that documents of title in respect of the FFA shares that are to be converted to FFB shares have not yet been delivered to the registered holder of such shares, then such transfer shall be accepted by Fortress as if it were a valid transfer to such person of the shares concerned. The converted FFB shares will be credited to a CSDP or broker account provided by such person in accordance with the provisions of paragraph 3.3.2.1 below, and provided that Fortress is given an indemnity on terms acceptable to it in respect of the FFA conversion, if so required by it.
- 3.2.8 Should you surrender your documents of title in anticipation of the FFA conversion becoming operative and the FFA conversion then does not become operative, the transfer secretaries shall, within five business days of either the FFA conversion record date or on receipt by the transfer secretaries of the required documents of title, whichever is the later, return the documents of title to you, by registered post, at your own risk.

### 3.3 Delivery and settlement of the converted FFB shares

#### 3.3.1 Dematerialised FFA shareholders

Should the FFA conversion be implemented, dematerialised FFA shareholders reflected in the register on the FFA conversion record date will have their accounts held at their CSDP or broker updated on the FFA conversion operative date to reflect the conversion of their FFA shares into FFB shares.

#### 3.3.2 Certificated FFA shareholders

3.3.2.1 Should the FFA conversion be implemented, documents of title held by certificated FFA shareholders reflected in the register on the FFA conversion record date will have their applicable FFA shares converted to FFB shares, which converted FFB shares shall, subject to paragraph 3.3.2.4, be held in dematerialised form.

3.3.2.2 If you surrender your documents of title to the transfer secretaries on or before 12:00 on the FFA conversion record date and you specify valid account details with a CSDP or broker in which you will hold the converted FFB shares, you will have your account at your CSDP or broker credited on the FFA conversion operative date with the relevant FFB shares.

3.3.2.3 If you surrender your documents of title to the transfer secretaries after 12:00 on the FFA conversion record date or if you surrender your documents of title to the transfer secretaries before 12:00 on the FFA conversion record date but fail to specify valid account details with a CSDP or broker in which you will hold the converted FFB shares, the provisions of paragraph 3.3.3 below shall apply *mutatis mutandis* and your relevant converted FFB shares shall be transferred to the settlement agent to be dealt with, *mutatis mutandis*, in accordance with the provisions of paragraph 3.3.3 below.

3.3.2.4 The relevant converted FFB shares accruing to any unknown/untraceable FFA shareholders which hold certificated FFA shares or any known/traceable FFA shareholders who hold certificated FFA shares who have failed to comply with the provisions of paragraph 3.3.2.2 above will be transferred to the settlement agent and held in accordance with the custody agreement. Should such FFA shareholder wish to claim registration of the relevant converted FFB shares, it will have to (i) tender its documents of title to the transfer secretaries; and (ii) complete such forms as may from time to time be specified by the transfer secretaries for

the purposes of stipulating a valid account with a CSDP or broker in which the converted FFB shares are to be held. The converted FFB shares will then be registered in such account with the CSDP or broker as may have been specified by the FFA shareholder concerned. Should an unknown/untraceable FFA shareholder or a known/traceable FFA shareholder tender its documents of title but not wish to hold its converted FFB shares in dematerialised form and prefer to hold its converted FFB shares in certificated form, it will be afforded the option to rematerialise its converted FFB shares and replace these with a physical document of title at its own expense in accordance, with the provisions of paragraph 3.3.3.3 below. FFA shareholders should note that their entitlement to the converted FFB shares will lapse after three years from the FFA conversion operative date.

3.3.2.5 **Certificated FFA shareholders are advised to open an account with a CSDP or broker as soon as possible. However, this is not a condition to holding converted FFB shares following the FFA conversion.**

### 3.3.3 Arrangements with the settlement agent

3.3.3.1 If any certificated FFA shareholder has not before 12:00 on the FFA conversion record date provided details of either a CSDP or broker account into which the converted FFB shares to which such shareholder is entitled pursuant to the FFA conversion are to be delivered, on the FFA conversion operative date, Fortress will procure the delivery of the converted FFB shares to which such shareholder is entitled to an account in the name of the settlement agent, which will hold such shares for and on such shareholder's behalf. In this regard, each certificated FFA shareholder is deemed to have concluded a custody agreement with the transfer secretaries, which establishes a business relationship between the transfer secretaries and each certificated FFA shareholder.

3.3.3.2 Should a certificated FFA shareholder wish to claim the relevant converted FFB shares from the settlement agent, it will have to complete such forms as may, from time to time, be specified by the transfer secretaries for the purposes of stipulating a valid account with a CSDP or broker into which the converted FFB shares are to be delivered. Upon receipt of an instruction to transfer the converted FFB shares, they will be delivered into such account as may have been specified by the shareholder concerned. Simultaneously with such delivery, the transfer secretaries will pay to the certificated FFA shareholder any amounts accrued (including dividends) in respect of the converted FFB shares while held by the settlement agent and to which the shareholder is entitled in accordance with the custody agreement. Certificated FFA shareholders should note that their entitlement to the converted FFB shares will lapse after three years from the FFA conversion operative date, in which event the company will procure the sale of such converted FFB shares on the JSE on a best efforts basis and make the proceeds over to the Guardians Fund of the High Court of South Africa.

3.3.3.3 Certificated FFA shareholders which do not wish to hold their converted FFB shares in dematerialised form and prefer to hold their converted FFB shares in certificated form will be afforded the option to rematerialise their converted FFB shares and replace these with a physical document of title. Certificated FFA shareholders should note that all costs associated with rematerialising their converted FFB shares shall be borne at their own expense. Certificated FFA shareholders that wish to utilise this option must elect the "Rematerialise" option on the form of surrender and transfer (*blue*).

3.3.3.4 **Certificated FFA shareholders are advised to open an account with a CSDP or broker as soon as possible. However, this is not a condition to being able to participate in the FFA conversion.**

3.3.3.5 For assistance in opening an account with any CSDP or broker in South Africa, certificated FFA shareholders should visit the website of the JSE ([www.jse.co.za](http://www.jse.co.za)) or Strate ([www.strate.co.za/aboutstrate/participants](http://www.strate.co.za/aboutstrate/participants)), which set out all the names and numbers of the CSDPs and members of the JSE who can assist with the opening of such accounts. You will need to complete a custody mandate and provide verification in terms of the Financial Intelligence Centre Act, No. 38 of 2001 to your chosen CSDP or broker, a process similar to opening a bank account in South Africa.

## 4. ADDITIONAL INFORMATION FOR FORTRESS SHAREHOLDERS

### 4.1 Court approval

- 4.1.1 Fortress shareholders are advised that, in terms of section 115(3) of the Companies Act, Fortress may, in certain circumstances, not proceed to implement the applicable special resolution required to approve the repurchase of the scheme shares and the scheme despite the fact that they have been adopted at the applicable Fortress shareholder meeting, without the approval of the court.
- 4.1.2 A copy of section 115 of the Companies Act pertaining to the required approval for the scheme is set out in **Appendix A of Annexure 1** to this circular.

### 4.2 Dissenting shareholders appraisal rights

- 4.2.1 At any time before the scheme resolution or the repurchase resolution, as applicable, is to be voted on at the applicable Fortress shareholder meeting, a shareholder who is entitled to vote on that resolution may give Fortress written notice objecting to the resolution.
- 4.2.2 Within ten business days after Fortress has adopted the scheme resolution or the repurchase resolution (if applicable), Fortress must send a notice that the scheme resolution or the repurchase resolution (as applicable) has been adopted to each shareholder who gave Fortress written notice of objection to the applicable resolution and has neither withdrawn that notice nor voted in favour of the applicable resolution.
- 4.2.3 A shareholder who has given Fortress written notice in terms of section 164 of the Companies Act objecting to the scheme resolution or the repurchase and has complied with all of the procedural requirements set out in section 164 of the Companies Act may, if the applicable resolution has been adopted, make a demand in writing within:
  - 4.2.3.1 20 business days after receipt of the notice from Fortress referred to above; or
  - 4.2.3.2 if the shareholder does not receive the notice from Fortress referred to above, 20 business days after learning that the applicable resolution has been adopted,demanding that Fortress pay the shareholder the fair value (in terms of and subject to the requirements set out in section 164 of the Companies Act) for all the FFB shares held by that shareholder.
- 4.2.4 If a Fortress shareholder exercises his appraisal rights in terms of section 164(3) of the Companies Act, such shareholder will have no further rights in respect of the relevant shares other than to be paid their fair value.
- 4.2.5 If a shareholder has exercised his appraisal rights as set out above, but has subsequently withdrawn his demand in terms of section 164(9) of the Companies Act, such shareholder's rights in respect of his shares will be reinstated and:
  - 4.2.5.1 if he is an FFB shareholder, he will participate in the implementation of the scheme as a scheme participant and will receive the scheme consideration as set out in paragraph 3.3 of this circular provided that if such FFB shareholder is a certificated shareholder, such FFB shareholder must have either surrendered his documents of title and provided his instructions to the CSDP or broker, as the case may be, as set out above; and
  - 4.2.5.2 if he is an FFA shareholder, his FFA shares will be converted to FFB shares as set out in paragraph 4 of this circular, provided that if he is a certificated FFA shareholder he has surrendered his documents of title, as set out above.
- 4.2.6 A copy of section 164 of the Companies Act pertaining to the dissenting shareholders' appraisal rights is set out in **Appendix B to Annexure 1** of this circular.

### 4.3 Dematerialisation

- 4.3.1 If you wish to dematerialise your Fortress shares, please contact your CSDP or broker.
- 4.3.2 FFB shareholders are advised that no dematerialisation or rematerialisation of FFB shares may take place after the last day to trade in FFB shares on the JSE in order to be recorded on the register on the scheme record date, which date is expected to be Friday, 16 February 2024.

4.3.3 FFA shareholders are advised that no dematerialisation or rematerialisation of FFA shares may take place after the last day to trade in FFA shares on the JSE in order to be recorded on the register on the FFA conversion record date, which date is expected to be Friday, 23 February 2024.

#### 4.4 **Non-resident shareholders**

Fortress shareholders who are not resident in, or who have registered addresses outside South Africa, must satisfy themselves as to the full observance of any applicable law concerning the receipt of the scheme consideration, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any transfer or other taxes due in such jurisdiction. Fortress shareholders who are in any doubt as to their positions should consult their professional advisors immediately.

### **TRP APPROVALS**

Fortress shareholders should take note that the TRP does not consider commercial advantages or disadvantages of affected transactions when it approves such transactions.

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## SALIENT DATES AND TIMES

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Set out below are the salient dates and times assuming the successful implementation of the scheme and the FFA conversion:

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### 2023

Record date to determine which Fortress shareholders are entitled to receive this circular	Friday, 24 November
Circular together with the accompanying notices convening the Fortress shareholder meetings, forms of proxy ( <i>pink, green and yellow</i> ) and forms of surrender and transfer ( <i>blue and grey</i> ) posted to Fortress shareholders on	Thursday, 30 November
Announcement relating to the issue of the circular (together with the notices of the Fortress shareholder meetings) released on SENS on	Thursday, 30 November
Announcement relating to the issue of the circular (together with the notices of the Fortress shareholder meetings) published in the press on	Friday, 1 December

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### 2024

Last date to trade in Fortress shares on the JSE in order to be recorded on the register to vote at the appropriate Fortress shareholder meeting(s) on	Tuesday, 9 January
Record date to be eligible to vote at the appropriate Fortress shareholder meeting(s), being the voting record date, at the close of trade on	Friday, 12 January
Last date and time to lodge forms of proxy ( <i>pink, green and yellow</i> ) in respect of the Fortress shareholder meetings with the transfer secretaries by 10:00 on (alternatively, the form of proxy may be handed to the chairperson of the Fortress shareholder meetings at any time prior to the commencement of the applicable Fortress shareholder meeting or prior to voting on any resolution to be proposed at the applicable Fortress shareholder meeting)	Wednesday, 17 January
Last date and time for Fortress shareholders to give notice of their objections to the scheme resolution or repurchase resolution in terms of section 164(3) of the Companies Act by no later than 10:00 on	Friday, 19 January
Combined general meeting held at 10:00 on	Friday, 19 January
FFA general meeting held at 10:30 or 5 minutes after the completion of the combined general meeting, whichever is the later, on	Friday, 19 January
FFB general meeting held at 11:00 or 5 minutes after the completion of the FFA general meeting, whichever is the later, on	Friday, 19 January
Results of the Fortress shareholder meetings released on SENS on	Friday, 19 January
Amendments to the MOI filed with the Companies and Intellectual Property Commission on	Friday, 19 January
Results of the Fortress shareholder meetings published in the press on	Monday, 22 January
<i>If the scheme and the FFA conversion are approved at the Fortress shareholder meetings:</i>	
Amendments to the MOI accepted by the Companies and Intellectual Property Commission on	Friday, 26 January
Last date for FFB shareholders who voted against the scheme resolution, or FFA and FFB shareholders who voted against the repurchase resolution to require Fortress to seek court approval for the scheme in terms of section 115(3)(a) of the Companies Act, if at least 15% of the total votes of shareholders at the FFB general meeting were exercised against the scheme	Friday, 26 January
Last date on which Fortress shareholders can make application to the court in terms of section 115(3)(b) of the Companies Act, to the extent they voted against the repurchase at the combined general meeting, on	Friday, 2 February
Last date for Fortress to give notice of adoption of the special resolution approving the scheme to FFB shareholders who objected to such special resolution in terms of section 164(3) of the Companies Act on	Friday, 2 February

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Last date on which Fortress shareholders can make application to the court in terms of section 115(3)(b) of the Companies Act on	Friday, 2 February
Last date for Fortress to give notice of adoption of the special resolution approving the repurchase to Fortress shareholders who objected to such special resolutions in terms of section 164(3) of the Companies Act on	Friday, 2 February
<i>If no FFA and FFB shareholders exercise their rights in terms of section 115(3)(a) or section 115(3)(b) of the Companies Act:</i>	
Finalisation date expected to be on	Tuesday, 6 February
Finalisation announcement in respect of the scheme and FFA conversion expected to be released on SENS by 11:00 on	Tuesday, 6 February
Finalisation announcement in respect of the scheme and FFA conversion expected to be published in the press on	Wednesday, 7 February
Expected last day to trade in FFB shares on the JSE in order to be recorded in the register on the scheme record date in order to receive the scheme consideration on	Tuesday, 13 February
Expected date of the suspension of listing of FFB shares on the JSE at the commencement of trade on	Wednesday, 14 February
Announcement of the value of cash payments arising from fractional entitlements to NRP shares expected to be released on SENS by 11:00 on	Thursday, 15 February
Announcement of the value of cash payments arising from fractional entitlements to NRP shares expected to be published in the press on	Friday, 16 February
Expected scheme record date on which FFB shareholders must be recorded in the register to receive the scheme consideration at close of trade on	Friday, 16 February
Expected date on which the scheme consideration will be transferred to scheme participants who are certificated FFB shareholders (provided their form of surrender and transfer ( <i>grey</i> ) and documents of title are received on or before 12:00 on the scheme record date)	Monday, 19 February
Expected date on which dematerialised FFB shareholders who are scheme participants will receive the scheme consideration	Monday, 19 February
Expected date on which FFB shareholders who are scheme participants will receive cash payments arising from fractional entitlements	Monday, 19 February
Expected date on which the FFB shares repurchased pursuant to the scheme will be delisted from the Main Board of the JSE	Monday, 19 February
Expected last day to trade in FFA shares on the JSE in order to be recorded in the register following which date the FFA shares will be converted into FFB shares	Tuesday, 20 February
Expected date of the suspension of listing of FFA shares on the JSE at the commencement of trade on	Wednesday, 21 February
Expected date that the suspension of FFB shares will be lifted and the converted FFB shares (previously FFA shares) will be listed on the JSE (under the existing FFB share code and ISIN)	Wednesday, 21 February
Expected FFA conversion record date on which FFA shareholders must be recorded in the register in order for their FFA shares to be converted into FFB shares and for their accounts held at their CSDP or broker to be updated to reflect the conversion of their FFA shares into FFB shares on	Friday, 23 February
Expected FFA conversion operative date on	Monday, 26 February
Expected date on which issued FFA shares will convert into FFB shares under the existing FFB share code and ISIN ZAE000248506 and dematerialised FFA shareholders' custody accounts will be updated to reflect the FFA conversion	Monday, 26 February

Expected date by which converted FFB shares will be credited to the broker or CSDP accounts of certificated FFA shareholders under the existing FFB share code and ISIN ZAE000248506 (provided their form of surrender and transfer ( <i>blue</i> ) and documents of title to their FFA shares are received on or before 12:00 on the FFA conversion record date)	Monday, 26 February
Expected termination of listing of FFA share class on the JSE at the commencement of trade on	Tuesday, 27 February

**Notes:**

1. All times given in this document are local times in South Africa and may be changed by Fortress (subject to the approval of the JSE and/or the TRP, if required). The dates have been determined based on certain assumptions regarding the date by which certain shareholder and regulatory approvals will be obtained and that no court approval and/or review of the scheme resolution or the repurchase resolution will be required. Any change in the dates and times will be released on SENS and published in the press.
2. A form of proxy not lodged with the transfer secretaries may be handed to the chairperson of the Fortress shareholder meetings at any time prior to the commencement of any of the Fortress shareholder meetings or prior to voting on any resolution to be proposed at any of the Fortress shareholder meetings.
3. If any of the Fortress shareholder meetings are adjourned or postponed, a form of proxy submitted for the initial meeting will remain valid in respect of any adjournment or postponement of the meeting, unless it is withdrawn.
4. If any of the Fortress shareholder meetings are adjourned or postponed, then forms of proxy that have not yet been submitted should be lodged with the transfer secretaries by no later than two business days before the adjourned or postponed meeting but may nonetheless be handed to the chairperson of the adjourned or postponed meeting at any time prior to the commencement of the adjourned or postponed meeting or prior to voting on any resolution to be proposed at the adjourned or postponed meeting.
5. Fortress shareholders should note that as transactions in shares are settled in the electronic settlement system used by Strate, settlement of trades takes place three business days after such trades. Therefore, Fortress shareholders who acquire Fortress shares after close of trade on Tuesday, 9 January 2024 will not be eligible to vote at the Fortress shareholder meetings.
6. No dematerialisation or rematerialisation of FFB shares may take place after Tuesday, 13 February 2024, being the last date to trade in FFB shares on the JSE in order to be recorded in the register on the scheme record date.
7. No dematerialisation or rematerialisation of FFA shares may take place after Tuesday, 20 February 2024, being the last date to trade in FFA shares on the JSE in order to be recorded in the register in order to qualify for the FFA conversion.
8. If the scheme resolution is voted against by such number of FFB shareholders at the FFB general meeting and if the repurchase resolution is voted against by such number of Fortress shareholders at the combined general meeting so that a Fortress shareholder may require Fortress to obtain court approval of the scheme resolution and/or the repurchase resolution, as contemplated in section 115(3)(a) of the Companies Act, and if a Fortress shareholder in fact delivers such a request, the dates and times set out above will require amendment. Fortress shareholders will be notified separately of the applicable dates and times under this process.
9. If any Fortress shareholder who votes against the scheme resolution or the repurchase resolution exercises its rights in terms of section 115(3)(b) of the Companies Act and applies to court for a review of the scheme resolution and/or the repurchase resolution, the dates and times set out above will require amendment. Fortress shareholders will be notified separately of the applicable dates and times under this process.

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## DEFINITIONS AND INTERPRETATIONS

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In this circular and the annexures hereto, unless the context indicates otherwise, references to the singular include the plural and *vice versa*, words denoting one gender include the other, expressions denoting natural persons include juristic persons and associations of persons and *vice versa*, and the words in the first column have the meanings stated opposite them in the second column, as follows:

“1H 2022”	Fortress’ first interim period ended 31 December 2021;
“1H 2023”	Fortress’ first interim period ended 31 December 2022;
“2H 2022”	Fortress’ second interim financial period ended 30 June 2022;
“2H 2023”	Fortress’ second interim financial period ended 30 June 2023;
“A2X”	the exchange operated by A2X Proprietary Limited (Registration number 2014/147138/07), a private company duly incorporated in accordance with the laws of South Africa and licensed to operate as an exchange under the Financial Markets Act;
“appraisal rights”	the rights afforded to shareholders under section 164 of the Companies Act in the event that the scheme becomes operative, as set out in <b>Appendix B</b> of <b>Annexure 1</b> of this circular;
“BEE Shares”	the 128 395 581 FFB shares held in aggregate by Fortress Empowerment 1 (RF) Proprietary Limited, Fortress Empowerment 2 (RF) Proprietary Limited, Fortress Empowerment 3 (RF) Proprietary Limited and Fortress Empowerment 4 (RF) Proprietary Limited as set out in <b>Annexure 7</b> of this circular;
“board” or “Fortress board” or “board of directors” or “directors”	the board of directors of Fortress as at the last practicable date as set out on page 29 of this circular;
“broker”	any person registered as a “broking member (equities)” in terms of the rules of the JSE made in accordance with the provisions of the Financial Markets Act;
“business day”	any day other than a Saturday, Sunday or official public holiday in South Africa and in the event that a day referred to in terms of this circular falls on a day which is not a business day, the relevant date will be extended to the next succeeding business day;
“CEE”	Central and Eastern Europe;
“certificated shareholders”	shareholders who hold certificated shares;
“certificated shares”	shares which have not been dematerialised into the Strate system, title to which is represented by a share certificate or other physical documents of title;
“circular” or “this document”	this document dated Thursday, 30 November 2023 distributed to Fortress shareholders containing the circular to shareholders and annexures thereto, the notices of the Fortress shareholder meetings, forms of proxy ( <i>pink, green and yellow</i> ) and forms of surrender and transfer ( <i>blue and grey</i> );
“combined general meeting”	the combined general meeting of FFA shareholders and FFB shareholders to be held at 10:00 on Friday, 19 January 2024, or any other adjourned or postponed date and time, at the registered office of Fortress (Block C, Cullinan Place, Cullinan Close, Morningside, 2196), as well as virtually via a remote interactive electronic platform, Microsoft Teams, to be convened in connection with the transaction for the purposes of considering and, if deemed fit, approving, with or without modification, the transaction resolutions as contained in the notice of combined general meeting attached to and forming part of this circular;
“Common Monetary Area”	South Africa, the Republic of Namibia and the Kingdoms of Lesotho and eSwatini;
“Companies Act”	the Companies Act, No. 71 of 2008, as amended from time to time;



<b>“company secretary”</b>	the company secretary of Fortress, full details of which are set out in the Corporate Information section of this circular;
<b>“conditions precedent”</b>	the suspensive conditions to which the scheme and the FFA conversion are subject and which remain unfulfilled as at the last practicable date, as set out in paragraph 5 of this circular;
<b>“consideration shares”</b> or <b>“scheme consideration”</b>	such number of NRP shares, as determined in accordance with the share-swap ratio, to be transferred to scheme participants by the Fortress subsidiaries as agreed with Fortress in settlement of the consideration for the scheme shares to be repurchased by Fortress pursuant to the scheme;
<b>“converted FFB shares”</b>	the 1 169 980 307 FFA shares in issue after the treasury share cancellation that are to be converted to 1 169 980 307 FFB shares pursuant to the FFA conversion;
<b>“court”</b>	any South African court with competent jurisdiction for purposes of section 115 of the Companies Act and/or section 164(14) of the Companies Act;
<b>“CSDP”</b>	a Central Securities Depository Participant appointed by a shareholder for purposes of, and in regard to, dematerialisation and to hold and administer dematerialised shares or an interest in dematerialised shares on behalf of a shareholder;
<b>“custody agreement”</b>	the agreement which regulates the relationship between the CSDP or broker and each beneficial holder of dematerialised shares;
<b>“dematerialise”</b> or <b>“dematerialisation”</b>	the process whereby certificated shares are replaced by electronic records of ownership under Strate and recorded in the sub-register of shareholders maintained by a CSDP or broker;
<b>“dematerialised shareholders”</b>	shareholders who hold dematerialised shares;
<b>“dematerialised shares”</b>	shares which have been incorporated into the Strate system, title to which is not represented by share certificates or other physical documents of title;
<b>“DEPS”</b>	distributable earnings per share;
<b>“dissenting shareholders”</b>	the shareholders who (i) validly exercise their appraisal rights by, among other things, objecting to the scheme resolution or the repurchase resolution in terms of section 164(3) of the Companies Act and demanding, in terms of section 164(5) to 164(8) of the Companies Act, that the company pay to them the fair value of their shares; and (ii) in respect of whom none of the events contemplated in section 164(9) of the Companies Act has occurred;
<b>“documents of title”</b>	share certificates, certified transfer deeds, balance receipts and any other documents of title to shares;
<b>“emigrants”</b>	former residents of the Common Monetary Area whose addresses are outside the Common Monetary Area;
<b>“Exchange Control Regulations”</b>	the Exchange Control Regulations 1961, promulgated in terms of section 9 of the Currency and Exchanges Act, No. 9 of 1933, as amended;
<b>“excluded dissenting shareholders’ shares”</b>	the shares held by the excluded dissenting shareholders;
<b>“excluded dissenting shareholders”</b>	dissenting shareholders who accept an offer made to them by the company in accordance with the requirements of section 164(11) of the Companies Act or, pursuant to an order of court, tender their shares to the company in accordance with the requirements of section 164(15)(v) of the Companies Act;
<b>“fair and reasonable opinion”</b>	the report to the independent board prepared by the independent expert in compliance with section 114(2) and 114(3) of the Companies Act (read with regulation 90 of the Takeover Regulations) in respect of the scheme, which report is set out in <b>Annexure 1</b> of this circular;

<b>“FFA conversion”</b>	the conversion of all FFA shares in issue to FFB shares pursuant to (i) special resolutions of FFA shareholders and combined FFA and FFB shareholders approving such conversion and amending the rights attaching to FFA shares in issue; and (ii) certain other consequential amendments to the MOI;
<b>“FFA conversion operative date”</b>	the business day on which the FFA conversion becomes operative in accordance with its terms, being the first business day following the FFA conversion record date, which date is expected to be Monday, 26 February 2024;
<b>“FFA conversion record date”</b>	the date on which FFA shareholders are required to be reflected on the register in order to participate in the FFA conversion, which date is expected to be on or about Friday, 23 February 2024;
<b>“FFA delisting”</b>	the termination of the listing of all the FFA shares from the Main Board of the JSE pursuant to the FFA conversion becoming operative;
<b>“FFA general meeting”</b>	the meeting of FFA shareholders to be held at 10:30 on Friday, 19 January 2024 or 5 minutes after the completion of the combined general meeting, whichever is the later, or any other adjourned or postponed date and time, at the registered office of Fortress (Block C, Cullinan Place, Cullinan Close, Morningside, 2196), as well as virtually via a remote interactive electronic platform, Microsoft Teams, to be convened in connection with the scheme for the purposes of considering and, if deemed fit, approving, with or without modification, the applicable transaction resolutions as contained in the notice of FFA general meeting attached to and forming part of this circular;
<b>“FFA share”</b>	an “A” ordinary share of no par value in the issued share capital of Fortress;
<b>“FFA shareholder”</b>	the holder of an FFA share;
<b>“FFB general meeting”</b>	the meeting of FFB shareholders to be held at 11:00 on Friday, 19 January 2024 or 5 minutes after the completion of the FFA general meeting, whichever is the later, or any other adjourned or postponed date and time, at the registered office of Fortress (Block C, Cullinan Place, Cullinan Close, Morningside, 2196), as well as virtually via a remote interactive electronic platform, Microsoft Teams, to be convened in connection with the scheme for the purposes of considering and, if deemed fit, approving, with or without modification, the resolutions as contained in the notice of FFB general meeting attached to and forming part of this circular;
<b>“FFB share”</b>	a “B” ordinary share of no par value in the issued share capital of Fortress;
<b>“FFB shareholder”</b>	the holder of an FFB share;
<b>“financial advisor”</b>	Rothschild & Co South Africa Proprietary Limited (Registration number 1999/021764/07), in its capacity as financial advisor to the independent board, a private company incorporated and registered in South Africa, full details of which are set out in the “Corporate Information” section of this circular;
<b>“finalisation date”</b>	the date on which the last of the outstanding conditions precedent shall have been fulfilled or waived, as the case may be;
<b>“Financial Markets Act”</b>	the Financial Markets Act, No. 19 of 2012, as amended;
<b>“firm intention announcement”</b> or <b>“FIA”</b>	the firm intention announcement released on SENS by Fortress on 5 October 2023 and published in the press on 9 October 2023, setting out the proposed terms of the transaction;
<b>“foreign shareholder”</b>	an FFB shareholder who is a non-resident of South Africa as contemplated in the Exchange Control Regulations;
<b>“forms of surrender and transfer”</b>	the form of surrender and transfer of documents of title ( <i>grey</i> ) attached to this circular, to be completed by certificated FFB shareholders (only) in the event of the scheme becoming operative and the form of surrender and transfer of documents of title ( <i>blue</i> ) attached to this circular, to be completed by certificated FFA shareholders (only) in the event of the FFA conversion becoming operative;

<b>“forms of proxy”</b>	the forms of proxy ( <i>pink, green and yellow</i> ) attached to this circular for use by certificated shareholders and dematerialised shareholders with own name registration only for appointment of a proxy to represent such shareholders at the appropriate Fortress shareholder meeting(s);
<b>“Fortress” or the “company” or the “offeror”</b>	Fortress Real Estate Investments Limited (Registration number 2009/016487/06), a limited liability public company duly incorporated in South Africa, the issued ordinary shares of which are listed on the Main Board of the JSE and on the exchange operated by A2X, full details of which are set out in the Corporate Information section of this circular;
<b>“Fortress A distribution benchmark”</b>	the distribution benchmark per FFA share for the prior year’s six month period in question calculated in terms of clause 34 of the MOI, (irrespective of whether the distribution of income for the prior corresponding six month period was paid or not), escalated by an amount equal to the lesser of 5% or the most recently available Consumer Price Index figure published by Statistics South Africa and multiplied by the number of FFA shares in issue (excluding treasury shares) at the dividend declaration date;
<b>“Fortress distribution methodology”</b>	the methodology for the time being, used by Fortress to calculate distributable earnings for its year ended 30 June 2023 being based on the SA REIT Association’s Best Practice Recommendations with the following adjustments: <ul style="list-style-type: none"> <li>• deduct capitalised interest in relation to development activities;</li> <li>• account for dividends received from listed investments in the period in which they are received;</li> <li>• add back IFRS 2: Share based payment expenses relating to the employee incentive scheme; and</li> <li>• deduct interest accrued on employee share scheme loans in excess of the dividend received on the shares provided as security for the share scheme loans, if any;</li> </ul>
<b>“Fortress shareholder meetings”</b>	the combined general meeting, the FFA general meeting and/or the FFB general meeting, as applicable;
<b>“Fortress shareholders” or “shareholders”</b>	collectively, the holders of FFA shares and/or FFB shares;
<b>“Fortress shares” or “shares”</b>	collectively, FFA shares and FFB shares;
<b>“Fortress subsidiaries”</b>	Fortress Income 10 Proprietary Limited, Fortress Income 11 Proprietary Limited, Fortress Income 12 Proprietary Limited and Fortress Income 13 Proprietary Limited, which amongst them hold in aggregate 160 135 676 NEPI Rockcastle shares;
<b>“FY 2022”</b>	Fortress’ financial year ended 30 June 2022;
<b>“FY 2023”</b>	Fortress’ financial year ended 30 June 2023;
<b>“IFRS”</b>	International Financial Reporting Standards;
<b>“implied NRP ex-distribution price”</b>	the closing price per NRP share on the JSE on the last date to trade to receive a NRP distribution, less the value of the distribution per share;
<b>“Income Tax Act”</b>	the South African Income Tax Act, No. 58 of 1962, as amended;
<b>“independent board”</b>	the Fortress independent board comprising Caswell Rampheri (chairperson), Eddy Oblowitz and Robin Lockhart-Ross, all of whom are independent non-executive directors of Fortress, as contemplated in regulation 108(8) of the Takeover Regulations, which has been specifically constituted for purposes of the scheme by the Fortress board in accordance with the Takeover Regulations;
<b>“independent expert” or “EY”</b>	Ernst & Young Advisory Services Proprietary Limited (Registration number 2006/018260/07), a limited liability private company duly incorporated in South Africa, acting as independent expert and appointed to provide external advice to the Fortress independent board in relation to the scheme, full details of which are set out in the Corporate Information section of this circular;

<b>“independent reporting accountants” or “KMPG”</b>	KPMG Inc. (Practice number 902276), full details of which are set out in the “Corporate Information” section of this circular;
<b>“JSE Listings Requirements”</b>	the Listings Requirements published by the JSE from time to time;
<b>“JSE”</b>	the exchange operated by the JSE Limited (Registration number 2005/022939/06), a public company duly incorporated in South Africa, and licensed to operate as an exchange under the Financial Markets Act;
<b>“last practicable date”</b>	Thursday, 23 November 2023, being the last practicable date prior to the finalisation of this circular;
<b>“letters of support”</b>	the non-binding indicative letters of support procured from Fortress shareholders with regard to the transaction;
<b>“minimum distribution requirement”</b>	the requirement in terms of the JSE Listings Requirements whereby in order to retain its REIT status, a REIT must distribute at least 75% of its distributable profits (as defined in the JSE Listings Requirements) to shareholders within four months of its financial year end, subject to the solvency and liquidity test in terms of the Companies Act;
<b>“MOI”</b>	the memorandum of incorporation of Fortress, as amended;
<b>“NAV”</b>	net asset value;
<b>“NEPI Rockcastle” or “NRP”</b>	NEPI Rockcastle N.V., a company incorporated and registered in the Netherlands under registration number 87488329, the ordinary shares of which are listed on the Main Board of the JSE, on the exchange operated by Euronext Amsterdam and on the exchange operated by A2X;
<b>“NEPI Rockcastle shares” or NRP shares”</b>	ordinary shares with a nominal value of €0.01 each in the share capital of NEPI Rockcastle, title to which is held by a NRP shareholder in the form of dematerialised security entitlements representing the beneficial ownership of such shares;
<b>“non-resident”</b>	a person not ordinarily resident in South Africa whose address is outside the Common Monetary Area and who is not an emigrant;
<b>“notices of Fortress shareholder meetings”</b>	the notices of the Fortress shareholder meetings attached to and forming part of this circular;
<b>“NRP dividend adjustment”</b>	any adjustment required to be made to the share-swap ratio as a result of the payment by NEPI Rockcastle of a dividend subsequent to the release of the firm intention announcement;
<b>“offer period”</b>	shall bear the meaning ascribed to such term in section 117(1)(g) of the Companies Act, being the period which commenced upon the release on SENS of the firm intention announcement;
<b>“offer”</b>	the offer made by Fortress to repurchase, in accordance with section 48 of the Companies Act, all of the scheme shares by way of a scheme of arrangement in accordance with the requirements of section 114(1)(c) of the Companies Act, which constitutes an “affected transaction” as defined in section 117(1)(c) of the Companies Act;
<b>“own name registration”</b>	dematerialised shareholders who have instructed their CSDP to hold their Fortress shares in their own name on the uncertificated securities register;
<b>“permitted restricted territory shareholders”</b>	FFB shareholders with registered addresses in, or who are resident in any of, the restricted territories who have warranted, represented and certified to the company’s satisfaction, in its sole and absolute discretion, by no later than Friday, 16 February 2024 that their receipt of the scheme consideration will not result in the contravention of any registration or other legal requirement in such jurisdiction;
<b>“press”</b>	the Business Day newspaper;
<b>“R” or “rand”</b>	the South African rand, the lawful currency of South Africa;

<b>“register”</b>	the securities register of Fortress (including the relevant sub-registers of the CSDP (as contemplated in the Financial Markets Act) administering the sub-registers of Fortress);
<b>“Regulation S”</b>	Regulation S under the US Securities Act;
<b>“REIT”</b>	a Real Estate Investment Trust, being an entity that receives REIT status in terms of the JSE Listings Requirements and qualifies as such in terms of the Income Tax Act;
<b>“repurchase resolution”</b>	the special resolution, as contemplated in section 48(8) read with section 115(2) of the Companies Act, in terms of which the FFA shareholders and FFB shareholders approve the repurchase of the scheme shares in the combined general meeting;
<b>“restricted shareholders”</b>	FFB shareholders on the scheme record date with a registered address or who are resident or located in any restricted territory (but excluding any permitted restricted territory shareholders);
<b>“restricted territories”</b>	subject to certain exceptions, the United States, Australia, Canada and Japan and any other jurisdiction where offering the scheme consideration or settling the scheme would be unlawful or in contravention of certain laws or regulations;
<b>“SARB”</b>	the South African Reserve Bank;
<b>“scheme”</b>	the scheme of arrangement in terms of section 114 of the Companies Act (read with section 115 of the Companies Act) proposed by the Fortress board between Fortress and the FFB shareholders, in terms of which, if implemented, Fortress will repurchase the scheme shares in exchange for the scheme consideration (other than the restricted shareholders, who will receive cash) to be delivered by the Fortress subsidiaries to the scheme participants;
<b>“scheme consideration”</b>	0.060207 NRP shares per FFB share (subject to the NRP dividend adjustment) held on the scheme record date to be delivered to the scheme participants by the Fortress subsidiaries as agreed with Fortress, together with cash in respect of any fractional entitlements in terms of paragraph 3.3.3 of this circular;
<b>“scheme operative date”</b>	the business day on which the scheme becomes operative in accordance with its terms and the consideration shares will, in consideration for the scheme shares, be transferred to the scheme participants by the Fortress subsidiaries as agreed with Fortress, being the first business day following the scheme record date, which date is expected to be Monday, 19 February 2024;
<b>“scheme participants”</b>	the shareholders who are registered as the holders of FFB shares in the register on the scheme record date and are therefore entitled to receive the scheme consideration in terms of the scheme. FFB shareholders who become excluded dissenting shareholders after the scheme record date will not be regarded as scheme participants; and since dissenting shareholders may become excluded dissenting shareholders, dissenting shareholders will only be regarded as scheme participants once they cease to be dissenting shareholders as contemplated in paragraph 11 of the circular;
<b>“scheme record date”</b>	the date on which FFB shareholders are required to be reflected in the register in order to receive the scheme consideration in terms of the scheme which date is expected to be on or about Friday, 16 February 2024;
<b>“scheme resolution”</b>	the special resolution, as contemplated in section 115(2) of the Companies Act, in terms of which the FFB shareholders approve the scheme in the FFB general meeting;
<b>“scheme shares”</b>	all of the FFB shares held by scheme participants on the scheme record date;
<b>“SENS”</b>	the Stock Exchange News Service of the JSE;
<b>“settlement agent”</b>	Pacific Custodians Nominees (RF) Proprietary Limited (Registration number 2014/113298/07), a private company incorporated and registered in accordance with the laws of South Africa;

<b>“share-swap ratio” or “share-swap exchange ratio”</b>	0.060207 NRP shares (subject to the NRP dividend adjustment) to be delivered to scheme participants by the Fortress subsidiaries as agreed with Fortress to the scheme participants for every FFB share held on the scheme record date;
<b>“South Africa”</b>	the Republic of South Africa;
<b>“sponsor”</b>	Java Capital Trustees and Sponsors Proprietary Limited (Registration number 2006/005780/07), in its capacity as sponsor to the company, a private company incorporated and registered in accordance with the laws of South Africa, full details of which are set out in the “Corporate Information” section of this circular;
<b>“Strate”</b>	Strate Proprietary Limited (Registration number 1998/022242/07), a private company registered and incorporated in South Africa, which is a registered central securities depository and which is responsible for the electronic settlement system used by the JSE;
<b>“subsidiary/ies”</b>	shall have the meaning ascribed thereto as set out in the Companies Act;
<b>“Takeover Regulation Panel” or “TRP”</b>	the Takeover Regulation Panel, established in terms of section 196 of the Companies Act;
<b>“Takeover Regulations”</b>	has the meaning ascribed to that term in section 1 of the Companies Act;
<b>“TNAV”</b>	tangible net asset value;
<b>“transaction”</b>	collectively, the scheme, the FFA conversion and the proposed amendments to the MOI of Fortress (as detailed in paragraphs 3, 4 and 6 of this circular);
<b>“transaction resolutions”</b>	the applicable ordinary and special resolutions to be considered and, if deemed fit, approved by the applicable Fortress shareholders at the applicable Fortress shareholder meetings, as contained in the applicable notices convening the applicable Fortress shareholder meetings attached to and forming part of the circular;
<b>“transfer secretaries” or “JSE Investor Services”</b>	JSE Investor Services Proprietary Limited (Registration number 2000/007239/07), a private company incorporated and registered in South Africa, full details of which are set out in the “Corporate Information” section of this circular;
<b>“treasury share cancellation”</b>	the cancellation of 26 861 996 FFA shares and 87 536 353 FFB shares currently held in treasury by subsidiaries of Fortress prior to the implementation of the scheme and the FFA conversion;
<b>“uncertificated securities register” or “sub-register”</b>	the record of dematerialised shareholders administered and maintained by a CSDP and which forms part of the register;
<b>“United States” or “US”</b>	the United States of America, its territories and possessions, any state of the United States and the District of Columbia;
<b>“US Securities Act”</b>	the US Securities Act of 1933;
<b>“VAT”</b>	value added tax as defined in the Value Added Tax Act, No. of 89 of 1991, as amended;
<b>“voting record date”</b>	the date on which the applicable Fortress shareholders are required to be recorded in the register in order to be eligible to attend, speak and vote at the applicable Fortress shareholder meeting(s) (or any adjournment thereof), being Friday, 12 January 2024; and
<b>“VWAP”</b>	volume weighted average price.



## FORTRESS REAL ESTATE INVESTMENTS LIMITED

*(formerly Fortress REIT Limited)*  
(Incorporated in the Republic of South Africa)  
(Registration number 2009/016487/06)  
JSE share codes: FFA ISIN: ZAE000248498  
FFB ISIN: ZAE000248506  
LEI: 378900FE98E30F24D975  
("Fortress" or the "company")

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### Directors

Robin Lockhart-Ross (*Independent Non-Executive Chairperson*)  
Steven Brown (*Chief Executive Officer*)  
Ian Vorster (*Chief Financial Officer*)  
Vuso Majija (*Executive Director*)  
Jan Potgieter (*Lead Independent Non-Executive Director*)  
TC Chetty (*Independent Non-Executive Director*)  
Ina Lopion (*Independent Non-Executive Director*)  
Susan Ludolph (*Independent Non-Executive Director*)  
Eddy Oblowitz (*Independent Non-Executive Director*)  
Vuyiswa Ramokgopa (*Independent Non-Executive Director*)  
Caswell Rampheri (*Independent Non-Executive Director*)

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## CIRCULAR TO FORTRESS SHAREHOLDERS PART I: THE SCHEME AND FFA CONVERSION

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### 1. INTRODUCTION

- 1.1 In 2022, certain Fortress shareholders requisitioned general meetings of the company in terms of section 61(3) of the Companies Act in order to amend the company's MOI to allow for the declaration of distributions out of income for the financial year ended on 30 June 2022, split between FFA shares and FFB shares in a ratio of 80:20. At the general meetings held on 12 January 2023, there was insufficient support to pass all the required special resolutions, and accordingly the MOI amendment did not pass. Following the failure to amend the MOI to enable a distribution to all shareholders out of income for FY 2022, certain Fortress shareholders have engaged with the company in respect of options to simplify the company's dual share structure.
- 1.2 Pursuant to these engagements, the board has resolved to propose a scheme of arrangement between the company and FFB shareholders in terms of section 114(1) read with section 115 of the Companies Act. Following implementation of the scheme and the FFA conversion, if approved by shareholders, the company's dual share capital structure would be simplified into a single class of shares by repurchasing and cancelling all FFB shares in issue and procuring the delivery to scheme participants by the Fortress subsidiaries of NEPI Rockcastle shares at a share-swap ratio of 0.060207 NEPI Rockcastle shares per FFB share disposed of by FFB shareholders to Fortress. The share-swap ratio is subject to an upward adjustment proportionally for any distribution by NEPI Rockcastle to its shareholders (whether such distribution constitutes a dividend, a capital distribution or other transfer of value) that is made between the date of the firm intention announcement and the date of implementation of the scheme. The adjustment, if applicable, would take effect on the date on which NEPI Rockcastle shares trade ex-distribution in terms of the distribution implementation timetable in the ratio of the scheme consideration x (1 + (value of the distribution per NEPI Rockcastle share/the implied NRP ex-distribution price)). As the scheme implementation timetable envisages a scheme implementation date of Monday, 19 February 2024, ahead of the anticipated date on which NEPI Rockcastle would trade ex-dividend of its normal dividend cycle, this adjustment would be applicable in the unlikely event of an out of cycle NEPI Rockcastle distribution or if there is a significant delay in the implementation of the scheme. The scheme and the FFA conversion, if approved by shareholders, will have the effect of removing the current impediment contained in the MOI prohibiting the board from declaring dividends in certain circumstances, as detailed in paragraph 2 below.

- 1.3 The company has received non-binding letters of support for the transaction from shareholders holding 41.1% of the FFA shares and 52.2% of the FFB shares. Details of the letters of support are set out in paragraph 7 below.
- 1.4 In order to give effect to the scheme and the FFA conversion and to ensure that, following implementation of the transaction, there will be a single class of ordinary share with no impediments to the declaration of distributions (as described in paragraph 2 below):
  - 1.4.1 the 26 861 996 FFA and the 87 536 353 FFB treasury shares in issue will be cancelled by Fortress post the distribution of such shares from its subsidiaries. This step will simplify implementation of the transaction in a way that reduces the overall implementation costs;
  - 1.4.2 the remaining 1 010 923 806 FFB shares in issue after the treasury share cancellation will be repurchased, delisted and cancelled by way of a special resolution of FFB shareholders and a special resolution of combined FFA and FFB shareholders, in consideration for the transfer by the Fortress subsidiaries as agreed with Fortress of NEPI Rockcastle shares to FFB shareholders in the share-swap ratio (subject to the NRP dividend adjustment, to the extent applicable) in terms of the scheme; and
  - 1.4.3 the remaining 1 169 980 307 FFA shares in issue after the treasury share cancellation will be converted into FFB shares by way of a special resolution of FFA shareholders and a special resolution of combined FFA and FFB shareholders and consequential MOI amendments to amend the FFA share preferences, rights and limitations to match preferences, rights and limitations attached to the FFB shares, so that a single class of ordinary shares (in the form of FFB shares) will remain in issue.
- 1.5 The implementation of the scheme and the FFA conversion will be inter-conditional on one another, but will not be conditional on the implementation of the treasury share cancellation, which Fortress intends to implement as soon as possible.
- 1.6 As the proposed repurchase of all FFB shares will be implemented by way of a scheme of arrangement as contemplated in section 114(1) read with section 115 of the Companies Act, the repurchase of FFB shares is not a repurchase as contemplated under the JSE Listings Requirements. Therefore, shareholder approval in terms of the JSE Listings Requirements is not required to effect the repurchase.
- 1.7 As part of the implementation of the scheme, the FFB shares repurchased by Fortress will be delisted and cancelled, and the listing of the FFB shares on the Main Board of the JSE will be suspended pending the implementation of the FFA conversion in accordance with the timetable set out in the “Salient dates and times” section of this circular. Following the implementation of the FFA conversion, the listing of all FFA shares on the Main Board of the JSE will be terminated in accordance with paragraph 1.17(b) of the JSE Listings Requirements and an application will be made to the JSE for the listing of 1 169 980 307 converted FFB shares pursuant to the FFA conversion.
- 1.8 The board and the independent board recommend that shareholders vote in favour of the transaction resolutions, including the scheme resolution and the repurchase resolution.
- 1.9 For a full understanding of the detailed terms and conditions of the transaction, this circular should be read in its entirety.
- 1.10 The purpose of this circular is to:
  - 1.10.1 provide Fortress shareholders with relevant information regarding the transaction, including, *inter alia*, the fair and reasonable opinion and the recommendation of the independent board in respect of the scheme and the FFA conversion; and
  - 1.10.2 give notice convening the Fortress shareholder meetings in order to consider and, if deemed fit, pass with or without modification the resolutions necessary to approve and implement the scheme and the FFA conversion in accordance with the Companies Act and the Takeover Regulations. The notices convening the Fortress shareholder meetings are attached to and form part of this circular.

## 2. BACKGROUND, RATIONALE AND PROSPECTS

- 2.1 Fortress is a real estate investment company with a focus on developing and letting premium grade logistics real estate in South Africa and CEE, as well as growing its convenience and commuter-oriented retail portfolio which currently comprises 46 shopping centres, inclusive of centres co-owned with partners. Fortress also has a strategic 24,2% shareholding in NEPI Rockcastle, the largest listed property company on the JSE, with a EUR7 billion portfolio across nine CEE countries.
- 2.2 Fortress’ share capital structure comprises FFA and FFB shares, both of which are listed on the JSE under share codes FFA and FFB respectively. The salient features of the current dual share structure are set out below:



- 2.2.1 The FFA share has a preferential right to distributions of income (if declared by the board as described in paragraph 2.2.4) for each six month period and to a fixed capital participation on redemption of the FFA shares or winding up of Fortress based on a formula set out in the MOI. The FFB share has an entitlement to the residual distributions of income (if declared by the board) for each six month period, and to the residual assets on winding up.
- 2.2.2 In terms of clause 34.1 of the company's MOI, if Fortress resolves to declare a distribution of income to its shareholders, no such distribution of income may be declared in respect of the FFB shares for a six month period until the relevant distribution of income has been declared in respect of the FFA shares for that six month period; and no such distribution of income shall be paid by Fortress in respect of the FFB shares for such six month period unless the distribution of income for the FFA shares has been paid. Other than (i) distributions of income (if declared by the board as described in paragraph 2.2.4); (ii) capital participation on redemption of the FFA shares; or (iii) capital participation on winding up of the company, the FFA and the FFB shares rank *pari passu*.
- 2.2.3 In respect of a six month period, the FFA share income distribution entitlement is equivalent to the prior year's fixed income distribution entitlement for the six month period in question (irrespective of whether the prior year's distribution of income was paid or not), escalated by an amount equal to the lesser of 5% or the most recently available Consumer Price Index figure. The FFB share is entitled to the residual income distribution declared by the company in respect of a six month period.
- 2.2.4 In terms of the MOI, if the board elects to declare a distribution of income for an income period and provided that the distributable earnings for that period are above the Fortress A distribution benchmark, the board is required to first declare and pay the full Fortress A distribution benchmark. If distributable earnings for an income period are below the Fortress A distribution benchmark, the board may not declare a distribution of income to any shareholders. The result of this is that when the distributable earnings for an income period are below the Fortress A distribution benchmark, the distributable earnings are retained and would then form part of Fortress' capital base going forward.
- 2.3 Fortress was required to meet the minimum distribution requirement for a REIT, per the JSE Listings Requirements, being an annual distribution of at least 75% of distributable profit in respect of FY 2022. Fortress' MOI prevents the payment of a distribution where distributable earnings are less than the Fortress A distribution benchmark in respect of that period, which was the case for both 1H 2022 and 2H 2022. In these circumstances, Fortress could not comply with the minimum distribution requirement and, as a consequence, the JSE removed Fortress' REIT status with effect from 1 February 2023.
- 2.4 In line with market guidance given in 2022, Fortress has not declared a dividend in 2023. Instead, retained earnings have been earmarked to reduce debt and invest in liquid assets for deployment, in time, to resolve the capital structure.
- 2.5 As is evidenced in its operational results for the year ended June 2023, the business of Fortress is performing strongly notwithstanding the prevailing challenging and volatile environment. The board is optimistic regarding the prospects for the business and the property sectors in which the company operates, with Fortress being well-positioned to continue to produce high quality and growing profits.
- 2.6 The dual share structure of Fortress remains a hindrance and the board has communicated that it is open to resolving this sub-optimal structure. The board continues to recognise that a single share structure would have, *inter alia*, the following benefits:
- 2.6.1 it allows for distribution of income at the discretion of the board without the restrictions of the MOI being applicable;
- 2.6.2 dividend reinvestment programmes can be implemented;
- 2.6.3 it offers greater flexibility with regard to corporate actions;
- 2.6.4 it provides greater liquidity in a single share rather than having share liquidity spread across the two different classes of shares;
- 2.6.5 a simpler share structure is likely to appeal to a broader range of potential investors; and
- 2.6.6 it allows Fortress' management to focus more on the business rather than on the issues resulting from the dual share structure.

- 2.7 A proposal by Fortress in 2022 to collapse its dual share structure into a single class of shares and a subsequent shareholder initiative in January 2023 to amend the MOI of Fortress to allow for distributions both failed to achieve the requisite thresholds of shareholder support. This resulted in the removal of Fortress' REIT status as set out in paragraph 2.3 above.
- 2.8 Should the scheme and FFA conversion be approved by Fortress shareholders and implemented successfully, the board will adopt the distribution policy as more fully detailed in paragraph 8 below.

### 3. MECHANICS OF THE SCHEME

Given the broad shareholder support for the transaction from both classes of shares, as evidenced by the letters of support, in terms of section 114(1)(c) of the Companies Act, the Fortress board hereby proposes the scheme, on the terms set out below, between Fortress and FFB shareholders.

#### 3.1 The scheme

- 3.1.1 If the scheme resolution, the repurchase resolution and the other transaction resolutions are passed at the applicable Fortress shareholder meetings and all outstanding conditions precedent as detailed in paragraph 5 below are fulfilled or waived, as the case may be, Fortress will, in compliance with section 48 of the Companies Act, repurchase the scheme shares from the scheme participants for the scheme consideration.
- 3.1.2 Subject to the scheme becoming unconditional, with effect from the scheme operative date:
- 3.1.2.1 the scheme participants (whether or not they voted in favour of the scheme or abstained from voting) will be deemed to have disposed of (and will be deemed to have undertaken to transfer) each of their scheme shares, free of encumbrances, to Fortress in exchange for the delivery by the Fortress subsidiaries, as agreed with Fortress, of the scheme consideration, and Fortress will be deemed to have repurchased each such scheme share;
- 3.1.2.2 the disposal and transfer by each scheme participant of the scheme shares held by each such scheme participant to Fortress, and the repurchase of those scheme shares by Fortress in accordance with section 48 of the Companies Act, pursuant to the provisions of the scheme, will be effected, whereupon such scheme shares will be cancelled by Fortress and returned to the authorised but unissued share capital of the company;
- 3.1.2.3 each scheme participant will be deemed to have transferred to Fortress all of the scheme shares held by such scheme participant, without any further act or instrument being required; and
- 3.1.2.4 scheme participants will be entitled to receive, and Fortress will procure that the Fortress subsidiaries will deliver the scheme consideration for each scheme share transferred to Fortress in terms of the scheme, subject to the remaining provisions of this paragraph 3.1.
- 3.1.3 Each scheme participant irrevocably and *in rem suam* authorises and nominates Fortress, as principal, with power of substitution, to cause the scheme shares disposed of by the scheme participants in terms of the scheme to be repurchased by and in the name of Fortress on or at any time after the scheme operative date, and to do all such things and take all such steps (including the surrender of share certificates and the signing of any transfer form) as Fortress, in its discretion, considers necessary in order to give effect to that repurchase and the subsequent cancellation of such scheme shares.
- 3.1.4 The scheme consideration will be settled, in full, in accordance with the terms of the scheme without regard to any lien, right of set-off, counterclaim or other analogous right to which Fortress may otherwise be, or claim to be, entitled to against a scheme participant.
- 3.1.5 Fortress undertakes to comply with its obligations under the scheme including ensuring that the Fortress subsidiaries deliver the scheme consideration to the scheme participants, through the transfer secretaries. In this respect, the Fortress subsidiaries have agreed with Fortress in writing to deliver the scheme consideration to the scheme participants on the basis set out in this circular.
- 3.1.6 The rights of the scheme participants to receive the scheme consideration will be rights enforceable by scheme participants against Fortress only.

- 3.1.7 The effect of the scheme will be that, *inter alia*, Fortress will, with effect from the scheme operative date, repurchase all of the scheme shares, whereupon they shall be cancelled by Fortress and returned to the authorised but unissued share capital of the company. None of the scheme shares will be transferred to any other person.
- 3.1.8 Upon the scheme becoming operative, Fortress will, and will procure that its subsidiaries will give effect to the terms and conditions of the scheme and will take or procure the taking of all actions and sign all necessary documents to give effect to the scheme, including ensuring that the Fortress subsidiaries deliver the scheme consideration to the scheme participants.
- 3.1.9 Subject to the fulfilment or waiver, as the case may be, of the conditions precedent, the scheme will be implemented with effect from the scheme operative date.
- 3.1.10 Following the implementation of the scheme and prior to the FFA conversion, Fortress' issued share capital will comprise FFA shares only.

### 3.2 Required approval for the scheme

- 3.2.1 Pursuant to section 115(2) of the Companies Act, a scheme of arrangement in terms of section 114 of the Companies Act and a repurchase in terms of section 48(8) of the Companies Act must be approved by a special resolution adopted by shareholders entitled to exercise voting rights on such a matter, at a meeting called for that purpose. At least 25% (twenty five percent) of the voting rights that are entitled to be exercised must be present at the meeting.
- 3.2.2 In the event that at least 15% (fifteen percent) of the voting rights oppose the scheme resolution or the repurchase resolution, the company may not proceed to implement the resolution unless a court of competent jurisdiction approves the scheme or the repurchase, as the case may be, provided that a shareholder who voted against the relevant resolution requires, within five business days after the vote, that the company seek court approval for the scheme. If the scheme requires court approval, the company must either apply to court for approval within ten business days after the vote and bear the costs of the application, or treat the scheme or the repurchase, as the case may be, as a nullity.
- 3.2.3 Alternatively, where any person who voted against the resolution, applies to court within ten business days of the vote for leave to review the scheme, the scheme resolution or the repurchase resolution may only be implemented if the court does not grant leave to review, or having granted leave to review, the court does not set aside the scheme resolution or the repurchase resolution. A court may grant leave only if the applicant is acting in good faith, appears to be able to sustain proceedings and alleges facts that support the order being sought. A court may only set aside a resolution that is manifestly unfair to shareholders or if the vote was materially tainted by a conflict of interest, for inadequate disclosure, failure to comply with the Companies Act or MOI or if there is a significant and material irregularity.

### 3.3 Scheme consideration

**The attention of scheme participants is drawn to the fact that all NEPI Rockcastle shares are and will be registered in the name of Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. ("Euroclear Nederland") for and on behalf of shareholders. Shareholders, including the Fortress subsidiaries, hold security entitlements issued by Euroclear Nederland representing beneficial ownership of NEPI Rockcastle. Security entitlements to NEPI Rockcastle shares traded on the JSE and A2X are delivered in accordance with the rules of Strate and those traded on Euronext Amsterdam N.V. are delivered in accordance with the rules of Euroclear Nederland. Accordingly, scheme participants will not have registered ownership of the NEPI Rockcastle shares that they receive pursuant to the scheme. Fortress will instead procure delivery by the Fortress subsidiaries of dematerialised security entitlements representing the beneficial ownership of NEPI Rockcastle shares. References throughout the circular to NEPI Rockcastle shares received pursuant to the scheme or to any shareholding in NEPI Rockcastle should therefore be read as a reference to a receipt or holding of security entitlements representing beneficial ownership of NEPI Rockcastle shares, and not to any registered ownership of NEPI Rockcastle shares.**

- 3.3.1 The scheme will require scheme participants to exchange their FFB shares for the scheme consideration.
- 3.3.2 The scheme consideration is held by the Fortress subsidiaries. In the event of the conditions precedent to the transaction being fulfilled (or waived) and the scheme becoming operative, Fortress undertakes to procure that the Fortress subsidiaries will deliver the scheme consideration to the scheme participants, being 0.060207 NRP shares for every FFB share held on the scheme record date, provided that (i) the scheme consideration shall not be delivered to restricted shareholders personally, but shall instead be

retained by Fortress or a third party in South Africa nominated by Fortress, which shall in each case hold the scheme consideration on behalf of such restricted shareholders. Fortress or such third party to whom the scheme consideration is delivered, shall be obliged to dispose thereof on a best efforts basis and to remit the proceeds of such disposal (net of applicable fees, expenses, taxes and charges) to such restricted shareholders; (ii) dissenting shareholders who become scheme participants after the scheme record date, will receive the scheme consideration on the dates set out in paragraphs 3.4.4 and 3.4.7 below.

- 3.3.3 In implementing the scheme, Fortress is required by the JSE to apply the rounding principle that a scheme participant becoming entitled to a fraction of a consideration share will be rounded down to the nearest whole number, resulting in allocations of whole consideration shares and a cash payment for the fraction. The value of such cash payment will be the volume weighted average traded price on the first day of trade following the last day to trade in order to participate in the scheme (and thus receive the scheme consideration), less 10%, and will be announced on SENS on the second day of trade after the last day to trade in FFB shares in order to participate in the scheme. The TRP has granted Fortress an exemption from the obligation to provide a cash confirmation guarantee in respect of its obligation to settle fractions in cash. The date on which scheme participants will receive the cash payments arising from such fractional entitlements is expected to be Monday, 19 February 2024. The last day to trade in order to participate in the scheme is expected to be Tuesday, 13 February 2024.
- 3.3.4 Fortress shareholders are referred to **Annexure 5** of this circular regarding the treatment of the scheme consideration in terms of the Exchange Control Regulations.
- 3.3.5 The rights of FFA shares and FFB shares are detailed in the Fortress MOI, which is set out in **Annexure 8** to this circular and is also available for viewing on Fortress' website at <https://www.fortressfund.co.za/capital-conversion>.
- 3.3.6 Refer to **Annexure 7** of this circular for further information with regard to the BEE Shares.

#### 3.4 Settlement of the scheme consideration

- 3.4.1 Subject to paragraphs 3.4.2 and 3.4.6 below, and subject to the scheme becoming operative, the scheme participants will be entitled to delivery of the scheme consideration from the Fortress subsidiaries on Fortress' behalf in respect of the scheme shares held by them on the scheme record date. Any fractional entitlements will be settled in cash at a rate to be determined based on the volume weighted average traded price of a NRP share (less 10%) on the day immediately following the last day to trade FFB shares. Cash payments will be made into the bank account specified by the certificated shareholder concerned or credited to the custody account of a dematerialised FFB shareholder, as the case may be.
- 3.4.2 Settlement of the scheme consideration is subject to the Exchange Control Regulations, the salient provisions of which are set out in **Annexure 5** to this circular.
- 3.4.3 Fortress or its agents will administer and effect the settlement of the scheme consideration and/or will transfer or post the scheme consideration to scheme participants.
- 3.4.4 Scheme participants who hold dematerialised shares will:
  - 3.4.4.1 if they are not dissenting shareholders on the scheme record date, have their accounts held at their CSDPs credited with the scheme consideration and debited with the scheme shares they are transferring to Fortress pursuant to the scheme on the scheme operative date;
  - 3.4.4.2 if they are still dissenting shareholders on the scheme record date, have their accounts held at their CSDPs credited with the scheme consideration and debited with the scheme shares that they are transferring to Fortress pursuant to the scheme within five business days of the date on which they cease to be dissenting shareholders and become scheme participants.
- 3.4.5 Scheme participants who hold certificated shares, and who are not dissenting shareholders on the scheme record date, will:
  - 3.4.5.1 if they have surrendered their documents of title and completed the form of surrender and transfer to the transfer secretaries on or before 12:00 on the scheme record date and have specified valid account details with a CSDP or broker into which the consideration shares they are entitled to are to be delivered, they will have their account at their CSDP or broker credited on the scheme operative date with the relevant consideration shares; or

- 3.4.5.2 if they do not surrender their documents of title and completed form of surrender and transfer to the transfer secretaries after 12:00 on the scheme record date, or if they surrender their documents of title to the transfer secretaries before 12:00 on the scheme record date but fail to specify valid account details with a CSDP or broker into which the consideration shares which they are entitled to are to be transferred, the consideration shares to which such shareholders are entitled will be delivered to an account in the name of the settlement agent, which will hold such shares for and on such shareholder's behalf until such shares are released and delivered in terms of paragraph 3.4.6. In this regard, such shareholder is deemed to have concluded the custody agreement with the transfer secretaries, which establishes a business relationship between the transfer secretaries and each shareholder.
- 3.4.6 Should an FFB shareholder wish to claim the relevant consideration shares from the settlement agent, it will have to complete such forms as may, from time to time, be specified by the transfer secretaries for the purposes of stipulating a valid account with a CSDP or broker into which the consideration shares are to be delivered. Upon receipt of an instruction to transfer the consideration shares, they will be delivered into such account as may have been specified by the shareholder concerned. Simultaneously with such delivery, the transfer secretaries will pay to the shareholder any amounts accrued (including dividends) in respect of the consideration shares while held by the settlement agent and to which the shareholder is entitled in accordance with the custody agreement. FFB shareholders should note that their entitlement to the consideration shares will lapse after three years from the scheme operative date.
- 3.4.7 Scheme participants who hold certificated shares and who are dissenting shareholders on the scheme record date, but who become scheme participants after the scheme record date, will need to surrender their documents of title, together with completed forms of surrender and transfer, to the transfer secretaries, and will have their account at their CSDP or broker credited with the relevant consideration shares, within five business days of the later of the date on which the transfer secretaries receive such documents of title and completed forms of surrender and transfer and the date on which they cease to be dissenting shareholders, provided that they have specified valid account details with a CSDP or broker into which the consideration shares they are entitled to are to be delivered.
- 3.4.8 Where, on or subsequent to the scheme operative date, a person, who was not a registered holder of scheme shares on the scheme record date, tenders to the transfer secretaries documents of title, together with a duly stamped form of surrender and transfer, purporting to have been executed by or on behalf of the registered holder of such scheme shares and, provided that the consideration shares will not already have been delivered to the registered holder of the relevant scheme shares, then such transfer may be accepted by FFB shareholders if it were a valid transfer to such person of the scheme shares concerned, provided that Fortress has been, if so required, provided with an indemnity on terms acceptable to Fortress in respect of the consideration shares delivered to such person.
- 3.4.9 The consideration shares will be transferred to scheme participants, in full, in accordance with the terms of the scheme without regard to any lien, right of set-off, counterclaim or other analogous right to which Fortress may otherwise be, or claim to be, entitled.
- 3.4.10 In the case of scheme participants who are permitted restricted territory shareholders, if the information regarding authorised dealers is not given or written instructions to the contrary are provided but no address is given, as required in terms of paragraphs 2 and 3 of **Annexure 5** of this circular, the scheme consideration will be held in trust by the settlement agent for the scheme participants concerned, pending receipt of the necessary information or instructions.

### 3.5 **Effects of the scheme**

The effect of the scheme will be that the company will, with effect from the operative date, repurchase all of the scheme shares, which will subsequently be cancelled and will be delisted from the Main Board of the JSE. The FFB share class will be suspended until the converted FFB shares are listed on the JSE (under the existing FFB share code and ISIN ZAE000248506).

### 3.6 Scheme pricing comparison to market pricing

The table below illustrates the premiums/discounts associated with the share-swap ratio in respect of FFB shares at various undisturbed market pricing metrics as at 3 October 2023, being the last practicable date prior to the release of the firm intention announcement:

Rands	FFB share price	NEPI Rockcastle share price	Scheme Consideration <sup>(1)</sup>	Premium/(discount) to FFB share price
Closing price	6.20	103.95	6.26	0.9%
VWAP	6.18	104.23	6.28	1.6%
7-day VWAP	6.08	104.35	6.28	3.4%
30-day VWAP	6.02	109.84	6.61	9.9%
90-day VWAP	5.34	111.08	6.69	25.3%

**Notes:**

1. The scheme consideration is calculated as the corresponding NEPI Rockcastle share price multiplied by the share-swap ratio of 0.060207.
2. Shares in NEPI Rockcastle were trading cum dividend up to 12 September 2023 and ex dividend after that date.

### 3.7 Foreign shareholders and Exchange Control Regulations

- 3.7.1 **Annexure 5** to this circular contains a summary of the Exchange Control Regulations as they apply to scheme participants.
- 3.7.2 Scheme participants who are not resident in, or who have a registered address outside of South Africa, must satisfy themselves as to the full observance of the laws of any relevant territory concerning the receipt of the scheme consideration, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such jurisdiction. If in doubt, scheme participants should consult their professional advisers immediately.
- 3.7.3 The scheme consideration shall not be delivered to restricted shareholders personally but shall instead be retained by Fortress or a third party in South Africa nominated by Fortress, which shall in each case hold such scheme consideration on behalf of such restricted shareholders. Fortress or such third party to whom the scheme consideration is delivered shall be obliged to dispose thereof on a best execution basis and to remit the proceeds of such disposal (net of applicable fees, expenses, taxes and charges) to such restricted shareholders on receipt of instructions to do so.
- 3.7.4 Permitted restricted territory shareholders who do not wish Fortress or a third party nominated by Fortress to dispose of their scheme consideration in accordance with sub-paragraph 3.7.3 above must satisfy Fortress, in its sole and absolute discretion, by no later than Friday, 16 February 2024 that their receipt of the scheme consideration would not result in the contravention of any registration or other legal requirement in any jurisdiction.

### 3.8 Confirmations to the TRP

Fortress has confirmed to the TRP that the company, through the Fortress subsidiaries, holds sufficient NRP shares as may be required to fully settle the scheme consideration.

### 3.9 Restricted jurisdictions

- 3.9.1 To the extent that the release, publication or distribution of this circular in certain jurisdictions outside of South Africa may be restricted or prohibited by the laws of such jurisdiction, then this circular is deemed to have been provided for information purposes only and neither the independent board nor the board of directors of the offeror accept any responsibility for any failure by foreign shareholders to inform themselves about, and to observe, any applicable legal requirements in any such relevant foreign jurisdiction.
- 3.9.2 Fortress shareholders who are in doubt as to their position in this regard should consult their legal or professional advisors immediately.

### 3.10 Tax implications for shareholders

- 3.10.1 The tax treatment of shareholders is dependent on their individual circumstances and the jurisdiction applicable to such shareholders. It is recommended that, if FFB shareholders are uncertain about the tax treatment of the receipt of the scheme consideration, they should seek appropriate advice in this regard.
- 3.10.2 FFB shareholders are advised that the repurchase of the scheme shares should result in a reduction of the contributed tax capital of Fortress as it is not pursuant to a general repurchase of shares as contemplated in the JSE Listings Requirements, and should therefore constitute a return of capital equal to the amount of the scheme consideration and not a dividend (as such terms are defined in the Income Tax Act) in the hands of the FFB shareholders.

## 4. THE FFA CONVERSION

- 4.1 Currently the fundamental differences between the rights attaching to the FFA shares and the FFB shares relate to the following: (i) the FFA shares have a preference on distributions due to the requirement that a minimum distribution amount must be declared in favour of the FFA shares prior to any distribution to be declared to the holders of FFB shares, (ii) the FFA shares are redeemable at a determinable price at the election of shareholders; and (iii) the FFA shares have a preference to distributions upon the winding up of Fortress.
- 4.2 Following the implementation of the scheme, the remaining 1 169 980 307 FFA shares in issue will be converted into FFB shares by way of a special resolution of FFA shareholders and a special resolution of combined FFA and FFB shareholders and consequential amendments to the MOI of Fortress as more fully described in paragraph 6 below.
- 4.3 Subsequent to the FFA conversion, Fortress will have FFB shares in issue only.
- 4.4 The result of only converted FFB shares being in issue without any FFA shares being in issue is that the minimum dividend amount is not required to be met in order for distributions to be declared to shareholders (which shall all be the existing holders of FFA shares following the implementation of the FFA conversion).
- 4.5 The Fortress Conditional Share Plan currently requires FFA shares and FFB shares to be issued in a 1:1 ratio. Therefore, assuming the successful implementation of the scheme and FFA conversion, the Fortress Conditional Share Plan will have to be amended for all future awards as it is anticipated that only FFB shares will be issued to employees.

### 4.6 Effect of the FFA conversion

Following the implementation of the scheme and the suspension of the FFB share class, the FFA shares will convert into FFB shares under the existing FFB share code and ISIN ZAE000248506 on the FFA conversion operative date. The listing of all of the FFA shares on the JSE will terminate and only the converted FFB shares will remain in issue and listed on the Main Board of the JSE.

### 4.7 Tax implications for shareholders

The tax treatment of shareholders is dependent on their individual circumstances and the jurisdiction applicable to such shareholders. It is recommended that, if FFA shareholders are uncertain about the tax treatment of the FFA conversion, they should seek appropriate advice in this regard.

## 5. CONDITIONS PRECEDENT TO THE IMPLEMENTATION OF THE SCHEME AND THE FFA CONVERSION

- 5.1 Implementation of the scheme and the FFA conversion will be conditional on the fulfilment or, in relation to paragraph 5.1.5, waiver by Fortress, of the following conditions:
- 5.1.1 the approval of the scheme resolution, in accordance with section 115(2)(a) of the Companies Act, by special resolution at a meeting of FFB shareholders;
- 5.1.2 the approval of the repurchase by Fortress of all FFB shares, in accordance with section 48(8)(a), section 48(8)(b) and section 115(2)(a) of the Companies Act, by special resolution at the combined general meeting of FFA and FFB shareholders;

- 5.1.3 approval by special resolution at a meeting of the FFA shareholders, and separately by special resolution of shareholders at a combined general meeting of FFA and FFB shareholders, of the conversion of the issued FFA shares into FFB shares and the consequential amendments to the MOI to amend the FFA share preferences, rights and limitations to match the rights and preferences attached to the FFB shares, so that a single class of ordinary shares of the company (in the form of FFB shares) will remain in issue after implementation of the FFA conversion;
  - 5.1.4 if required under section 115(3) of the Companies Act, approval of the implementation of the scheme resolution by a court and, if applicable, Fortress not having treated the scheme resolution as a nullity, as contemplated in section 115(5)(b) of the Companies Act;
  - 5.1.5 that appraisal rights (in terms of section 164 of the Companies Act) are not validly exercised by holders of in aggregate more than 3% of the FFB shares in terms of the scheme resolution and holders of in aggregate more than 3% of FFA shares and FFB shares (on a combined basis) in respect of the repurchase resolution, provided that Fortress may waive this condition; and
  - 5.1.6 receipt of all other applicable regulatory and statutory approvals.
- 5.2 Settlement of the scheme will only occur following the issue of a compliance certificate by the Takeover Regulation Panel in relation to the scheme in terms of section 121(b)(i) of the Companies Act.

## 6. AMENDMENTS TO THE MOI OF FORTRESS

- 6.1 The conversion of the issued FFA shares to FFB shares does not require any amendments to the MOI to create or amend any of the preferences, rights, limitations or other terms attaching to the FFA shares or the FFB shares other than to record that the number of authorised FFA shares shall decrease and the number of authorised FFB shares shall increase. The reason no other amendments are required is that Fortress will retain its current two classes of authorised shares, namely the FFA shares and the FFB shares. As all of the terms of the FFB shares are already set out in the MOI, the conversion of the issued FFA shares to FFB shares does not affect the rights attaching to either class of share – the issued FFA shares will become FFB shares pursuant to their conversion.
- 6.2 Notwithstanding the above, the current MOI contemplates that there will be both FFA shares and FFB shares in issue at all times. Although the FFA shares will still exist as a separate class of shares in the authorised share capital of Fortress, following the FFA conversion there will be no FFA shares in issue. Accordingly, amendments to the MOI are required to make provision for instances where the FFB shares are the only shares in issue. In addition, an extra restriction will be imposed on any fresh issue of FFA shares (being the approval of holders of 75% of the issued FFB shares).
- 6.3 In terms of clause 8.4 of the MOI, the variation of any preferences, rights, limitations and other terms associated with any class of shares as set out in MOI may be enacted only by an amendment of the MOI approved by special resolution of the shareholders at a combined general meeting, and such amendments may not be implemented without a special resolution adopted by the holders of shares of that class at a separate meeting.
- 6.4 The following amendments to the MOI will be proposed to shareholders:

- 6.4.1 by amending Clause 7.1 to read as follow:

*“7.1 The Company is authorised to issue:*

*7.1.1. 830 019 693 (eight hundred and thirty million nineteen thousand six hundred and ninety three) “A” Ordinary Shares, each of which ranks pari passu (which shall have the meaning ascribed thereto in paragraph 3.29 of the Listings Requirements or any amendment paragraph in the Listings Requirements) in respect of all rights conferred on “A” Ordinary Shareholders in terms of the provisions of the Memorandum of Incorporation; and*

*7.1.2. 3 169 980 307 (three billion one hundred and sixty nine million nine hundred and eighty thousand three hundred and seven) “B” Ordinary Shares, each of which ranks pari passu (which shall have the meaning ascribed thereto in paragraph 3.29 of the Listings Requirements or any amendment paragraph in the Listings Requirements) in respect of all rights conferred on “B” Ordinary Shareholders in terms of the provisions of this Memorandum of Incorporation.”;*

The purpose of this amendment is to record that following the conversion of the FFA shares, those shares shall form part of the authorised and issued FFB share capital (which is accordingly increased by the number of converted FFB shares) and shall no longer form part of the authorised or issued FFA share capital (which is accordingly reduced by the number of converted FFB shares).



6.4.2 by amending Clause 7.4 such that it reads as follows:

*“7.4 For so long as the Company has “A” Ordinary Shares and “B” Ordinary Shares in issue then, an “A” Ordinary Share shall only be issued contemporaneously with the issue of a “B” Ordinary Share in the ratio of 1:1. However, an “A” Ordinary Share and a “B” Ordinary Share need not be issued to the same person and once issued the “A” Ordinary Share and the “B” Ordinary Share may be sold or disposed of separately. In addition, “A” Ordinary Shares may only be issued following a resolution of the holders of the “B” Ordinary Shares authorising the issue of such “A” Ordinary Shares, provided that 75% of the Shareholders shall be required to have voted in favour of such resolution.”;*

The purpose of adding the final sentence in clause 7.4 creates the extra restriction on the issue of FFA shares by requiring that any such issue be approved by a special resolution of the holders of the FFB shares.

6.4.3 by amending Clause 8.4 and Clause 8.5 such that they read as follows:

*“8.4. In addition, and without prejudice to the provisions of clause 8.3, the variation of any preferences, rights, limitations and other terms associated with any class of Shares as set out in this Memorandum of Incorporation may be enacted only by an amendment of this Memorandum of Incorporation approved by special resolution of the Shareholders at a combined general meeting (where more than one class of Share is in issue), and such amendments shall not be implemented without a special resolution adopted by the holders of Shares of that class at a separate meeting, as contemplated in clause 7.5. If any amendment of the Memorandum of Incorporation relates to the variation of any preferences, rights, limitations and other share terms attaching to any class of shares other than the “A” Ordinary Shares and the “B” Ordinary Shares already in issue, that amendment must not be implemented without a special resolution, taken by the holders of Shares in that class at a separate meeting. In such instances, the holders of such Shares will be allowed to vote at the meeting of ordinary Shareholders subject to clause 21.11.*

*8.5 The authorisation and classification of Shares, the creation of any class of Shares, the conversion of one class of Shares into one or more other classes, the consolidation of securities, the sub-division of securities, the change of the name of the Company, the increase of the number of Securities, and, subject to clause 8.3, the variation of any preferences, rights, limitations and other terms associated with each class of Shares as set out in this Memorandum of Incorporation may be changed only by an amendment of this Memorandum of Incorporation by special resolution of the Shareholders at a combined general meeting (where more than one class of Share is in issue) and in accordance with the JSE Listings Requirements, to the extent required, save if such an amendment is ordered by a court in terms of sections 16(1)(a) and 16(4) of the Act.”;*

The purpose of adding the underlined wording in clauses 8.4 and 8.5 is to clarify that a combined meeting of the shareholders will only be applicable where both FFA shares and FFB shares are in issue. Where only FFB shares are in issue, then all shareholder meetings will be only of FFB shareholders.

6.4.4 by amending Clauses 34.1 and 34.3 such that each respectively read as follows:

*“34.1. Where there are “A” Ordinary Shares in issue, if the Company resolves to declare a distribution to Shareholders in respect of any Income Period, no such distribution may be declared by the Company in respect of the “B” Ordinary Shares for such Income Period until the “A” Ordinary Share Distribution has been declared in respect of the “A” Ordinary Shares for that Income Period, and no such distribution shall be paid by the Company in respect of the “B” Ordinary Shares for such Income Period unless the relevant “A” Ordinary Share Distribution has been paid.”; and*

*“34.3. Where there are “A” Ordinary Shares in issue, if the Board resolves to declare a distribution to Shareholders in respect of any part of an Income Period, no such distribution shall be paid by the company in respect of the “B” Ordinary Shares for such Income Period until the “A” Ordinary Share Distribution has been declared in respect of the “A” Ordinary Shares for that Income Period, and the distribution in respect of the “B” Ordinary Shares shall be paid on the same date as the “A” Ordinary Share Distribution is paid.”.*

The purpose of adding the underlined wording to clauses 34.1 and 34.3 is to clarify that the restriction on the declaration of distributions to shareholders in clauses 34.1 and 34.3 will only apply if there are FFA shares in issue. Where there are no FFA shares in issue, then the board’s discretion to declare and pay distributions is not restricted by clause 34 of the MOI.

## 7. LETTERS OF SUPPORT

The table below sets out the names of Fortress shareholders, and their respective holdings of FFA and FFB shares per class and on a combined basis, who have provided letters of support to the company as at the last practicable date and who have agreed to their names being disclosed:

Shareholder register Written letter of support	Shares			Shareholding (%)		
	FFA	FFB	Total	FFA	FFB	Total
Peregrine Capital	51 568 777	170 899 920	222 468 697	4.4%	16.9%	10.2%
Coronation Fund Managers	187 814 927	0	187 814 927	16.1%	0.0%	8.6%
Meago Asset Management	71 550 284	34 071 424	105 621 708	6.1%	3.4%	4.8%
Steyn Capital Management	16 603 448	45 386 263	61 989 711	1.4%	4.5%	2.8%
Stanlib Asset Management	38 475 457	19 302 354	57 777 811	3.3%	1.9%	2.6%
Fortress Empowerment 1	0	54 521 590	54 521 590	0.0%	5.4%	2.5%
Fortress Empowerment 2	0	32 098 895	32 098 895	0.0%	3.2%	1.5%
Fortress Empowerment 3	0	54 530 064	54 530 064	0.0%	5.4%	2.5%
Fortress Empowerment 4	0	32 098 895	32 098 895	0.0%	3.2%	1.5%
Momentum Investments	29 844 353	18 594 874	48 439 227	2.6%	1.8%	2.2%
Allan Gray	42 263 676	0	42 263 676	3.6%	0.0%	1.9%
M & G Investments	23 419 480	6 723 356	30 142 836	2.0%	0.7%	1.4%
Visio Fund Management	6 300 000	17 300 000	23 600 000	0.5%	1.7%	1.1%
Dusty Gold Investments (Mark Stevens)	31 231	23 354 653	23 385 884	0.0%	2.3%	1.1%
35 Los Paltos (Mark Stevens)	7 500	77 500	85 000	0.0%	0.0%	0.0%
Mazi Capital	12 900 000	10 200 000	23 100 000	1.1%	1.0%	1.1%
Jean Avenue Property Investments (Andrew Teixeira)	0	7 799 750	7 799 750	0.0%	0.8%	0.4%
Browndesk Property Investments (Andrew Teixeira)	0	693 972	693 972	0.0%	0.1%	0.0%
<b>Total</b>	<b>480 779 133</b>	<b>527 653 510</b>	<b>1 008 432 643</b>	<b>41.1%</b>	<b>52.2%</b>	<b>46.2%</b>
<b>Shares in issue net of treasury shares</b>	<b>1 169 980 307</b>	<b>1 010 923 806</b>	<b>2 180 904 113</b>			

## 8. DISTRIBUTION POLICY TO BE ADOPTED BY THE BOARD

The board has resolved to implement the following distribution policy as soon as practically possible after the implementation of the scheme and the FFA conversion:

- 8.1 100% of distributable earnings as calculated based on the Fortress distribution methodology will be distributed to shareholders on a bi-annual basis.

## 9. FORTRESS SHAREHOLDER MEETINGS

9.1 The combined general meeting will be held at 10:00 on Friday, 19 January 2024 at the registered office of Fortress (Block C, Cullinan Place, Cullinan Close, Morningside, 2196), as well as virtually via a remote interactive electronic platform, Microsoft Teams, for shareholders to consider and, if deemed fit, pass, with or without modification, the resolutions set out in the notice of combined general meeting attached to this circular.

9.2 The FFA general meeting will be held at 10:30 on Friday, 19 January 2024 or 5 minutes after the completion of the combined general meeting, whichever is the later, at the registered office of Fortress (Block C, Cullinan Place, Cullinan Close, Morningside, 2196), as well as virtually via a remote interactive electronic platform, Microsoft Teams, for shareholders to consider and, if deemed fit, pass, with or without modification the resolutions set out in the notice of FFA general meeting attached to this circular.

- 9.3 The FFB general meeting will be held at 11:00 on Friday, 19 January 2024 or 5 minutes after the completion of the FFA general meeting, whichever is the later, at the registered office of Fortress (Block C, Cullinan Place, Cullinan Close, Morningside, 2196), as well as virtually via a remote interactive electronic platform, Microsoft Teams, for shareholders to consider and, if deemed fit, pass, with or without modification, the resolution set out in the notice of FFB general meeting attached to this circular.
- 9.4 Details of the actions required by Fortress shareholders are set out on page 9 of this circular.

## 10. PROCESS REGARDING THE IMPLEMENTATION OF THE SCHEME AND THE FFA CONVERSION AND TERMINATION OF THE LISTING OF FFA SHARES

Subject to the scheme becoming unconditional in accordance with its terms and the approval by shareholders of the FFA conversion (including the consequential amendments to the MOI of Fortress):

- 10.1 the JSE has granted approval for the suspension of the listing of all of the FFB shares held on the scheme record date on the JSE with effect from Wednesday, 14 February 2023;
- 10.2 the company will, with effect from the scheme operative date, repurchase all of the scheme shares, which will subsequently be cancelled and delisted from the Main Board of the JSE;
- 10.3 the JSE has granted approval for the suspension of the listing of all of the FFA shares held on the FFA conversion record date on the JSE with effect from Wednesday, 21 February 2023;
- 10.4 the suspension of FFB shares will be lifted and the converted FFB shares will be listed on the JSE (under the existing FFB share code and ISIN ZAE000248506) with effect from Wednesday, 21 February 2023;
- 10.5 with effect from the FFA conversion operative date, the FFA shares will convert into FFB shares under the existing FFB share code and ISIN ZAE000248506; and
- 10.6 the listing of all of the FFA shares on the JSE will terminate from commencement of trade on Tuesday, 27 February 2024 and only the converted FFB shares will remain in issue and listed on the Main Board of the JSE.

## 11. DISSENTING SHAREHOLDERS' APPRAISAL RIGHTS

FFA and FFB shareholders, in respect of the repurchase resolution, and FFB shareholders, in respect of the scheme resolution, are advised of their appraisal rights under section 164 of the Companies Act:

- 11.1 Fortress shareholders who wish to exercise their rights in terms of the aforementioned section of the Companies Act are required, before the scheme resolution is voted on at the FFB general meeting, or the repurchase resolution is voted on at the combined general meeting, as applicable, to give notice to the company in writing objecting to the applicable resolution in accordance with the requirements of section 164(3) of the Companies Act.
- 11.2 If the scheme resolution or the repurchase resolution is adopted by the applicable Fortress shareholders, the company is required, in accordance with section 164(4) of the Companies Act, within 10 business days after the adoption of the applicable resolutions, to send a notice to the applicable Fortress shareholders who gave written notice to the company objecting to the applicable resolution and did not withdraw such written notice or vote in support of the applicable resolution, notifying them that the applicable resolution has been adopted.
- 11.3 Fortress shareholders who, being entitled to do so in terms of section 164 of the Companies Act, gave written notice to the company in accordance with the requirements of section 164(3) of the Companies Act (and have not withdrawn that notice), who voted against the applicable resolution and who have complied with all the procedural requirements set out in section 164 may, in accordance with sections 164(5) to 164(8) of the Companies Act, demand that the company pay them the fair value of the applicable Fortress shares held by them and in respect of which they have given written notice.
- 11.4 If Fortress receives a valid demand in terms of sections 164(5) to 164(8) of the Companies Act and such demand is not withdrawn by the scheme operative date, the company will, in accordance with section 164(11) of the Companies Act, within 5 business days of the scheme operative date, make an offer to those dissenting shareholders to purchase their applicable Fortress shares at fair value.

- 11.5 A dissenting shareholder who has sent a valid demand in accordance with the requirements of sections 164(5) to 164(8) may withdraw that demand before Fortress makes an offer in accordance with section 164(11) of the Companies Act, or if Fortress fails to make such an offer. If a dissenting shareholder voluntarily withdraws the demand made in accordance with the requirements of sections 164(5) to 164(8) of the Companies Act, such shareholder will cease to be a dissenting shareholder and, if it is an FFB shareholder, will become a scheme participant whose applicable Fortress shares will be repurchased pursuant to the scheme, in accordance with paragraph 3.4 above, with retrospective effect from the scheme operative date.
- 11.6 A dissenting shareholder who has sent a valid demand in accordance with the requirements of sections 164(5) to 164(8) has no further rights in respect of the Fortress shares in respect of which it has made such demand, other than to be paid the fair value of such shares, unless:
- 11.6.1 that dissenting shareholder withdraws that demand before Fortress makes an offer in accordance with section 164(11) of the Companies Act;
  - 11.6.2 Fortress fails to make an offer in accordance with section 164(11) of the Companies Act and that dissenting shareholder withdraws its demand;
  - 11.6.3 Fortress makes an offer in accordance with section 164(11) of the Companies Act below and the dissenting shareholder allows such offer to lapse; or
  - 11.6.4 Fortress revokes the scheme resolution or the repurchase resolution, as applicable, by means of a subsequent special resolution, in which case that Fortress shareholder's rights will, in accordance with section 164(10) of the Companies Act, be reinstated without interruption.
- 11.7 The offer made in accordance with section 164(11) of the Companies Act will, in accordance with the requirements of section 164(12)(b) of the Companies Act, lapse if it is not accepted by the dissenting shareholder within 30 business days after it was made. If the dissenting shareholder allows that offer to lapse, it will cease to be a dissenting shareholder and, if it is an FFB shareholder, will become a scheme participant whose applicable Fortress shares will be repurchased by the offeror in accordance with paragraph 3.4 above.
- 11.8 A dissenting shareholder who accepts an offer made in accordance with the requirements of section 164(11) of the Companies Act will become an excluded dissenting shareholder and, if it is an FFB shareholder, will not participate in the scheme. The excluded dissenting shareholder must thereafter, if it (i) holds certificated shares, tender the documents of title in respect of such certificated shares to Fortress or the transfer secretaries; or (ii) holds dematerialised shares, instruct its CSDP or broker to transfer those Fortress shares to Fortress or the transfer secretaries. Fortress must pay that excluded dissenting shareholder the agreed amount within 10 business days after the excluded dissenting shareholder has accepted the offer and tendered the documents of title or directed the transfer to Fortress or the transfer secretaries of the dematerialised shares.
- 11.9 A dissenting shareholder who considers the offer made by Fortress in accordance with section 164(11) of the Companies Act to be inadequate, may, in accordance with section 164(14) of the Companies Act, apply to a court to determine a fair value in respect of the Fortress shares that were the subject of that demand, and make an order requiring Fortress to pay the dissenting shareholder the fair value so determined. The court will, in accordance with section 164(15)(v) of the Companies Act, be obliged to make an order requiring:
- 11.9.1 the dissenting shareholders to either withdraw their respective demands or to tender their Fortress shares as contemplated in paragraph 11.8 above; or
  - 11.9.2 Fortress to pay the fair value in respect of the Fortress shares (as determined by the court) to each dissenting shareholder who tenders its Fortress shares, subject to any conditions the court considers necessary to ensure that Fortress fulfils its obligations under section 164 of the Companies Act.
- 11.10 If, pursuant to the order of the court, any dissenting shareholder withdraws its demand, the dissenting shareholder will cease to be a dissenting shareholder and, if it is an FFB shareholder, will become a scheme participant whose Fortress shares will be repurchased by the offeror, in accordance with paragraph 3.4 above, with retrospective effect from the scheme operative date.

- 11.11 If, pursuant to the order of the court, a dissenting shareholder tenders its Fortress shares to Fortress, such dissenting shareholder will become an excluded dissenting shareholder and, if it is an FFB shareholder, will not participate in the scheme. The excluded dissenting shareholder must thereafter, if it (i) holds certificated shares, tender the documents of title in respect of such certificated shares to Fortress or the transfer secretaries; or (ii) holds dematerialised shares, instruct its CSDP or broker to transfer those Fortress shares to Fortress or the transfer secretaries. Fortress must pay that excluded dissenting shareholder the fair value determined by the court within 10 business days after the excluded dissenting shareholder has accepted the offer and tendered the documents of title or directed the transfer to Fortress or the transfer secretaries of the dematerialised shares.
- 11.12 A copy of section 164 of the Companies Act, which sets out the appraisal rights, is included in **Appendix B to Annexure 1** of this circular.
- 11.13 Any shareholders who are in doubt as to what action to take should consult their legal or professional advisor.
- 11.14 Before exercising their rights under section 164 of the Companies Act, shareholders should have regard to the following:
- 11.14.1 the report of the independent expert set out in **Annexure 1** to this circular concludes that the terms of the scheme are fair and reasonable to Fortress shareholders; and
  - 11.14.2 the court is empowered to grant a costs order in favour of, or against, a dissenting shareholder, as may be applicable.
- 11.15 In the event that any of the circumstances contemplated in section 164(9) of the Companies Act occur, dissenting shareholders' rights in respect of their shares shall be reinstated without interruption.

## PART II: FINANCIAL INFORMATION

### 12. PRO FORMA FINANCIAL EFFECTS OF THE SCHEME

#### 12.1 Basis of preparation

- 12.1.1 In terms of regulation 106(6)(d) and 106(7)(c)(ii) of the Takeover Regulations, if the offer consideration consists wholly or partly of offeror securities, an offer circular must contain a *pro forma* consolidated statement of financial position and *pro forma* consolidated statement of comprehensive income, and *pro forma* earnings and assets per security as at the last financial year end, assuming a 100% successful offer result.
- 12.1.2 The consolidated *pro forma* statement of financial position and statement of comprehensive income (collectively, the “***pro forma* financial information**”) of Fortress in respect of the scheme, based on Fortress’ audited results for the year ended 30 June 2023, is set out in **Annexure 2** of this circular. The *pro forma* financial information has been reported on by the independent reporting accountants, KPMG, whose report on the *pro forma* financial information is contained in **Annexure 3** of this circular.
- 12.1.3 The *pro forma* financial information, which is the responsibility of the directors of Fortress, has been prepared for illustrative purposes only and for the purpose of this circular. The *pro forma* financial information, because of its nature, may not fairly present Fortress’ financial position, changes in equity, results of operations or cash flows after the scheme.
- 12.1.4 The *pro forma* financial information has been prepared in accordance with the accounting policies of Fortress, which are in compliance with IFRS and were used in the preparation of its audited results for the year ended 30 June 2023, paragraphs 8.15 to 8.33, as applicable, of the JSE Listings Requirements and the Guide on *Pro Forma* Financial Information revised and issued by the South African Institute of Chartered Accountants in September 2014.

#### 12.2 Major assumptions

The *pro forma* statement of financial position at 30 June 2023 gives effect to the scheme as if it had occurred on 30 June 2023. The *pro forma* statement of profit or loss and other comprehensive income for the year ended 30 June 2023 is presented as if the scheme had become operative on 1 July 2022. The tables below set out a summary of the *pro forma* financial effects of the scheme on a Fortress shareholder as extracted from the *pro forma* financial information of Fortress set out in **Annexure 2** of this circular.

<b>FFA share (to be converted to an FFB share)</b>	<b>Before the scheme</b>	<b>After the scheme</b>	<b>Change (%)</b>
NAV per share (Rands)	15.82	23.15	46.3%
NTAV per share (Rands)	15.25	22.13	45.1%
Earnings per share (cents)	281.92	356.91	26.6%
Headline earnings per share (cents)	90.99	179.50	97.3%
Number of shares in issue (000)	1 164 733	1 169 980	0.5%
Weighted average number of shares in issue (000)	1 161 086	1 166 333	0.5%

  

<b>FFB share (“After the scheme” based on corresponding NEPI Rockcastle metrics multiplied by the share-swap exchange ratio)</b>	<b>Before the scheme</b>	<b>After the scheme</b>	<b>Change (%)</b>
NAV per share (Rands)	15.82	8.04	(49.2)%
NTAV per share (Rands)	15.25	8.64	(43.3)%
Earnings per share (cents)	281.92	105.78	(62.5)%
Headline earnings per share (cents)	90.99	73.69	(19.0)%
Number of shares in issue (000)	941 479	n/a	n/a
Weighted average number of shares in issue (000)	937 832	n/a	n/a

**Notes and assumptions:**

1. Extracted from Fortress' audited annual financial statements for the year ended 30 June 2023 as published on 31 August 2023.
2. A Fortress employee Conditional Share Plan ("CSP") issuance of 5 247 131 FFA and FFB shares was made to Fortress employees post the vesting of these shares on 30 September 2023. The related FFA and FFB share price used on vesting date has been applied to the *pro forma* adjustments, being R12.87 and R6.10 per FFA and FFB share, respectively. The adjustment is qualitatively material as the CSP issuance results in additional FFB shares in issue, being the subject of the scheme.
3. In terms of the scheme, Fortress repurchases all FFB shares in issue (with the exception of the 87 536 353 FFB shares held as treasury shares, which will be cancelled prior to the implementation of the scheme), with FFB shareholders receiving the scheme consideration of 0.060207 NEPI Rockcastle shares per FFB share from the Fortress subsidiaries, resulting in 56 999 154 NEPI Rockcastle shares currently held by the Fortress subsidiaries being transferred to the scheme participants. FFB shareholder effects based on the financial results of NEPI Rockcastle for the 6 months ended 30 June 2023 multiplied by the share-swap exchange ratio.
4. Number of shares in issue and weighted average number of shares in issue after the scheme represent the FFA shares held by current FFA shareholders after the scheme. Pursuant to the conversion of the FFA shares by way of the MOI amendments and shareholders' resolution, the FFA shares will become FFB shares.
5. Transaction costs amounting to approximately R18.0 million and Securities Transfer Tax of approximately R31.5 million are settled in cash with an equivalent reduction to stated capital.
6. All adjustments, except for transaction costs, are expected to have a continuing effect.
7. There are no material subsequent events that require adjustments to the *pro forma* financial effects.

**13. AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF FORTRESS**

The audited consolidated annual financial statements of Fortress for the years ended 30 June 2023, 30 June 2022 and 30 June 2021 are set out in **Annexure 4** of this circular. The audited consolidated annual financial statements are the responsibility of the directors of Fortress.

## PART III: GENERAL INFORMATION

### 14. SHARE CAPITAL

The authorised and issued share capital of Fortress at the last practicable date and after the approval of the transaction resolutions and implementation of the scheme and the FFA conversion are set out below.

*As at the last practicable date*

	FFA shares	FFB shares
Authorised ordinary shares of no par value	2 000 000 000	2 000 000 000
<i>Issued</i>		
Issued ordinary shares of no par value	1 196 842 303	1 098 460 159
Number of ordinary shares held in treasury	(26 861 996)	(87 536 353)
Issued ordinary shares of no par value net of shares held in treasury	1 169 980 307	1 010 923 806
<b>Total stated capital net of treasury (R)</b>	<b>15 826 699 082</b>	<b>28 552 376 504</b>

*After the scheme and the FFA conversion*

	FFA shares	FFB shares
Authorised ordinary shares of no par value	830 019 693	3 169 980 307
<i>Issued</i>		
Issued ordinary shares of no par value after the scheme	1 169 980 307	–
Number of ordinary shares held in treasury after the scheme	–	–
Issued ordinary shares of no par value net of shares held in treasury after the scheme	1 169 980 307	–
Conversion of FFA shares to FFB shares	(1 169 980 307)	1 169 980 307
Number of ordinary shares held in treasury after the scheme and the FFA conversion	–	–
Issued ordinary shares of no par value net of shares held in treasury after the scheme and the FFA conversion	–	1 169 980 307
<b>Total stated capital net of treasury (R)<sup>(1)</sup></b>	<b>–</b>	<b>37 395 461 103</b>

**Note:**

- The total stated capital net of treasury shares after the scheme and the FFA conversion has been calculated at the last practicable date, being the sum of the FFA stated capital and the FFB stated capital (net of treasury shares), adjusted for the scheme consideration.

### 15. DIRECTORS' INFORMATION AND INTERESTS

#### 15.1 Directors' interests in Fortress shares

- As at the last practicable date, the beneficial interests of the directors of Fortress in FFA shares were as follows:

Name	Direct beneficial	Indirect beneficial	Total	% of FFA issued share capital
S Brown	1 499 027	–	1 499 027	0.13
V Majija	687 403	–	687 403	0.06
I Vorster	681 627	–	681 627	0.06
<b>Total</b>	<b>2 868 057</b>	<b>–</b>	<b>2 868 057</b>	<b>0.25</b>



15.1.2 Except as set out in paragraph 15.1.7, there have been no dealings in FFA shares by the directors of Fortress in the period commencing six months before the date of the firm intention announcement, being 5 October 2023, and ending on the last practicable date.

15.1.3 As at the last practicable date, the beneficial interests of the directors of Fortress in FFB shares were as follows:

<b>Name</b>	<b>Direct beneficial</b>	<b>Indirect beneficial</b>	<b>Total</b>	<b>% of FFB issued share capital</b>
S Brown	4 058 917	–	4 058 917	0.40
V Majija	1 108 211	–	1 108 211	0.11
I Vorster	1 237 417	–	1 237 417	0.12
<b>Total</b>	<b>6 404 545</b>	<b>–</b>	<b>6 404 545</b>	<b>0.63</b>

15.1.4 Except as set out in paragraph 15.1.7, there have been no dealings in FFB shares by the directors of Fortress in the period commencing six months before the firm intention announcement, being 5 October 2023, and ending on the last practicable date.

15.1.5 Should the scheme be implemented successfully, the beneficial interests of the directors of Fortress in FFA shares shall remain unchanged, except in so far as their FFA shares are converted to FFB shares in terms of the FFA conversion.

15.1.6 Should the FFA conversion become operative, all FFA shares held by the directors of Fortress will be converted to FFB shares.

15.1.7 The following awards of shares were made in 2020 in terms of the Fortress Conditional Share Plan, vested on 30 September 2023 and were issued on 6 November 2023:

<b>Name</b>	<b>FFA shares due to vest on 30 September 2023</b>	<b>FFB shares due to vest on 30 September 2023</b>	<b>Total FFA shares held after vesting</b>	<b>% of total issued FFA share capital</b>	<b>Total FFB shares held after vesting</b>	<b>% of total issued FFB share capital</b>
S Brown	723 167	723 167	1 499 027	0.13	4 058 917	0.40
V Majija	404 798	404 798	687 403	0.06	1 108 211	0.11
I Vorster	443 527	443 527	681 627	0.06	1 237 417	0.12
<b>Total</b>	<b>1 571 492</b>	<b>1 571 492</b>	<b>2 868 057</b>	<b>0.25</b>	<b>6 404 545</b>	<b>0.63</b>

## 15.2 Directors' service contracts

15.2.1 There will be no material change in the remuneration of directors of Fortress as a consequence of the scheme and the FFA conversion.

15.2.2 No service contracts have been entered into or amended within six months before the date of the firm intention announcement.

15.2.3 No restraints of trade have been imposed on any of the executive or non-executive directors of Fortress and no payments have been made in this regard.

## 15.3 Directors' interests in the scheme

Save as set out in this paragraph 15, no directors of Fortress will benefit directly or indirectly, in any manner, as a consequence of the implementation of the scheme and the FFA conversion.

## 15.4 Directors' interests in other transactions

The directors of Fortress have not had any material beneficial interests, whether direct or indirect, in transactions that were effected by Fortress during the current or immediately preceding financial year or during an earlier financial year which remain in any respect outstanding or unperformed.

## 16. ARRANGEMENTS IN RELATION TO THE SCHEME

As at the last practicable date, no arrangements, agreements or understandings which have any connection with or dependence on the scheme exist between Fortress and any of the directors of Fortress, or any persons who were directors of Fortress within the 12 months preceding the last practicable date, the shareholders of Fortress or any persons who were holders of Fortress shares within the 12 months preceding the last practicable date.

## 17. OPINIONS AND RECOMMENDATIONS

### 17.1 Appointment of an independent expert

The independent board has appointed the independent expert to provide an opinion regarding the scheme, and to make appropriate recommendations to the independent board in the form of a fair and reasonable opinion in respect of the scheme and the consequential impact on the value of an FFA share in accordance with the requirements of the Companies Act and the Takeover Regulations.

### 17.2 Report of the independent expert

17.2.1 The independent expert has:

17.2.1.1 performed a valuation of the Fortress shares as contemplated in Regulation 110(10) of the Takeover Regulations; and

17.2.1.2 prepared a report, which constitutes a fair and reasonable opinion as contemplated in section 114(3) of the Companies Act (as read with regulation 90 of the Takeover Regulations).

17.2.2 The independent expert determined a fair value range for FFB shares (being the scheme consideration), on a pre-transaction basis, of R5.32 to R6.21 per FFB share and a fair value range for FFB shares, on a post-transaction basis, of R6.13 to R7.24 per FFB share.

17.2.3 The independent expert determined a fair value range for FFA shares (being the converted FFB shares post-transaction), on a pre-transaction basis, of R11.34 to R13.50 per FFA share and a fair value range for FFA shares, on a post-transaction basis, of R13.94 to R16.15 per FFA share.

17.2.4 The independent expert reviewed the FFA, FFB and NRP share prices immediately prior to the publication of the firm intention announcement, as well as additional trading metrics, to determine if the scheme consideration is reasonable to FFA and FFB shareholders.

17.2.5 Taking into consideration the terms and conditions of the scheme and the consequential impact of the FFA conversion on the value of an FFA share, the independent expert is of the opinion that such terms and conditions are:

17.2.5.1 fair and reasonable to FFA shareholders; and

17.2.5.2 fair and reasonable to FFB shareholders.

17.2.6 Fortress shareholders are referred to **Annexure 1** of this circular which sets out the full text of the report of the independent expert regarding the scheme.

### 17.3 Opinions and considerations of the independent board

17.3.1 As contemplated in regulation 110(3) of the Takeover Regulations, in order for an independent board to express an opinion on an offer and on the offer consideration, it must either perform a valuation of the offeree regulated company's securities that are the subject of an offer, or place reliance upon a valuation of the offeree regulated company's securities that are the subject of an offer, as performed by an independent expert after performing the requisite amount of work that satisfies the independent board that it is justified in placing reliance upon that valuation.

17.3.2 In terms of regulation 110(6) of the Takeover Regulations, the independent board must consider factors that are difficult to quantify, or are unquantifiable, and must disclose such factors and take them into account in forming its opinion. The independent board must also form a view of a range of fair value of the offeree regulated company securities, based upon an accepted valuation approach, as contemplated in regulation 110(7) of the Takeover Regulations.

17.3.3 For the purposes of this circular, in determining whether the scheme consideration and the consequential impact on the value of an FFA share may generally be considered to be “fair” and “reasonable” the meanings ascribed to the words “fair” and “reasonable” in the Takeover Regulations are applied. In this regard it is noted that:

17.3.3.1 fairness is primarily based on a quantitative assessment. Therefore, the scheme consideration may be considered to be fair if it is equal to or more than the fair value of an FFB share pre-transaction and the consequential impact on the value of an FFA share may be considered to be fair if the post-transaction value per FFA share is equal to or more than the fair value of an FFA share pre-transaction, as determined in accordance with an accepted valuation approach, or unfair if the opposite would hold true; and

17.3.3.2 reasonableness is typically based on an assessment of the scheme consideration and the consequential impact on the value of an FFA share relative to the prevailing trading price of an FFB share and FFA share, respectively. Therefore, the scheme consideration and the consequential impact on the value of an FFA share may be considered to be reasonable if it is equal to or more than the traded price of an FFB share and an FFA share, respectively, at the time the transaction was announced, or at some other more appropriate identifiable time, or unreasonable if the opposite would hold true. Further, even though the scheme consideration attributable to a transaction may differ from the prevailing listed price of the shares subject to a transaction, a transaction may still be reasonable after considering other significant qualitative factors.

17.3.4 The independent board has formed a view that the scheme consideration and the consequential impact on the value of an FFA share is fair to both FFA shareholders and FFB shareholders, after due consideration of detailed analysis and assessment performed and having regard to the report of the independent expert.

17.3.5 The table below illustrates the premiums/discounts associated with the share-swap exchange ratio in respect of FFB shares at various undisturbed market pricing metrics as at 3 October 2023, being the last practicable date prior to the release of the firm intention announcement:

<b>Rands</b>	<b>FFB share price</b>	<b>NEPI Rockcastle share price</b>	<b>Scheme consideration<sup>(1)</sup></b>	<b>Premium to FFB share price</b>
Closing price	6.20	103.95	6.26	0.9%
VWAP	6.18	104.23	6.28	1.6%
7-day VWAP	6.08	104.35	6.28	3.4%
30-day VWAP	6.02	109.84	6.61	9.9%
90-day VWAP	5.34	111.08	6.69	25.3%

**Notes:**

1. The scheme consideration is calculated as the corresponding NRP share price multiplied by the share-swap exchange ratio of 0.060207.
2. Shares in NRP were trading cum dividend up to 12 September 2023 and ex dividend after that date.

17.3.6 The table below illustrates the premiums/discounts of the fair value of an FFA share, as determined by the independent expert, to various market pricing metrics as at 3 October 2023, being the last practicable date prior to the release of the firm intention announcement:

<b>Rands</b>	<b>EY post-transaction value range</b>		<b>Premium to traded prices</b>		
	<b>FFA share price</b>	<b>Low</b>	<b>High</b>	<b>EY low</b>	<b>EY high</b>
Closing price	12.69	13.94	16.15	9.85%	27.27%
VWAP	12.78	13.94	16.15	9.05%	26.34%
7-day VWAP	12.91	13.94	16.15	7.98%	25.10%
30-day VWAP	13.07	13.94	16.15	6.66%	23.57%
90-day VWAP	13.00	13.94	16.15	7.26%	24.26%

- 17.3.7 The independent board has identified the following additional factors which are difficult to quantify or are unquantifiable (as contemplated in regulation 110(6) of the Takeover Regulations):
- 17.3.7.1 the potential distribution of income at the discretion of the board, without the restrictions imposed by clause 34 of the company's current MOI, by way of cash or scrip alternative;
  - 17.3.7.2 a single share structure may offer greater flexibility with regard to corporate actions;
  - 17.3.7.3 potential improved liquidity in a single share rather than share liquidity being spread across two different classes of shares;
  - 17.3.7.4 a simpler share structure may appeal to a broader range of potential investors;
  - 17.3.7.5 the potential alignment of shareholder interests; and
  - 17.3.7.6 increased management focus on the business of Fortress rather than on the issues resulting from the dual share structure.
- 17.3.8 Based on its assessment of:
- 17.3.8.1 the scheme consideration relative to the share-swap exchange ratio implied by the market price of FFB shares on 3 October 2023 as set out in paragraph 17.3.5;
  - 17.3.8.2 the premium of the fair value of an FFA share, as determined by the independent expert, to the market price of FFA shares as at 3 October 2023 as set out in paragraph 17.3.6;
  - 17.3.8.3 the report of the independent expert; and
  - 17.3.8.4 the additional positive unquantifiable factors as outlined in paragraph 17.3.7,
- the independent board has concluded that the scheme consideration is reasonable to both FFA shareholders and FFB shareholders.

#### 17.4 **Recommendation of the independent board**

Considering that the independent board has concluded that the transaction is fair and reasonable to both FFA shareholders and FFB shareholders as set out in paragraphs 17.3.4 and 17.3.8 above, the independent board recommends that Fortress shareholders vote in favour of the resolutions to be proposed at the Fortress shareholder meetings.

#### 17.5 **Recommendation of the Fortress board**

The board has considered the transaction as a whole and believes that the transaction is in the best interests of Fortress shareholders. Accordingly, the board recommends that Fortress shareholders vote in favour of the resolutions to be proposed at the Fortress shareholder meetings.

#### 17.6 **Voting of the Fortress board**

The directors of Fortress that hold a beneficial interest in Fortress shares intend voting in favour of the resolutions to be proposed at the applicable shareholder meetings.

### 18. **RELATED AND CONCERT PARTIES**

- 18.1 There are no related party relationships that will arise as a result of the scheme.
- 18.2 Fortress confirms that it is the ultimate purchaser of the scheme shares and is not acting in concert with any other party in relation to the scheme (as envisaged in section 117 of the Companies Act).

### 19. **RESPONSIBILITY STATEMENTS**

#### 19.1 **Fortress independent board responsibility statement**

The independent board:

- 19.1.1 confirms that this circular contains all information required by the TRP and the JSE Listings Requirements (where applicable);

- 19.1.2 accepts, individually and collectively, full responsibility for the accuracy of the information provided in this circular relating to Fortress;
- 19.1.3 has considered all statements of fact and opinion in this circular and accepts full responsibility for the information contained in this circular relating to Fortress;
- 19.1.4 certifies that, to the best of its knowledge and belief, the information contained in this circular relating to Fortress is true and correct;
- 19.1.5 certifies that, to the best of its knowledge and belief, there are no omissions of material facts or considerations which would make any statement of fact or opinion contained in this document false or misleading; and
- 19.1.6 has made all reasonable enquiries in this regard.

## 19.2 **Fortress board responsibility statement**

The directors, whose names are given on page 29 of this circular, collectively and individually accept full responsibility for the accuracy of the information given 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 circular contains all information required by law and the JSE Listings Requirements, to the extent applicable.

## 20. **CONSENTS**

- 20.1 All the parties listed in the “Corporate Information” section of this circular have each consented in writing to act in the capacities stated and to their names appearing in this circular, which consent has not been withdrawn prior to the issue of this circular.
- 20.2 The independent expert and independent reporting accountants have each consented to the inclusion of their reports in this circular in the form and context in which they have been reproduced in this circular in **Annexure 1** and **Annexure 3**, which consent has not been withdrawn prior to the issue of this circular. The independent expert and independent reporting accountants have confirmed that the contents of the circular are not contradictory to the information contained in their report.

## 21. **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the documents below will be available for inspection at the registered address of the company from the date of issue of this circular up to and including the date of the Fortress shareholder meetings. Copies of the documents will also be available for inspection electronically and may be obtained from the company by sending a request to [tamlyn@fortressfund.co.za](mailto:tamlyn@fortressfund.co.za) from the date of issue of this circular up to and including the date of the Fortress shareholder meetings:

- 21.1 a signed copy of this circular;
- 21.2 the memoranda of incorporation of Fortress and its respective major subsidiaries;
- 21.3 the fair and reasonable opinion of the independent expert in respect of the scheme, set out in **Annexure 1**;
- 21.4 the independent reporting accountants’ report presented in **Annexure 3**;
- 21.5 ruling letters(s) received from the TRP;
- 21.6 the letters of support referred to in paragraph 7 above;
- 21.7 the letter issued by the TRP approving this circular in terms of regulation 117 of the Takeover Regulations;
- 21.8 the audited consolidated financial statements of Fortress for the years ended 30 June 2023, 30 June 2022 and 30 June 2021; and
- 21.9 the consent letters referred to in paragraph 20.

## 22. DOCUMENTS INCORPORATED BY REFERENCE

The following information in respect of NEPI Rockcastle has been incorporated by reference in terms of paragraph 11.61 of the JSE Listings Requirements:

<b>Nature of information</b>	<b>Accessible at</b>
The historical financial information of NEPI Rockcastle for the years ended 31 December 2022, 31 December 2021 and 31 December 2020, as well as the historical financial information of NEPI Rockcastle for the six months ended 30 June 2023, has been incorporated by reference.	The financial statements of NEPI Rockcastle can be viewed on NEPI Rockcastle's website at: <a href="https://nepirockcastle.com/investors/financial-information/">https://nepirockcastle.com/investors/financial-information/</a>
Full details of the NEPI Rockcastle property portfolio have been incorporated by reference.	The property portfolio information in respect of NEPI Rockcastle can be viewed in NEPI Rockcastle's integrated annual report for the year ended 31 December 2022, which is available at: <a href="https://nepirockcastle.com/wp-content/uploads/2023/03/NEPI_Rockcastle_Annual_Report_2022.pdf">https://nepirockcastle.com/wp-content/uploads/2023/03/NEPI_Rockcastle_Annual_Report_2022.pdf</a>
A comprehensive analysis of the NEPI Rockcastle property portfolio has been incorporated by reference.	The analysis of the NEPI Rockcastle property portfolio can be viewed in NEPI Rockcastle's integrated annual report for the year ended 31 December 2022, which is available at: <a href="https://nepirockcastle.com/wp-content/uploads/2023/03/NEPI_Rockcastle_Annual_Report_2022.pdf">https://nepirockcastle.com/wp-content/uploads/2023/03/NEPI_Rockcastle_Annual_Report_2022.pdf</a>

Signed at Johannesburg on behalf of the independent board and Fortress board in terms of resolutions passed by the independent board and Fortress board.

By order of independent board and the board

### **Fortress Real Estate Investments Limited**

**Caswell Rampheri**

*Chairperson of the independent board*

23 November 2023

**Robin Lockhart-Ross**

*Chairperson of the board*

23 November 2023

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## FAIR AND REASONABLE OPINION OF THE INDEPENDENT EXPERT

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The Independent Board of Directors  
Fortress Real Estate Investments Limited  
Block C, Cullinan Place,  
Cullinan Close  
Morningside  
2196

24 November 2023

Dear Sirs/Mesdames

**Independent Expert report on a scheme of arrangement in terms of section 114(1)(c) of the Companies Act (read with section 115 of the Companies Act) between Fortress Real Estate Investments Limited (“Fortress” or the “Company”) and the Fortress B ordinary (“FFB”) shareholders, which, if implemented, will result in Fortress repurchasing all of the FFB shares held by scheme participants, in consideration for the issue of 0.060207 NEPI Rockcastle N.V. (“NEPI Rockcastle”) shares for every 1.00 FFB share (“the scheme of arrangement” or “the scheme”) and the consequential implications for the Fortress A ordinary (“FFA”) shareholders.**

### Introduction

In 2022, certain Fortress shareholders requisitioned general meetings of the company in terms of section 61(3) of the Companies Act in order to amend the company’s MOI to allow for the declaration of distributions out of income for the financial year ended on 30 June 2022, split between FFA shares and FFB shares in a ratio of 80:20. At the general meetings held on 12 January 2023, there was insufficient support to pass all the required special resolutions, and accordingly the MOI amendment did not pass. Following the failure to amend the MOI to enable a distribution to all shareholders out of income for FY2022, certain Fortress shareholders have engaged with the company in respect of options to simplify the company’s dual share structure.

Pursuant to these engagements, the board has resolved to propose a scheme of arrangement between the company and FFB shareholders in terms of section 114(1) read with section 115 of the Companies Act. Following implementation of the scheme and the conversion of the FFA shares to new FFB shares (“**FFA conversion**”), if approved by shareholders, the company’s dual share capital structure would be simplified into a single class of shares by repurchasing and cancelling all FFB shares in issue and procuring the delivery to scheme participants by the Fortress subsidiaries of NEPI Rockcastle shares at a share-swap ratio of 0.060207 NEPI Rockcastle shares per FFB share disposed of by FFB shareholders to Fortress. The share-swap ratio is subject to an upward adjustment proportionally for any distribution by NEPI Rockcastle to its shareholders (whether such distribution constitutes a dividend, a capital distribution or other transfer of value) that is made between the date of the FIA and the date of implementation of the scheme. The repurchase by the company of all the FFB shares in issue on the date of implementation of the scheme requires the approval, by special resolution, of FFA and FFB shareholders at a combined general meeting in terms of section 48(8) of the Companies Act (the “**Repurchase Resolution**”).

In terms of the Companies Act, Fortress is required to obtain a fair and reasonable opinion (“**fair and reasonable opinion**” or “**Opinion**”) for the scheme. Whilst our Opinion is predominantly for the benefit of the FFB shareholders as the participants in the scheme, because FFA and FFB shareholders are entitled to vote on the Repurchase Resolution, we have considered the consequential impact on fairness and reasonableness for the FFA shareholders (“**FFA Shareholders**”), for those shares which are to be converted into new FFB shares (“**converted FFB shares**”), collectively referred to as the Transaction (the “**Transaction**”). This letter serves to confirm our understanding of our role as an Independent Expert (“**Independent Expert**” or “**IE**”) to the independent board in preparing the required fair and reasonable opinion, as well as express our Opinion.

Except where otherwise defined herein, the definitions outlined in the circular apply consistently throughout this letter.

The authorised and issued share capital of Fortress as at Thursday, 23 November 2023, being the last practicable date prior to the finalisation of the circular to Fortress Shareholders in respect of the scheme (“**last practicable date**”) is set out in Part III of the General Information of the Circular.

## Material interest of directors in Fortress

The effective shareholding of Fortress' directors in the FFA and FFB shares is set out in Part III: General Information – Section 15 of the Circular.

## Sections 115 and 164 of the Companies Act

Extracts of sections 115 and 164 of the Companies Act are set out in Appendix A and B of Annexure 1 to the Circular, respectively, and are incorporated herein by reference for purposes of section 114(3)(g) of the Companies Act.

## Scope

Ernst & Young Advisory Services Proprietary Limited (“**EY**”) has been appointed as the IE by the independent board in accordance with sections 48(8) and 114 of the Companies Act, as well as Regulations 90 and 110 of the Company Regulations, to advise the independent board on whether the scheme of arrangement is fair and reasonable for the Fortress FFB shareholders (“**FFB Shareholders**”). We have also considered whether the Transaction is fair and reasonable for the FFA shareholders.

## Responsibility

Compliance with the Companies Act is the responsibility of the board. Our responsibility is to report on the terms and conditions of the scheme in compliance with the related provisions of the Companies Act, the Takeover Regulations and the Listings Requirements, as the case may be. Our Opinion further incorporates the consequential impact for the converted FFB shares.

We confirm that our fair and reasonable opinion has been provided to the independent board for the sole purpose of assisting them in forming and expressing an opinion for the benefit of Fortress FFA and FFB shareholders. Our fair and reasonable Opinion does not purport to cater for individual shareholder positions but rather the general body of shareholders.

## Definition of the terms “fair” and “reasonable”

The assessment of fairness is primarily based on quantitative matters. A transaction is generally considered to be fair to the shareholders if the benefits received, as a result of the transaction, are equal to or greater than the value given up.

Fair value is defined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

The scheme would be considered fair, if the fair value of the sum of the scheme consideration is more than or equal to the fair value of the FFB shares prior to the scheme (“**scheme shares**” or “**FFB shares**”), or unfair if the opposite would hold true.

In respect of the converted FFB shares (FFA shares that are to be converted to FFB shares) the proposed FFA conversion, would be considered fair for FFA shareholders, if the value of the FFA shares post the Transaction is more than or equal to the fair value of the FFA shares prior to the conversion, or unfair if the opposite would hold true.

The assessment of “reasonableness” is generally based on qualitative factors. However, a transaction with an offer price greater than the traded share price (at the time the offer is announced) is generally considered to be reasonable (Regulation 110(9)). Further, even though the consideration attributable to the transactions may differ from the fair value of the shares subject to a transaction, a transaction may still be reasonable after considering other significant qualitative factors.

## Information utilised

During the course of our analysis, we relied upon financial and other information, including prospective financial information, obtained from Fortress management and its advisors, together with industry-related and other information in the public domain. Our conclusion is dependent on such information being complete and accurate in all material respects.

The principal sources of information used in formulating our Opinion regarding the terms and conditions of the offer include:

- Firm intention announcement released on SENS by Fortress on 5 October 2023;
- The final draft Circular as at the last practicable date prior to finalisation;
- Representations and assumptions made available by, and discussions held with, the independent board, Fortress management and the advisors of Fortress;
- The Fortress Memorandum of Incorporation (MOI) as amended;
- Forecast financial information provided for the periods from 1 October 2023 to 30 June 2028;



- S&P Capital IQ research database;
- Published market data (including analyst reports) on Fortress and NEPI Rockcastle<sup>1</sup>; and
- Audited annual financial statements of Fortress relating to the financial years ending June 2021, 2022 and 2023, as well as the unaudited operational update for the three months to 30 September 2023.

Where practical, we have corroborated the reasonableness of the information provided to us for the purpose of this Opinion, whether in writing or obtained through discussions with the management of Fortress.

#### *Particulars of ordinary shares*

At the date of this Opinion, the following shares were in issue:

	Fortress A shares	Fortress B shares
Current shares in issue	1 196 842 303	1 098 460 159
Treasury shares	(26 861 996)	(87 536 353)
Current shares in issue, net of treasury shares	1 169 980 307	1 010 923 806
Fortress Empowerment Shares <sup>2</sup>	–	(128 395 581)
Current shares in issue, net of treasury and Fortress Empowerment Shares	1 169 980 307	882 528 225

#### **Our approach in considering the scheme (and the consequential impact of the FFA conversion)**

In considering the share-swap ratio of 0.060207 (“**share swap ratio**”) and FFA conversion, we have independently calculated the fair value range of FFA and FFB shares prior to the implementation of the scheme (pre-Transaction scenarios) and compared those relative to the fair values of FFA and FFB shares post-Transaction based on the contemplated share swap ratio and the subsequent FFA conversion. Through this, we have determined whether the Transaction is fair and reasonable to the shareholders by comparing their respective positions on a pre-Transaction scenario basis and post-Transaction scenario basis. We have also considered various qualitative factors for each of the, FFA and FFB shareholders.

In arriving at our Opinion in respect of the scheme and the FFA conversion, we have, *inter alia*, considered the following:

- the relevant information included in the terms and conditions of the share swap ratio and the FFA conversion, as described in the draft circular as at the last practicable date prior to finalisation;
- the rationale for the share swap ratio and the FFA conversion, as represented by the directors, management and its advisors;
- historical trading data for Fortress FFA and FFB shares;
- the information and assumptions made available by, and discussions held with, the directors and management of Fortress;
- the impact on value for each of the existing FFA and FFB shares without REIT status, both pre- and post-Transaction, based on our scenario analysis;
- where possible we have corroborated our results using publicly available data; and
- the liquidity and price of the Fortress FFA and FFB share represented by 30-, 60- and 90-day volume-weighted-average-price (“**VWAP**”).

We have not interviewed the shareholders to obtain their views on the scheme nor the FFA conversion.

Based on the results of our procedures above, and key considerations discussed below, we determined the fairness and reasonableness of scheme and the subsequent implications of the FFA conversion. We believe that the above considerations justify the conclusion outlined below.

We have further assumed that, as at the Last Practicable Date:

- Fortress is not involved in any legal proceedings that would have a material adverse effect on its share value;
- Fortress has no material outstanding disputes with the South African Revenue Service; and
- There are no other contingencies that could affect the value of Fortress shares.

<sup>1</sup> We did not have access to the management team of NEPI Rockcastle and relied on publicly available information insofar as the forecast distributable earnings for NEPI Rockcastle relates.

<sup>2</sup> The 128 395 581 FFB shares held in aggregate by Fortress Empowerment 1 (RF) Proprietary Limited, Fortress Empowerment 2 (RF) Proprietary Limited, Fortress Empowerment 3 (RF) Proprietary Limited and Fortress Empowerment 4 (RF) Proprietary Limited are detailed in **Annexure 7** of this circular (collectively “**BEE shares**”). Insofar as it relates to Fortress Empowerment 2 & 4, Fortress will forego the FFB shares and re-acquire the NEPI Rockcastle shares lost as part of the scheme consideration. The fair value of the BEE preference shares (Fortress Empowerment 1 & 3) is determined with reference to the prevailing FFB traded price. Thus, the net effect on overall scheme consideration for Fortress, in relation to the BEE shares, will be zero.

## Procedures performed

### *Key quantitative considerations*

In arriving at our Opinion, we have undertaken the following procedures in evaluating the fairness of the scheme and the subsequent FFA conversion.

For the valuation of Fortress shares, we:

- Obtained an understanding of the scheme and the related Transaction steps from Fortress Management, its advisors and the review the Firm Intention Announcement dated 5 October 2022 and the Circular;
- Gained an understanding of the current state of the business based on information and assumptions made available by, and discussions held with, the directors and management of Fortress;
- Reviewed general economic, market and related conditions applicable to the business;
- Selected comparable companies and analysed publicly available financial information;
- Reviewed the overall business cashflows provided by management
  - Where necessary we have harmonised the cashflows by making certain adjustments to the forecasts provided by management with respect to growth rates in the South African portfolio, growth rates forecast for NEPI Rockcastle S.A. and associated distributions, and macro-economic forecasts (e.g. inflation, exchange rates, and interest rates);
  - Performed a valuation of Fortress based on a Dividend discount model (“**DDM**”) approach using the projected portfolio cash flows and a cost of equity (Ke) for each of the FFA and FFB shares;
  - We corroborated our overall company valuation using the actively traded listed prices for FFA shares, FFB shares and NEPI Rockcastle shares as well as a Price to Book multiple and implied earnings yield, for comparable traded companies; and
  - We relied on the independent property valuations as disclosed in the latest available and audited financial statements.
- We considered the 30-, 60-, 90- and 120-day volume-weighted average price (“**VWAP**”) for the FFA and FFB shares up to and including 4 October 2023, the last trading date prior to the SENS announcement;
- We developed multiple scenarios (“**sensitivities**”) to determine the cash flows attributable to the FFA and FFB share classes based on varying financial inputs, encompassing: distribution entitlement per the MOI, dividend cover ratio (pre-Transaction); dividend pay-out ratio (post-Transaction); and earnings growth attributable to both Fortress and NEPI Rockcastle income streams.

### *Qualitative considerations*

In arriving at our Opinion, we have also considered the following qualitative factors from the perspective of the FFA and FFB shareholders:

- The rationale for the share swap ratio and the FFA conversion which includes the removal of the impediments, such as the current dividend distribution entitlement<sup>3</sup>, as defined in the MOI, together with the additional dividend cover as determined by the Board in order to maintain a sustainable, regular and predictable’ basis for which to declare dividends.
- Additional considerations as it relates to existing FFA shareholders:
  - The acceleration of the potential distribution of income at the discretion of the board, without the restrictions imposed by clause 34 of the current MOI, by way of cash or scrip alternative;
  - The subsequent re-rating of the share based on improved liquidity with having one class of share, versus the liquidity spread across the two different classes;
  - A simpler share structure is likely to appeal to a broader range of potential investors; and
  - It will allow for Fortress management to focus more on the business rather than on the issues resulting from the dual share structure.
- Additional considerations as it relates to existing FFB shareholders:
  - The acceleration of return of capital and dividend payment(s) to shareholders of a dividend paying NEPI Rockcastle stock; and
  - The removal of ‘economic restrictions’, and the resultant imposed marketability discount, associated with the current FFB shares.
- The historical trading prices and trading liquidity of the Fortress FFA and FFB shares.

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<sup>3</sup> FFA shares presently carry a pre-determined distribution calculation (“distribution benchmark”). The FFA distribution benchmark, which is based on a nominal distribution figure, is grown annually by the lesser of 5% or the most recent CPI figure. The board is further prohibited to declaration a distribution for the FFB shareholders pursuant to the declaration of a distribution to FFA shareholders, in accordance with the distribution benchmark (notwithstanding the dividend cover ratio as prescribed by the board in order to ‘sustainable, regular and predictable’ basis for which to declare dividends) which has resulted in the board being unable to declare a distribution in the past Financial Year, translating to a loss of ‘REIT’ status.

## Valuation

The key value drivers were as follows:

### External value drivers

- Impact of the general South African economy (real estate growth rates, interest rates, exchange rates, and inflation) as well as the impact of global challenges due to Fortress's exposure to international markets; and
- Impact of NEPI Rockcastle expected distributions.

### Internal value drivers

- The dividend distribution entitlement per the MOI together with the board's view on a sustainable, regular and predictable distribution cover ratio (on a pre-Transaction scenario basis).
- The 100% post-Transaction distribution pay-out ratio for the remaining shareholders; and
- The market participants discount rate applicable to Fortress as a whole, the FFA, and the FFB shares.

We performed sensitivity analyses based on the key assumptions and key value drivers mentioned above.

The basis of our analysis was management's current budgets and business plans as well as long-term forecasts provided by management and/or its advisors available at the time of our analysis. The valuation was performed taking cognisance of risk and other market and industry factors affecting Fortress.

We have relied upon the accuracy of the information provided to us in deriving our Opinion albeit that, where practicable, we have corroborated the reasonableness of such information through, amongst other things, historic precedent or our own knowledge and understanding. While our work has involved an analysis of the annual financial statements and other information provided to us, our engagement does not constitute, nor does it include, an audit conducted in accordance with generally accepted auditing standards. Accordingly, we assume no responsibility and make no representations with respect to the accuracy of any information provided to us in respect of Fortress.

Forecasts relate to uncertain future events and are based on assumptions, which may not remain valid for the whole of the forecast period. Consequently, forecast financial information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting purposes. We express no opinion as to how closely actual results will correspond to projections made by the management of Fortress and made available to us during our review.

## Opinion

### Fairness

#### Scheme of Arrangement: Share swap ratio

Our value range for a FFB share on a pre- and post-Transaction basis is as follows:

Rand per share	Pre-Transaction		Post-Transaction	
	EY Low	EY High	EY Low	EY High
EY Base case	5.32	6.21	6.13	7.24
Implied swap ratio <sup>4</sup>	0.051183	0.059798	0.058983	0.069678
Trading share price as at 4 October 2023	6.17			

The pre-transaction value is restricted due to the FFB shares being subject to an overflow distribution post-Fortress paying FFA shareholders while both FFA and FFB shares are in issue.

The implied ratio based on the post-Transaction values implies a premium to the share-swap ratio of 0.060207. FFB shareholders will therefore experience an uplift in value on a post-transaction basis as they will no longer be subject to the distribution restriction, receiving an immediate distribution from NEPI Rockcastle post the share swap arrangement, in line with NEPI Rockcastle's distribution policy.

<sup>4</sup> The implied swap ratio is determined on the basis of the EY Base case value per FFB share relative to the trading share price of NEPI Rockcastle as at 4 October 2023 of R103.89.

## FFA Conversion

Our value range for a FFA share on a pre- and post-Transaction basis is as follows:

Rand per share	Pre-Transaction		Post-Transaction	
	EY Low	EY High	EY Low	EY High
<b>EY Base case</b>	<b>11.34</b>	<b>13.50</b>	<b>13.94</b>	<b>16.15</b>
Trading share price as at 4 October 2023	12.50			

Our EY Base case valuation indicates a value uplift for FFA shareholders as a result of the consequential impact of the FFA conversion. The converted FFB shares will be the only class of shares in issue. The MOI restrictions only apply when both FFA shares and FFB shares are in issue.

### Reasonableness

#### Scheme of Arrangement: Share swap ratio

Notwithstanding the qualitative factors listed above, the share price on 4 October 2023 (business day prior to the draft SENS) as well as additional trading metrics are as follows:

Rand per share	FFB	NEPI Rockcastle	Implied Swap Ratio	Scheme consideration for FFB	Premium/ (Discount)
Traded share price as at 4 October 2023	6.17	103.89	0.05939	0.060207	1.36%
30-Day VWAP	6.06	109.57	0.05534	0.060207	8.08%
60-Day VWAP	5.69	110.66	0.05140	0.060207	14.63%
90-Day VWAP	5.44	111.08	0.04896	0.060207	18.68%
120-Day VWAP	5.26	110.78	0.04746	0.060207	21.16%
LTM High	6.35	118.00	0.05381	0.060207	10.62%
LTM Low	3.06	79.59	0.03845	0.060207	36.14%

The scheme consideration (at a swap ratio of 0.060207 and implied price per FFB share of R6.25) compares favourably to all the VWAPs above, creating a liquidity event for FFB shareholders to exit at a premium.

## FFA Conversion

The FFA conversion factors listed under our qualitative considerations is considered favourable to the FFA Shareholders, specifically as it relates to the acceleration of return of capital and dividend payments, underpinned by the removal of the MOI restrictions.

## Opinion Conclusion

Based on the results of our procedures performed, our valuation work and other qualitative considerations, and subject to the conditions set out herein, we are of the opinion that the scheme is **fair** and **reasonable** to FFB Shareholders. The Transaction is also **fair** and **reasonable** to FFA shareholders.

## Limiting conditions

Our Opinion is necessarily based upon the information available to us up to 23 November 2023, including in respect of the financial, regulatory, securities market and other conditions and circumstances existing and disclosed to us at the date thereof. We have furthermore assumed that all conditions precedent, including any material regulatory, other approvals and consents required in connection with the scheme have been or will be timeously fulfilled and/or obtained. Accordingly, it should be understood that subsequent developments may affect this Opinion, which we are under no obligation to update, revise or re-affirm.

This Opinion is provided solely for the use of the independent board for the sole purpose of assisting the independent board in forming and expressing an opinion on the scheme for the benefit of the FFA and FFB Shareholders.

This Opinion does not purport to cater for each individual shareholder's circumstances and/or risk profile, but rather that of the general body of Shareholders taken as a whole. Each Shareholder's decision will be influenced by such shareholder's particular circumstances and, accordingly, shareholders should consult with an independent adviser if they are in any doubt as to the merits or otherwise of the scheme.

We have relied upon and assumed the accuracy of the information used by us in deriving our Opinion. Where practical, we have corroborated the reasonability of the information provided to us for the purpose of our Opinion, whether in writing or obtained in discussion with management of Fortress, by reference to publicly available or independently obtained information. We assume no responsibility and make no representations with respect to the accuracy of any information provided to us in respect of Fortress.

While our work has involved an analysis of, *inter alia*, the annual financial statements, and other information provided to us, our engagement does not constitute, nor does it include, an audit conducted in accordance with generally accepted auditing standards.

The forecasts of Fortress relate to future events and are based on assumptions that may or may not remain valid for the whole of the forecast period. Consequently, such information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods.

We express no opinion as to how closely the actual future results of Fortress will correspond to those projected.

We have also assumed that the scheme will have the legal, accounting and taxation consequences described in discussions with, and materials furnished to us by, representatives and advisors of Fortress and we express no opinion on such consequences. We have assumed that all agreements that will be entered into in respect of the scheme will be legally enforceable.

### **Independence, competence and fees**

EY is independent with regards to Fortress and the Transaction. We confirm that we have no direct or indirect interest in Fortress and or the scheme. We also confirm that we have the necessary qualifications and competence to provide the independent opinion on the scheme. Furthermore, we confirm that our professional fees are fixed and not contingent upon the success of the scheme. EY's fees are not payable in Fortress or any related parties' shares.

### **Consent**

We consent to the inclusion of this letter and the reference to our Opinion in the Circular to be issued to the shareholders of Fortress in the form and context in which it appears and in any required regulatory announcement or documentation.

Yours faithfully

Tasneem Karriem  
Partner & Director

Ernst & Young Advisory Services (Pty) Limited  
3rd Floor, Waterway House,  
3 Dock Road, V&A Waterfront,  
Cape Town, 8001  
South Africa

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## APPENDIX A

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### 115. Required approval for transactions contemplated in Part

- (1) Despite section 65, and any provision of a company's Memorandum of Incorporation, or any resolution adopted by its board or holders of its securities, to the contrary, a company may not dispose of, or give effect to an agreement or series of agreements to dispose of, all or the greater part of its assets or undertaking, implement an amalgamation or a merger, or implement a scheme of arrangement, unless –
- (a) The disposal, amalgamation or merger, or scheme of arrangement –
    - (i) has been approved in terms of this section; or
    - (ii) is pursuant to or contemplated in an approved business rescue plan for that company, in terms of Chapter 6; and
  - (b) to the extent that Parts B and C of this Chapter, and the Takeover Regulations, apply to a company that proposes to –
    - (i) dispose of all or the greater part of its assets or undertaking;
    - (ii) amalgamate or merge with another company; or
    - (iii) implement a scheme of arrangement,the Panel has issued a compliance certificate in respect of the transaction, in terms of section 119(4)(b), or exempted the transaction in terms of section 119(6).  
[Para. (b) substituted by s. 71 of Act 3/2011]
- (2) A proposed transaction contemplated in subsection (1) must be approved –
- (a) by a special resolution adopted by persons entitled to exercise voting rights on such a matter, at a meeting called for that purpose and at which sufficient persons are present to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised on that matter, or any higher percentage as may be required by the Company's Memorandum of Incorporation, as contemplated in section 64(2); and  
[Para. (a) substituted by s. 71 of Act 3/2011]
  - (b) by a special resolution, also adopted in the manner required by paragraph (a), by the shareholders of the Company's holding company if any, if –
    - (i) the holding company is a company or an external company;
    - (ii) the proposed transaction concerns a disposal of all or the greater part of the assets or undertaking of the subsidiary; and
    - (iii) having regard to the consolidated financial statements of the holding company, the disposal by the subsidiary constitutes a disposal of all or the greater part of the assets or undertaking of the holding company; and  
[Subpara. (iii) substituted by s. 71 of Act 3/2011]
  - (c) by the court, to the extent required in the circumstances and manner contemplated in subsections (3) to (6).
- (3) Despite a resolution having been adopted as contemplated in subsections (2)(a) and (b), a company may not proceed to implement that resolution without the approval of a court if –
- (a) the resolution was opposed by at least 15% of the voting rights that were exercised on that resolution and, within five business days after the vote, any person who voted against the resolution requires the Company to seek court approval; or  
[Para. (a) substituted by s. 71 of Act 3/2011]
  - (b) the court, on an application within 10 business days after the vote by any person who voted against the resolution, grants that person leave, in terms of subsection (6), to apply to a court for a review of the transaction in accordance with subsection (7).  
[Para. (b) substituted by s. 71 of Act 3/2011]

- (4) For the purposes of subsections (2) and (3), any voting rights controlled by an acquiring party, a person related to an acquiring party, or a person acting in concert with either of them, must not be included in calculating the percentage of voting rights –
- (a) required to be present, or actually present, in determining whether the applicable quorum requirements are satisfied; or
  - (b) required to be voted in support of a resolution, or actually voted in support of the resolution.
- [Subs. (4) substituted by s. 71 of Act 3/2011]
- (4A) In subsection (4), “act in concert” has the meaning set out in section 117(1)(b).
- [Subs. (4A) inserted by s. 71 of Act 3/2011]
- (5) If a resolution requires approval by a court as contemplated in terms of subsection (3)(a), the Company must either –
- (a) within 10 business days after the vote, apply to the court for approval, and bear the costs of that application; or
- [Para. (a) substituted by s. 71 of Act 3/2011]
- (b) treat the resolution as a nullity.
- (6) On an application contemplated in subsection (3)(b), the court may grant leave only if it is satisfied that the applicant –
- (a) is acting in good faith;
  - (b) appears prepared and able to sustain the proceedings; and
  - (c) has alleged facts which, if proved, would support an order in terms of subsection (7).
- (7) On reviewing a resolution that is the subject of an application in terms of subsection (5)(a), or after granting leave in terms of subsection (6), the court may set aside the resolution only if –
- (a) the resolution is manifestly unfair to any class of holders of the Company’s securities; or
  - (b) the vote was materially tainted by conflict of interest, inadequate disclosure, failure to comply with the Act, the Memorandum of Incorporation or any applicable rules of the Company, or other significant and material procedural irregularity.
- (8) The holder of any voting rights in a company is entitled to seek relief in terms of section 164 if that person –
- (a) notified the Company in advance of the intention to oppose a special resolution contemplated in this section; and
  - (b) was present at the meeting and voted against that special resolution.
- (9) If a transaction contemplated in this Part has been approved, any person to whom assets are, or an undertaking is, to be transferred, may apply to a court for an order to effect –
- (a) the transfer of the whole or any part of the undertaking, assets and liabilities of a company contemplated in that transaction;
  - (b) the allotment and appropriation of any shares or similar interests to be allotted or appropriated as a consequence of the transaction;
  - (c) the transfer of shares from one person to another;
  - (d) the dissolution, without winding-up, of a company, as contemplated in the transaction;
  - (e) incidental, consequential and supplemental matters that are necessary for the effectiveness and completion of the transaction; or
  - (f) any other relief that may be necessary or appropriate to give effect to, and properly implement, the amalgamation or merger.

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## APPENDIX B

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### 164. Dissenting shareholders appraisal rights

- (1) This section does not apply in any circumstances relating to a transaction, agreement or offer pursuant to a business rescue plan that was approved by shareholders of a company, in terms of section 152.
- (2) If a company has given notice to shareholders of a meeting to consider adopting a resolution to –
  - (a) amend its Memorandum of Incorporation by altering the preferences, rights, limitations or other terms of any class of its shares in any manner materially adverse to the rights or interests of holders of that class of shares, as contemplated in section 37(8); or
  - (b) enter into a transaction contemplated in section 112, 113, or 114, that notice must include a statement informing shareholders of their rights under this section.
- (3) At any time before a resolution referred to in subsection (2) is to be voted on, a dissenting shareholder may give the Company a written notice objecting to the resolution.
- (4) Within 10 business days after a company has adopted a resolution contemplated in this section, the Company must send a notice that the resolution has been adopted to each shareholder who –
  - (a) gave the Company a written notice of objection in terms of subsection (3); and
  - (b) has neither –
    - (i) withdrawn that notice; or
    - (ii) voted in support of the resolution.
- (5) A shareholder may demand that the Company pay the shareholder the fair value for all of the shares of the Company held by that person if –
  - (a) the shareholder –
    - (i) sent the Company a notice of objection, subject to subsection (6); and
    - (ii) in the case of an amendment to the Company's Memorandum of Incorporation, holds shares of a class that is materially and adversely affected by the amendment;
  - (b) the Company has adopted the resolution contemplated in subsection (2); and
  - (c) the shareholder –
    - (i) voted against that resolution; and
    - (ii) has complied with all of the procedural requirements of this section.
- (6) The requirement of subsection (5)(a)(i) does not apply if the Company failed to give notice of the meeting, or failed to include in that notice a statement of the shareholders rights under this section.
- (7) A shareholder who satisfies the requirements of subsection (5) may make a demand contemplated in that subsection by delivering a written notice to the Company within –
  - (a) 20 business days after receiving a notice under subsection (4); or
  - (b) if the shareholder does not receive a notice under subsection (4), within 20 business days after learning that the resolution has been adopted.
- (8) A demand delivered in terms of subsections (5) to (7) must also be delivered to the Panel, and must state –

[Words preceding para. (a) substituted by s. 103 of Act 3/2011]

  - (a) the shareholder's name and address;
  - (b) the number and class of shares in respect of which the shareholder seeks payment; and
  - (c) a demand for payment of the fair value of those shares.



- (9) A shareholder who has sent a demand in terms of subsections (5) to (8) has no further rights in respect of those shares, other than to be paid their fair value, unless –
- (a) the shareholder withdraws that demand before the Company makes an offer under subsection (11), or allows an offer made by the Company to lapse, as contemplated in subsection (12)(b);
  - (b) the Company fails to make an offer in accordance with subsection (11) and the shareholder withdraws the demand; or
  - (c) the Company, by a subsequent special resolution, revokes the adopted resolution that gave rise to the shareholder's rights under this section.

[Para. (c) substituted by s. 103 of Act 3/2011]

- (10) If any of the events contemplated in subsection (9) occur, all of the shareholder's rights in respect of the shares are reinstated without interruption.
- (11) Within five business days after the later of –
- (a) the day on which the action approved by the resolution is effective;
  - (b) the last day for the receipt of demands in terms of subsection (7)(a); or
  - (c) the day the Company received a demand as contemplated in subsection (7)(b), if applicable, the Company must send to each shareholder who has sent such a demand a written offer to pay an amount considered by the Company's directors to be the fair value of the relevant shares, subject to subsection (16), accompanied by a statement showing how that value was determined.
- (12) Every offer made under subsection (11) –
- (a) in respect of shares of the same class or series must be on the same terms; and
  - (b) lapses if it has not been accepted within 30 business days after it was made.
- (13) If a shareholder accepts an offer made under subsection (12) –
- (a) the shareholder must either in the case of –
    - (i) shares evidenced by certificates, tender the relevant share certificates to the Company or the Company's transfer agent; or
    - (ii) uncertificated shares, take the steps required in terms of section 53 to direct the transfer of those shares to the Company or the Company's transfer agent; and
  - (b) the Company must pay that shareholder the agreed amount within 10 business days after the shareholder accepted the offer and –
    - (i) tendered the share certificates; or
    - (ii) directed the transfer to the Company of uncertificated shares.
- (14) A shareholder who has made a demand in terms of subsections (5) to (8) may apply to a court to determine a fair value in respect of the shares that were the subject of that demand, and an order requiring the Company to pay the shareholder the fair value so determined, if the Company has –
- (a) failed to make an offer under subsection (11); or
  - (b) made an offer that the shareholder considers to be inadequate, and that offer has not lapsed.
- (15) On an application to the court under subsection (14) –
- (a) all dissenting shareholders who have not accepted an offer from the Company as at the date of the application must be joined as parties and are bound by the decision of the court;
  - (b) the Company must notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to participate in the court proceedings; and
  - (c) the court –
    - (i) may determine whether any other person is a dissenting shareholder who should be joined as a party;
    - (ii) must determine a fair value in respect of the shares of all dissenting shareholders, subject to subsection (16);

- (iii) in its discretion may –
  - (aa) appoint one or more appraisers to assist it in determining the fair value in respect of the shares; or
  - (bb) allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective, until the date of payment;
- (iv) may make an appropriate order of costs, having regard to any offer made by the Company, and the final determination of the fair value by the court; and
- (v) must make an order requiring –
  - (aa) the dissenting shareholders to either withdraw their respective demands or to comply with subsection (13)(a); and

[Item (aa) substituted by s. 103 of Act 3/2011]

- (bb) the Company to pay the fair value in respect of their shares to each dissenting shareholder who complies with subsection (13)(a), subject to any conditions the court considers necessary to ensure that the Company fulfils its obligations under this section.

(15A) At any time before the court has made an order contemplated in subsection (15)(c)(v), a dissenting shareholder may accept the offer made by the Company in terms of subsection (11), in which case –

- (a) that shareholder must comply with the requirements of subsection 13(a); and
- (b) the Company must comply with the requirements of subsection 13(b).

[Subs. (15A) inserted by s. 103 of Act 3/2011]

(16) The fair value in respect of any shares must be determined as at the date on which, and time immediately before, the Company adopted the resolution that gave rise to a shareholder's rights under this section.

(17) If there are reasonable grounds to believe that compliance by a company with subsection (13)(b), or with a court order in terms of subsection (15)(c)(v)(bb), would result in the Company being unable to pay its debts as they fall due and payable for the ensuing 12 months –

- (a) the Company may apply to a court for an order varying the Company's obligations in terms of the relevant subsection; and
- (b) the court may make an order that –
  - (i) is just and equitable, having regard to the financial circumstances of the Company; and
  - (ii) ensures that the person to whom the Company owes money in terms of this section is paid at the earliest possible date compatible with the Company satisfying its other financial obligations as they fall due and payable.

(18) If the resolution that gave rise to a shareholder's rights under this section authorised the Company to amalgamate or merge with one or more other companies, such that the Company whose shares are the subject of a demand in terms of this section has ceased to exist, the obligations of that company under this section are obligations of the successor to that company resulting from the amalgamation or merger.

(19) For greater certainty, the making of a demand, tendering of shares and payment by a company to a shareholder in terms of this section do not constitute a distribution by the Company, or an acquisition of its shares by the Company within the meaning of section 48, and therefore are not subject to –

- (a) the provisions of that section; or
- (b) the application by the Company of the solvency and liquidity test set out in section 4.

(20) Except to the extent –

- (a) expressly provided in this section; or
- (b) that the Panel rules otherwise in a particular case, a payment by a company to a shareholder in terms of this section does not obligate any person to make a comparable offer under section 125 to any other person.

[Subs. (20) inserted by s. 103 of Act 3/2011]

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## **PRO FORMA FINANCIAL INFORMATION OF FORTRESS**

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### **Basis of preparation**

In terms of regulation 106(6)(d) and 106(7)(c)(ii) of the Takeover Regulations, if the offer consideration consists wholly or partly of offeror securities, a combined offer circular must contain a *pro forma* consolidated statement of financial position and *pro forma* consolidated statement of comprehensive income, and *pro forma* earnings and assets per security as at the last financial year end, assuming a 100% successful offer result.

The tables below set out the consolidated *pro forma* statement of financial position and statement of comprehensive income (collectively, the “***pro forma financial information***”) of Fortress based on Fortress’ audited annual results for the year ended 30 June 2023.

The *pro forma* financial information has been prepared for illustrative purposes only to provide information on how the scheme may have impacted the consolidated statement of financial position and consolidated statement of comprehensive income of Fortress, assuming that the scheme was implemented on 1 July 2022 for the purposes of the consolidated *pro forma* statement of comprehensive income and 30 June 2023 for the purposes of the consolidated *pro forma* statement of financial position, as set out below.

Due to its nature, the *pro forma* financial information may not fairly present Fortress’ consolidated statement of financial position and consolidated statement of comprehensive income subsequent to the implementation of the scheme.

The *pro forma* financial information, including the assumptions on which it is based and the financial information from which it has been prepared, is the responsibility of the directors of Fortress. The *pro forma* financial information has been prepared in compliance with the recognition and measurement principles of the International Financial Reporting Standards (“**IFRS**”) and were used in the preparation of its audited results for the year ended 30 June 2023, paragraphs 8.15 to 8.33 of the JSE Listings Requirements, as applicable and, the SAICA Guide on *Pro Forma* Financial Information revised and issued in September 2014.

The *pro forma* financial information should be read in conjunction with the independent reporting accountant’s assurance report thereon as contained in **Annexure 3** of this circular.

**Fortress Real Estate Investments Limited**
*Pro forma* Statement of Financial Position as at 30 June 2023

<i>R'000</i>	<b>Fortress as at 30 June 2023</b>	<b>Adjustment A</b>	<b>Adjustment B</b>	<b>Adjustment C</b>	<b><i>Pro forma</i> position after the scheme</b>
	<i>Note 1</i>	<i>Note 2</i>	<i>Note 3</i>	<i>Note 4</i>	<i>Note 5</i>
<b>ASSETS</b>					
<b>Non-current assets</b>	<b>52 299 794</b>	–	<b>(6 194 558)</b>	–	<b>46 105 236</b>
Investment property	29 381 917	–	–	–	29 381 917
Straight-lining of rental revenue adjustment	500 224	–	–	–	500 224
Investment property under development	2 874 608	–	–	–	2 874 608
Property	25 326	–	–	–	25 326
Investment in and loans to associates	17 570 306	–	(6 296 697)	–	11 273 609
Staff scheme loans	66 935	–	–	–	66 935
Investment in BEE preference shares	324 842	–	102 139	–	426 981
Deferred tax	1 555 636	–	–	–	1 555 636
<b>Current assets</b>	<b>1 842 829</b>	–	–	<b>(49 483)</b>	<b>1 793 346</b>
Trade and other receivables	1 634 378	–	–	–	1 634 378
Cash and cash equivalents	208 451	–	–	(49 483)	158 968
<b>Non-current assets held for sale</b>	<b>95 150</b>	–	–	–	<b>95 150</b>
Investment property held for sale	93 669	–	–	–	93 669
Straight-lining of rental revenue adjustment	1 481	–	–	–	1 481
<b>Total assets</b>	<b>54 237 773</b>	–	<b>(6 194 558)</b>	<b>(49 483)</b>	<b>47 993 732</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Total equity attributable to equity holders</b>	<b>33 330 390</b>	–	<b>(6 194 558)</b>	<b>(49 483)</b>	<b>27 086 349</b>
Stated capital	45 571 743	99 538	(6 296 697)	–	39 374 584
Treasury shares	(2 040 884)	–	–	–	(2 040 884)
Currency translation reserve	719 378	–	–	–	719 378
Reserves	(10 919 847)	(99 538)	102 139	(49 483)	(10 966 730)
<b>Non-controlling interests</b>	<b>189 427</b>	–	–	–	<b>189 427</b>
<b>Total equity</b>	<b>33 519 817</b>	–	<b>(6 194 558)</b>	<b>(49 483)</b>	<b>27 275 776</b>
<b>Total liabilities</b>	<b>20 717 956</b>	–	–	–	<b>20 717 956</b>
<b>Non-current liabilities</b>	<b>16 376 971</b>	–	–	–	<b>16 376 971</b>
Interest-bearing liabilities	16 021 674	–	–	–	16 021 674
Deferred tax	355 297	–	–	–	355 297
<b>Current liabilities</b>	<b>4 340 985</b>	–	–	–	<b>4 340 985</b>
Trade and other payables	1 181 691	–	–	–	1 181 691
Income tax payable	145 602	–	–	–	145 602
Interest-bearing borrowings	3 013 692	–	–	–	3 013 692
<b>Total equity and liabilities</b>	<b>54 237 773</b>	–	<b>(6 194 558)</b>	<b>(49 483)</b>	<b>47 993 732</b>

<i>R'000</i>	Fortress as at 30 June 2023	Adjustment A	Adjustment B	Adjustment C	<i>Pro forma</i> position after the scheme
	<i>Note 1</i>	<i>Note 2</i>	<i>Note 3</i>	<i>Note 4</i>	<i>Note 5</i>
<b>Total number of shares in issue (excluding treasury shares)</b>					
– FFA	1 164 733 176	5 247 131	–	–	1 169 980 307
– FFB	941 478 884	5 247 131	(946 726 015)	–	–
<b>Total shares in issue</b>	<b>2 106 212 060</b>	<b>10 494 262</b>	<b>(946 726 015)</b>	<b>–</b>	<b>1 169 980 307</b>
<b>Total weighted average shares in issue (excluding treasury shares)</b>					
– FFA	1 161 085 976	5 247 131	–	–	1 166 333 107
– FFB	937 831 685	5 247 131	(943 078 816)	–	–
<b>Total shares in issue</b>	<b>2 098 917 661</b>	<b>10 494 262</b>	<b>(943 078 816)</b>	<b>–</b>	<b>1 166 333 107</b>
<b>Total diluted weighted shares in issue (excluding treasury shares)</b>					
– FFA	1 169 347 851	5 247 131	–	–	1 174 594 982
– FFB	947 699 938	5 247 131	(952 947 069)	–	–
<b>Total shares in issue</b>	<b>2 117 047 789</b>	<b>10 494 262</b>	<b>(952 947 069)</b>	<b>–</b>	<b>1 174 594 982</b>
<b>NAV per share – FFA*</b>	15.82				23.15
<b>NAV per share – FFB**</b>	15.82				8.04
<b>NTAV per share – FFA*</b>	15.25				22.13
<b>NTAV per share – FFB**</b>	15.25				8.64

\* Post implementation of the scheme, existing FFA shares will be converted into FFB shares with consequential amendments to the MOI of Fortress.

\*\* The amounts set out in the “After the scheme” column have been prepared by multiplying NEPI Rockcastle’s NAV per share and TNAV per share by the share-swap exchange ratio of 0.60207 and represents the *pro forma* financial effects after scheme on a FFB shareholder. The NEPI Rockcastle information was extracted from the unaudited interim condensed consolidated financial statements for the six months ended 30 June 2023.

#### Notes and assumptions:

1. Unadjusted audited statement of financial position at 30 June 2023 for Fortress as extracted from the audited consolidated annual financial statements for the year ended 30 June 2023 as published on 31 August 2023.
2. A Fortress employee Conditional Share Plan (“CSP”) issuance of 5 247 131 FFA and FFB shares was made to Fortress employees post the vesting of these shares on 30 September 2023. The related FFA and FFB share price used on vesting date has been applied to the *pro forma* adjustments, being R12.87 and R6.10 per FFA and FFB share, respectively. The adjustment is qualitatively material as the CSP issuance results in additional FFB shares in issue, being the subject of the scheme.
- 3.1. In terms of the scheme, Fortress will repurchase all FFB shares in issue (with the exception of the 87 536 353 FFB shares held as treasury shares, which will have been cancelled pursuant to the treasury share cancellation), with FFB shareholders receiving the scheme consideration of 0.060207 NEPI Rockcastle shares per FFB share, resulting in 56 999 154 NEPI Rockcastle shares currently held by Fortress being used as consideration.
- 3.2. There is an assumption that NEPI Rockcastle will continue to be accounted for as an associate post the implementation of the scheme in which Fortress’ shareholding in NEPI Rockcastle will reduce to 15%, as a consequence of Fortress’ continued ability to exert significant influence, as defined in IAS 28, over NEPI Rockcastle.
- 3.3. Implementation of the scheme results in Fortress owning a 15% stake in NEPI Rockcastle. For purposes of the *pro forma* statement of financial position, the “After the Scheme” column represents equity accounting of the Fortress subsidiaries’ investment in its associate NEPI Rockcastle at 15% ownership at 30 June 2023.
- 3.4. For purposes of the *pro forma* financial information, no profit or loss has been recognised on the disposal of NRP shares in relation to the scheme. This is based on the assumption that the value of the proceeds (being the repurchase of FFB shares) is equal to the value of the carrying value of NRP shares disposed.

- 3.5. It has been assumed that there will be sufficient future capital gains to offset the realised capital loss resulting from the scheme in respect of the disposal of the NRP shares.
- 3.6. The investment in BEE preference shares is carried at fair value. Fair value is determined with reference to the market value of 64 197 791 FFB shares held by both Fortress Empowerment 1 and Fortress Empowerment 3 at 30 June 2023. In terms of the scheme and share swap ratio, a further fair value adjustment of R102.1 million was recognised based on the NEPI Rockcastle closing price at 30 June 2023 of R110.47.
4. Transaction costs amounting to approximately R18.0 million and Securities Transfer Tax of approximately R31.5 million, are settled in cash with an equivalent reduction to stated capital.
5. *Pro forma* statement of financial position after the adjustments as detailed above.
6. All adjustments, except for transaction costs, are expected to have a continuing effect.
7. There are no material subsequent events that require adjustments to the *pro forma* financial effects.

**Fortress Real Estate Investments Limited**
*Pro forma* Statement of profit or loss and other comprehensive income for the year ended 30 June 2023

<i>R'000</i>	<b>Fortress for the year ended 30 June 2023</b>	<b>Adjustment A</b>	<b><i>Pro forma</i> position after the scheme</b>
	<i>Note 1</i>	<i>Note 2</i>	<i>Note 3</i>
<b>Revenue</b>			
Recoveries and contractual rental revenue	3 763 397	–	3 763 397
Straight-lining of rental revenue adjustment	24 557	–	24 557
<b>Revenue from direct property operations</b>	<b>3 787 954</b>	<b>–</b>	<b>3 787 954</b>
Other expense	(1 492)	–	(1 492)
<b>Fair value loss on investment property, investments and derivative financial instruments</b>	<b>(932 631)</b>	<b>–</b>	<b>(932 631)</b>
Fair value loss on investment property	(742 379)	–	(742 379)
Adjustment resulting from straight-lining of rental revenue	(24 557)	–	(24 557)
Fair value gain on investments	96 939	–	96 939
Fair value loss on derivative financial instruments	(262 634)	–	(262 634)
Property operating expenses	(1 545 111)	–	(1 545 111)
Administrative expenses	(222 178)	–	(222 178)
Impairment of staff scheme loans	(6 594)	–	(6 594)
IFRS 2: <i>Share-based Payment</i> – employee incentive scheme	(55 579)	–	(55 579)
Reversal of impairment of investments in associates	2 371 817	(888 914)	1 482 903
Foreign exchange gain	2 768	–	2 768
Income from associates	<b>2 387 281</b>	<b>(865 744)</b>	<b>1 521 537</b>
– Distributable	1 463 686	(526 806)	936 880
– Non-distributable	923 595	(338 938)	584 657
<b>Profit before net finance costs</b>	<b>5 786 235</b>	<b>(1 754 658)</b>	<b>4 031 577</b>
<b>Net finance costs</b>	<b>(1 162 427)</b>	<b>–</b>	<b>(1 162 427)</b>
Finance income	<b>63 253</b>	<b>–</b>	<b>63 253</b>
– Interest on staff scheme and other interest received	63 253	–	63 253
Finance costs	<b>(1 225 680)</b>	<b>–</b>	<b>(1 225 680)</b>
– Interest on borrowings	(1 531 736)	–	(1 531 736)
– Capitalised interest	306 056	–	306 056
Profit before income tax	<b>4 623 808</b>	<b>(1 754 658)</b>	<b>2 869 150</b>
Income tax	1 264 195	–	1 264 195
<b>Profit for the year</b>	<b>5 888 003</b>	<b>(1 754 658)</b>	<b>4 133 345</b>
<b>Other comprehensive income net of tax</b>			
Items that may subsequently be classified to profit or loss:			
Exchange gain on translation of associates and subsidiaries	603 978	(54 230)	549 748
<b>Total comprehensive income for the year</b>	<b>6 491 981</b>	<b>(1 808 888)</b>	<b>4 683 093</b>
<b>Profit for the year attributable to:</b>			
Equity holders of the company	5 917 362	(1 754 658)	4 162 704
Non-controlling interests	(29 359)	–	(29 359)
	<b>5 888 003</b>	<b>(1 754 658)</b>	<b>4 133 345</b>

<i>R'000</i>	<b>Fortress for the year ended 30 June 2023</b>	<b>Adjustment A</b>	<b><i>Pro forma</i> position after the scheme</b>
	<i>Note 1</i>	<i>Note 2</i>	<i>Note 3</i>
<b>Total comprehensive income for the year attributable to:</b>			
Equity holders of the company	6 521 340	(1 808 888)	4 712 452
Non-controlling interests	(29 359)	–	(29 359)
	<b>6 491 981</b>	<b>(1 808 888)</b>	<b>4 683 093</b>
<b>Reconciliation of profit for the year to headline earnings</b>			
Basic earnings for the period attributable to equity holders	<b>5 917 362</b>	<b>(1 754 658)</b>	<b>4 162 704</b>
Adjusted for:	<b>(4 007 562)</b>	<b>(1 938 463)</b>	<b>(2 069 099)</b>
– Fair value loss on investment property (net of straight-lining adjustment)	766 936	–	766 936
– Current year income tax effects in respect of investment property	(71 324)	–	(71 324)
– Prior year income tax effects in respect of investment property	497 462	–	497 462
– Reversal of impairment of investment in associate	(2 371 817)	888 914	(1 482 903)
– Current year income tax effects in respect of investment in associate	512 312	(192 005)	320 307
– Prior year income tax effects in respect of investment in associate	(2 611 580)	978 772	(1 632 808)
– Fair value gain on investment property of associates	(862 816)	312 066	(550 750)
– Income tax effects	133 265	(49 284)	83 981
<b>Headline earnings</b>	<b>1 909 800</b>		<b>2 093 605</b>
<b>Distributable earnings per Fortress methodology</b>	<b>1 797 267</b>	<b>(547 955)</b>	<b>1 249 312</b>
<b>Basic and diluted earnings per share</b>			
Basic earnings per FFA share (cents) *	281.92		356.91
Diluted earnings per FFA share (cents) *	279.51		354.39
Basic earnings per FFB share (cents) **	281.92		105.78
Diluted earnings per FFB share (cents) **	279.51		105.58
<b>Headline earnings per share</b>			
Headline earnings per FFA share (cents) *	90.99		179.50
Headline earnings per FFB share (cents) **	90.99		73.69

\*: Post implementation of the scheme, existing FFA shares will be converted into FFB shares with consequential amendments to the MOI of Fortress.

\*\*The amounts set out in the “After the scheme” column have been prepared by multiplying NEPI Rockcastle’s basic earnings per share, diluted earnings per share and headline earnings per share by the share swap exchange ratio of 0.60207 and represents the *pro forma* financial effects after scheme on a FFB shareholder. The NEPI Rockcastle information was extracted from both the audited consolidated financial statements for the year ended 31 December 2022, as published on 21 March 2023, and the unaudited interim condensed consolidated financial statements for the six months ended 30 June 2023, as published on 22 August 2023.

#### Notes and assumptions:

- Unadjusted audited statement of comprehensive income at 30 June 2023 for Fortress as extracted from the audited consolidated annual financial statements for the year ended 30 June 2023 as published on 31 August 2023.
- A Fortress employee Conditional Share Plan (“CSP”) issuance of 5 247 131 FFA and FFB shares was made to Fortress employees post the vesting of these shares on 30 September 2023. The related FFA and FFB share price used on vesting date has been applied to the *pro forma* adjustments, being R12.87 and R6.10 per FFA and FFB share respectively. The adjustment is qualitatively material as the CSP issuance results in additional FFB shares in issue, being the subject of the scheme.
- In terms of the scheme, Fortress will repurchase all FFB shares in issue (with the exception of the 87 536 353 FFB shares held as treasury shares, which will have been cancelled pursuant to the treasury share cancellation), with FFB shareholders receiving the scheme consideration of 0.060207 NEPI Rockcastle shares per FFB share, resulting in 56 999 154 NEPI Rockcastle shares currently held by Fortress being used as consideration.



- 3.2. There is an assumption that NEPI Rockcastle will continue to be accounted for as an associate post the implementation of the scheme in which Fortress' shareholding in NEPI Rockcastle will reduce to 15%, as a consequence of Fortress' continued ability to exert significant influence, as defined in IAS 28, over NEPI Rockcastle.
- 3.3. Implementation of the scheme results in Fortress owning a 15% stake in NEPI Rockcastle. For purposes of the *pro forma* statement of comprehensive income, the assumption is that the scheme was implemented on 1 July 2022. Therefore the "After the Scheme" column represents equity accounting of Fortress' investment in its associate NEPI Rockcastle at 15% ownership for the full 12 months ended 30 June 2023.
- 3.4. For purposes of the *pro forma* financial information no profit or loss has been recognised on the disposal of NRP shares in relation to the scheme. This is based on the assumption that the value of the proceeds (being the repurchase of FFB shares) is equal to the value of the carrying value of NRP shares disposed.
- 3.5. It has been assumed that there will be sufficient future capital gains to offset the realised capital loss resulting from the scheme in respect of the disposal of the NRP shares.
4. *Pro forma* statement of comprehensive income after the adjustments as detailed above.
5. All adjustments, except for transaction costs, are expected to have a continuing effect.
6. There are no material subsequent events that require adjustments to the *pro forma* financial effects.

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## INDEPENDENT REPORTING ACCOUNTANT’S REPORT ON THE COMPILATION OF *PRO FORMA* FINANCIAL INFORMATION

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### INDEPENDENT REPORTING ACCOUNTANT’S ASSURANCE REPORT ON THE COMPILATION OF THE *PRO FORMA* FINANCIAL INFORMATION OF FORTRESS AND A FFB SHAREHOLDER POST THE PROPOSED SCHEME

To the directors of Fortress

#### *Introduction*

The definitions and interpretations set out on page 27 of the Circular to which this letter is attached apply *mutatis mutandis* to this independent reporting accountant’s assurance report on the compilation of the *pro forma* financial information of Fortress and a FFB shareholder post the proposed scheme (“**Report**”).

We have completed our assurance engagement to report on the compilation of the *pro forma* financial information of Fortress and a FFB shareholder by the directors of Fortress (“**Directors**”).

The *Pro forma* financial information consists of:

- a. the *pro forma* statement of profit or loss and other comprehensive income, *pro forma* distributable earnings per Fortress methodology, *pro forma* basic earnings per FFA share, *pro forma* diluted earnings per FFA share, *pro forma* basic headline earnings per FFA share, and *pro forma* diluted headline earnings per FFA share after the proposed scheme, set out in Part II: Financial Information to the Circular, and Annexure 2 of the Circular, (collectively the “***Pro forma* SOCI Information**”), as if the proposed scheme had taken place on 1 July 2022;
- b. the *pro forma* statement of financial position, *pro forma* NAV per FFA share and *pro forma* NTAV per FFA share of Fortress after the proposed scheme, set out in Part II: Financial Information to the Circular, and Annexure 2 of the Circular, (collectively the “***Pro forma* SOPF Information**”), as if the proposed scheme had taken place on 30 June 2023;
- c. the *pro forma* basic earnings per FFB share and *pro forma* basic headline earnings per FFB share after the proposed scheme, set out in Part II: Financial Information to the Circular and Annexure 2 of the Circular, as if the proposed scheme had taken place on 1 July 2022; and
- d. the *pro forma* NAV per FFB share and *pro forma* NTAV per FFB share after the proposed scheme, set out in Part II: Financial Information to the Circular and Annexure 2 of the Circular, as if the proposed scheme had taken place on 30 June 2023 (c. and d. are collectively referred to as the “***Pro forma* Financial Effects**”).

The applicable criteria on the basis of which the Directors have compiled the *Pro forma* SOCI Information and *Pro forma* SOPF Information, and the *Pro forma* Financial Effects, is specified in paragraphs 8.15 to 8.33 of the JSE Listings Requirements, as applicable, and Regulation 106 (6)(d)(ii) and Regulation 106 (7)(c)(ii) of the Companies Act and as described in the Basis of Preparation paragraph of Annexure 2 of the Circular, and point 2 of the Notes and Assumptions section set out in Part II: Financial Information to the Circular, respectively.

The purpose of the *Pro forma* SOCI Information and *Pro forma* SOPF Information, and the *Pro forma* Financial Effects included in the Circular, is solely to illustrate the impact of the proposed scheme on the unadjusted audited financial information of Fortress as at 30 June 2023 and for the year then ended and on a FFB shareholder post the proposed scheme, as if the proposed scheme had been undertaken on 1 July 2022 for purposes of the *Pro forma* SOCI Information and *pro forma* earnings per FFB share and *pro forma* headline earnings per FFB share after the proposed scheme, and on 30 June 2023 for purposes of the *Pro forma* SOPF Information and the *pro forma* NAV per FFB share and *pro forma* NTAV per FFB share. Accordingly, we do not provide any assurance that the actual outcome of the proposed scheme, subsequent to its implementation, will be as presented in the *Pro forma* SOCI Information and *Pro forma* SOPF Information, and *Pro forma* Financial Effects.

As part of this process, *pro forma* statement of financial position, the *pro forma* statement of profit or loss and other comprehensive income, *pro forma* distributable earnings per Fortress methodology, *pro forma* basic earnings per FFA share, *pro forma* diluted per share per FFA share, *pro forma* basic headline earnings per FFA share, *pro forma* diluted headline earnings per FFA share of Fortress have been extracted by the Directors from Fortress’s audited financial information as at 30 June 2023 and for the year then ended. The *pro forma* NAV per FFA share and *pro forma* NTAV per FFA share of

Fortress have been calculated from Fortress's audited financial information as at 30 June 2023 ("**Fortress Audited Financial Information**"). In addition, the *pro forma* earnings per FFB share and *pro forma* headline earnings per FFB share and the *pro forma* NAV per FFB share and *pro forma* NTAV per FFB share have calculated based on these metrics as extracted by the directors from the unadjusted financial results of NEPI Rockcastle for the 6 months ended 30 June 2023 ("**NEPI Rockcastle Financial Information**").

#### **Directors' Responsibility for the Pro forma SOCI Information and Pro forma SOPF Information and Pro forma Financial Effects**

The Directors are responsible for compiling the *Pro forma* SOCI Information and *Pro forma* SOPF Information and *Pro forma* Financial Effects on the basis of the applicable criteria specified in paragraphs 8.15 to 8.33 the JSE Listings Requirements, as applicable, and Regulation 106 (6)(d)(ii) and Regulation 106 (7)(c)(ii), and as described in the Basis of Preparation paragraph of Annexure 2 of the Circular and point 2 of the Notes and Assumptions section set out in Part II: Financial Information to the Circular, respectively ("**Applicable Criteria**").

#### *Our Independence and Quality Management*

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors ("**IRBA Code**") which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).

KPMG Inc. applies the International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

#### *Independent Reporting Accountant's Responsibilities*

Our responsibility is to express an opinion, based on our procedures performed, about whether the *Pro forma* SOCI Information and *Pro forma* SOPF Information and *Pro forma* Financial Effects have been compiled, in all material respects, by the Directors on the basis specified in paragraphs 8.15 to 8.33 the JSE Listings Requirements, as applicable, and Regulation 106 (6)(d)(ii) and Regulation 106 (7)(c)(ii) and as described in the Basis of Preparation paragraph of Annexure 2 of the Circular and point 2 of the Notes and Assumptions section set out in Part II: Financial Information to the Circular, respectively.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* which is applicable to an engagement of this nature, issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the *Pro forma* SOCI Information and *Pro forma* SOPF Information and *Pro forma* Financial Effects have been compiled, in all material respects, on the basis specified in paragraphs 8.15 to 8.33 the JSE Listings Requirements, as applicable, and Regulation 106 (6)(d)(ii) and Regulation 106 (7)(c)(ii) and as described in the Basis of Preparation paragraph of Annexure 2 of the Circular and point 2 of the Notes and Assumptions section set out in Part II: Financial Information to the Circular, respectively.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *Pro forma* SOCI Information and *Pro forma* SOPF Information and *Pro forma* Financial Effects, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *Pro forma* SOCI Information and *Pro forma* SOPF Information and *Pro forma* Financial Effects although the Fortress Audited Financial Information was previously audited.

The purpose of the *Pro forma* SOCI Information and *Pro forma* SOPF Information and *Pro forma* Financial Effects included in the Circular is solely to illustrate the impact of the proposed scheme on the unadjusted audited financial information of Fortress as at 30 June 2023 and for the year then ended, and on a FFB shareholder post the proposed scheme, as if the proposed scheme and the conversion of the FFA shares to FFB shares had been undertaken on 1 July 2022 for purposes of the *Pro forma* SOCI Information and *pro forma* earnings per FFB share and *pro forma* headline earnings per FFB share after the proposed scheme, and on 30 June 2023 for purposes of the *Pro forma* SOPF Information and the *pro forma* NAV per FFB share and *pro forma* NTAV per FFB share after the proposed scheme. Accordingly, we do not provide any assurance that the actual outcome of the proposed scheme, subsequent to its implementation, will be as presented in the *Pro forma* SOCI Information and *Pro forma* SOPF Information and *Pro forma* Financial Effects.

**A reasonable assurance engagement to report on whether the Pro forma SOCI Information and Pro forma SOPF Information and Pro forma Financial Effects have been properly compiled, in all material respects, on the basis of the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the Directors in the compilation of the Pro forma SOCI Information and Pro forma SOPF Information and Pro forma Financial Effects provides a reasonable basis for presenting the significant effects directly attributable to the proposed scheme and to obtain sufficient appropriate evidence about whether:**

- The related *pro forma* adjustments give appropriate effect to the Applicable Criteria;
- The *Pro forma* SOCI Information and *Pro forma* SOPF Information reflect the proper application of those *pro forma* adjustments to the unadjusted Fortress Audited Financial Information; and
- The *Pro forma* Financial Effects reflect the proper application of those *pro forma* adjustments to the unadjusted NEPI Rockcastle Financial Information.

Our procedures selected depend on our judgement, having regard to our understanding of the nature of the Fortress group, the proposed scheme in respect of which the *Pro forma* SOCI Information and *Pro forma* SOPF Information and *Pro forma* Financial Effects have been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *Pro forma* SOCI Information and *Pro forma* SOPF Information and *Pro forma* Financial Effects.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Opinion*

In our opinion, the *Pro forma* SOCI Information and *Pro forma* SOPF Information and *Pro forma* Financial Effects has been compiled, in all material respects, on the basis of the Applicable Criteria.

#### *Restriction on use*

This Report has been prepared for the purpose of satisfying the requirements of the JSE Listings Requirements, and for no other purpose.

KPMG Inc.

Per RL Solomon  
Chartered Accountant (SA)  
Registered Auditor  
Director  
24 November 2023

KPMG Crescent  
85 Empire Road  
Parktown  
2193

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**HISTORICAL FINANCIAL INFORMATION OF FORTRESS FOR THE YEARS ENDED  
30 JUNE 2023, 30 JUNE 2022 AND 30 JUNE 2021**

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The consolidated annual financial statements of Fortress for the years ended 30 June 2023, 30 June 2022 and 30 June 2021 are set out below. The notes to the consolidated annual financial statements of Fortress for the years ended 30 June 2023, 30 June 2022 and 30 June 2021 have been incorporated by reference and are available on Fortress' website at <https://fortressfund.co.za/investor-relations/investor-documents?document=annual-reports>.

**SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
at 30 June 2023**

	<b>2023</b>	<b>2022</b>	<b>2021</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
<b>ASSETS</b>			
<b>Non-current assets</b>	<b>52 299 794</b>	<b>43 789 250</b>	<b>43 600 772</b>
Investment property	29 381 917	26 142 519	24 541 623
Straight-lining of rental revenue adjustment	500 224	462 339	514 140
Investment property under development	2 874 608	3 623 753	3 073 775
Property	25 326	25 778	25 778
Investment in and loans to associates	17 570 306	13 275 793	15 243 147
Staff scheme loans	66 935	31 166	23 197
Investment in BEE preference shares	324 842	227 902	179 112
Deferred tax	1 555 636	-	-
<b>Current assets</b>	<b>1 842 829</b>	<b>2 392 908</b>	<b>1 735 479</b>
Staff scheme loans	-	15 795	13 712
Trade and other receivables	1 634 378	1 683 512	1 178 754
Cash and cash equivalents	208 451	693 601	543 013
<b>Non-current assets held for sale</b>	<b>95 150</b>	<b>1 406 671</b>	<b>289 850</b>
Investment property held for sale	93 669	1 396 384	288 813
Straight-lining of rental revenue adjustment	1 481	10 287	1 037
<b>Total assets</b>	<b>54 237 773</b>	<b>47 588 829</b>	<b>45 626 101</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Total equity attributable to equity holders</b>	<b>33 330 390</b>	<b>26 740 401</b>	<b>27 257 162</b>
Stated capital	45 571 743	45 571 743	45 571 743
Treasury shares	(2 040 884)	(2 040 884)	(1 578 517)
Currency translation reserve	719 378	115 400	128 675
Reserves	(10 919 847)	(16 905 858)	(16 864 739)
<b>Non-controlling interests</b>	<b>189 427</b>	<b>219 300</b>	<b>122 844</b>
<b>Total equity</b>	<b>33 519 817</b>	<b>26 959 701</b>	<b>27 380 006</b>
<b>Total liabilities</b>	<b>20 717 956</b>	<b>20 629 128</b>	<b>18 246 095</b>
<b>Non-current liabilities</b>	<b>16 376 971</b>	<b>13 867 421</b>	<b>15 284 684</b>
Interest-bearing borrowings	16 021 674	13 787 328	15 236 581
Deferred tax	355 297	80 093	48 103
<b>Current liabilities</b>	<b>4 340 985</b>	<b>6 761 707</b>	<b>2 961 411</b>
Trade and other payables	1 181 691	1 231 863	1 436 129
Income tax payable	145 602	200 105	188 820
Interest-bearing borrowings	3 013 692	5 329 739	1 336 462
<b>Total equity and liabilities</b>	<b>54 237 773</b>	<b>47 588 829</b>	<b>45 626 101</b>

**SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
for the year ended June 2023

	<b>2023</b>	<b>2022</b>	<b>2021</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Recoveries and contractual rental revenue	3 763 397	3 498 823	3 304 394
Straight-lining of rental revenue adjustment	24 557	(52 352)	(73 038)
<b>Revenue from direct property operations</b>	<b>3 787 954</b>	<b>3 446 471</b>	<b>3 231 356</b>
Other (expense)/income	(1 492)	246 702	2 098
<b>Fair value loss on investment property, investments and derivative financial instruments</b>	<b>(932 631)</b>	<b>813 006</b>	<b>(228 423)</b>
Fair value loss on investment property	(742 379)	223 601	(382 415)
Adjustment resulting from straight-lining of rental revenue	(24 557)	52 352	73 038
Fair value loss/(gain) on investments	96 939	48 790	(10 271)
Fair value gain/(loss) on derivative financial instruments	(262 634)	488 263	91 225
Property operating expenses	(1 545 111)	(1 365 912)	(1 313 672)
Administrative expenses	(222 178)	(214 783)	(200 943)
Impairment of staff scheme loans	(6 594)	(6 522)	(12 180)
IFRS 2: <i>Share-based Payment</i> – employee incentive scheme	(55 579)	(49 177)	(45 753)
Reversal of impairment/(impairment) of investments in associates	2 371 817	(2 338 164)	2 070 946
Foreign exchange gain	2 768	–	–
(Loss)/profit on sale of interest in associate	–	–	(33 632)
Income/(loss) from associates	2 387 281	1 246 336	705 982
– Distributable	1 463 686	899 616	493 703
– Non-distributable	923 595	346 720	212 279
<b>Profit/(loss) before net finance costs</b>	<b>5 786 235</b>	<b>1 777 957</b>	<b>4 175 779</b>
<b>Net finance costs</b>	<b>(1 162 427)</b>	<b>(933 089)</b>	<b>(800 623)</b>
Finance income	63 253	42 240	50 612
– Interest on staff scheme and other interest received	63 253	42 240	50 612
Finance costs	(1 225 680)	(975 329)	(851 235)
– Interest on borrowings	(1 531 736)	(1 068 845)	(935 070)
– Capitalised interest	306 056	93 516	83 835
<b>Profit/(loss) before income tax</b>	<b>4 623 808</b>	<b>844 868</b>	<b>3 375 156</b>
Income tax	1 264 195	(43 071)	21 995
<b>Profit/(loss) for the year attributable to equity holders</b>	<b>5 888 003</b>	<b>801 797</b>	<b>3 397 151</b>
<b>Other comprehensive income/(loss) net of tax</b>			
Items that may subsequently be reclassified to profit or loss			
Exchange gain on translation of associates and subsidiaries	603 978	(13 275)	15 283
<b>Total comprehensive income/(loss) for the year</b>	<b>6 491 981</b>	<b>788 522</b>	<b>3 412 434</b>
<b>Profit/(loss) for the year attributable to:</b>			
Equity holders of the company	5 917 362	777 817	3 352 901
Non-controlling interests	(29 359)	23 980	44 250
	<b>5 888 003</b>	<b>801 797</b>	<b>3 397 151</b>
<b>Total comprehensive income/(loss) for the year attributable to:</b>			
Equity holders of the company	6 521 340	764 542	3 368 184
Non-controlling interests	(29 359)	23 980	44 250
	<b>6 491 981</b>	<b>788 522</b>	<b>3 412 434</b>
Basic earnings/(loss) per FFA share (cents)	281,92	70,33	156,17
Basic earnings/(loss) per FFB share (cents)	281,92	(4,38)	156,17
Diluted earnings/(loss) per FFA share (cents)	279,51	70,07	155,93
Diluted earnings/(loss) per FFB share (cents)	279,51	(4,36)	155,93

**SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**for the year ended 30 June 2023**

	<b>2023</b>	<b>2022</b>	<b>2021</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
<b>Operating activities</b>			
Cash generated from operations	2 292 371	3 031 007	2 342 983
Interest on staff scheme and other	36 685	25 666	41 929
Interest on borrowings (excluding capitalised interest)	(1 208 918)	(863 101)	(871 046)
Dividends paid	(3 616)	(879 356)	(281 325)
Income tax paid	(92 254)	3 385	(52 019)
Cash inflow/(outflow) from operating activities	1 024 268	1 317 601	1 180 522
<b>Investing activities</b>			
Development and improvement of investment property	(2 217 170)	(2 079 822)	(1 093 828)
Capitalised interest paid on development of investment property	(306 056)	(93 516)	(83 835)
Acquisition of investment property	(209 242)	(1 388 326)	(766 021)
Disposal of investment property	1 326 082	577 252	1 519 626
Loans to associate repaid	42 014	53 176	(3 074)
Cash (outflow)/inflow from derivative financial instruments	56 941	(205 206)	(778 162)
Cash (outflow)/inflow from investing activities	(1 307 431)	(3 136 442)	(1 008 662)
<b>Financing activities</b>			
Interest-bearing borrowings (repaid)/raised	(201 987)	2 431 796	(113 473)
Acquisition of treasury shares	–	(462 367)	–
Cash outflow from financing activities	(201 987)	2 431 796	(115 768)
<b>Increase in cash and cash equivalents</b>	<b>(485 150)</b>	<b>150 588</b>	<b>56 092</b>
Cash and cash equivalents at the beginning of the year	693 601	543 013	486 921
<b>Cash and cash equivalents at the end of the year</b>	<b>208 451</b>	<b>693 601</b>	<b>543 013</b>
Cash and cash equivalents consist of:			
Current accounts	208 451	693 601	262 947
Restricted cash <sup>#</sup>	–	–	280 066
	208 451	693 601	543 013

<sup>#</sup> Restricted cash at 30 June 2021 and 30 June 2020 was held as collateral by Sanlam against secured facilities. There was no restricted cash at 30 June 2019.

**SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**for the year ended June 2023**

	Stated capital R'000	Treasury shares R'000	Currency translation reserve R'000	Reserves R'000	Equity attributable to equity holders R'000	Non- controlling interests R'000	Total equity R'000
<b>Balance at 30 June 2020</b>	45 571 743	(1 578 517)	113 392	(19 989 847)	24 116 771	88 668	24 205 439
Profit for the year				3 352 901	3 352 901	44 250	3 397 151
IFRS 2: <i>Share-based Payment</i> – employee incentive scheme				45 753	45 753		45 753
Exchange gain on translation of associate and subsidiaries			15 283		15 283		15 283
Return of capital						(2 295)	(2 295)
Dividends paid				(273 546)	(273 546)	(7 779)	(281 325)
<b>Balance at 30 June 2021</b>	45 571 743	(1 578 517)	128 675	(16 864 739)	27 257 162	122 844	27 380 006
Profit for the year				777 817	777 817	23 980	801 797
IFRS 2: <i>Share-based Payment</i> – employee incentive scheme				49 177	49 177		49 177
FFA and FFB share buy-back		(462 367)			(462 367)		(462 367)
Non-controlling interest in Inofort Proprietary Limited consolidation					–	83 719	83 719
Exchange loss on translation of associate and subsidiaries			(13 275)		(13 275)		(13 275)
Dividends paid				(868 113)	(868 113)	(11 243)	(879 356)
<b>Balance at 30 June 2022</b>	45 571 743	(2 040 884)	115 400	(16 905 858)	26 740 401	219 300	26 959 701
Profit for the year				5 917 362	5 917 362	(29 359)	5 888 003
IFRS 2: <i>Share-based Payment</i> – employee incentive scheme				55 579	55 579		55 579
Acquisition of additional interest in Inofort Proprietary Limited and transfer of reserves				156	156		156
Exchange gain on translation of associate and subsidiaries			603 978		603 978		603 978
Additional equity reserves in associate through share buy-back and scrip election – NEPI Rockcastle				12 914	12 914		12 914
Dividends paid					–	(3 616)	(3 616)
<b>Balance at 30 June 2023</b>	45 571 743	(2 040 884)	719 378	(10 919 847)	33 330 390	189 427	33 519 817



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## EXCHANGE CONTROL REGULATIONS

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The following is a summary of the Exchange Control Regulations. It is intended as a guide only and is not a comprehensive statement of the Exchange Control Regulations which apply to scheme participants. Scheme participants who have any queries regarding the Exchange Control Regulations should contact their own professional advisers without delay.

The concept of “emigration” as recognised by the SARB is being phased out and commenced with effect from 1 March 2021 and is replaced by a verification process. Exchange Control Circular 6/2021 dated 26 February 2021 and Circular 8/2021 dated 21 May 2021 set out the changes in relation to emigrants and changes to the Currency and Exchanges Manual for Authorised Dealers (“**AD Manual**”) with effect from 1 March 2021.

Until 28 February 2021, the Exchange Control Regulations read with the AD Manual distinguished between residents, non-residents and emigrants. As of 1 March 2021, under the new framework, natural person residents and natural person emigrants are treated identically. To ensure a smooth transition from the old framework to the new framework, natural persons who applied to be emigrants under the old framework, by obtaining a MP336(b) form that was attested by an Authorised Dealer on or before 28 February 2021, are dealt with in terms of the exchange control procedures relating to emigration for exchange control purposes prior to 1 March 2021 provided their emigration applications were approved on or before 28 February 2021.

For the purposes of the Exchange Control Regulations:

- (a) a resident means any person, being a natural person or a legal entity, who has taken up permanent residence, is domiciled or registered in South Africa;
- (b) a non-resident is a person, being a natural person or a legal entity, whose normal place of residence, domicile or registration is outside the Common Monetary Area; and
- (c) an emigrant means a South African resident who has left South Africa to take up permanent residence or has been granted permanent residence in any country outside of the Common Monetary Area. For purposes of the Exchange Control Regulations read with the AD Manual, a South African resident will only be regarded as an emigrant if he placed his emigration on record with the SARB under the exchange control policy which applied up to 28 February 2021.

Shareholders who are uncertain as to whether they are residents or non-residents or South African non-tax residents (emigrants) for purposes of the Exchange Control Regulations read with the AD Manual, are advised to approach their relevant authorised dealer to request confirmation.

### 1. RESIDENTS OF THE COMMON MONETARY AREA (AND EMIGRANTS AFTER 28 FEBRUARY 2021)

In the case of:

Scheme participants holding certificated FFB shares whose registered addresses in the register are within the Common Monetary Area and whose documents of title are not restrictively endorsed in terms of the Exchange Control Regulations, the scheme consideration will be posted or transferred to such scheme participants by EFT (should this option have been selected on the form of surrender and transfer (*grey*));

or

Scheme participants holding dematerialised FFB shares whose registered addresses in the register are within the Common Monetary Area and whose accounts with their CSDP or broker have not been restrictively designated in terms of the Exchange Control Regulations, the scheme consideration will be credited directly to the accounts nominated for the relevant scheme participants by their duly appointed CSDP or broker in terms of the custody agreement with their CSDP or broker.

### 2. EMIGRANTS FROM THE COMMON MONETARY AREA (PRIOR TO 28 FEBRUARY 2021)

- 2.1 The scheme consideration is not freely transferable from South Africa and must be dealt with in terms of the Exchange Control Regulations.

- 2.2 The scheme consideration due to a certificated Fortress shareholder who is an emigrant from South Africa, whose registered address is outside the Common Monetary Area and whose documents of title have been restrictively endorsed under the Exchange Control Regulations will be deposited in a blocked Rand account with the authorised dealer in foreign exchange in South Africa controlling the scheme participant's blocked assets in accordance with his instructions, against delivery of the relevant documents of title.
- 2.2.1 In terms of current Exchange Control rulings, emigrants may externalise the scheme consideration by making application to the Financial Surveillance Department of the SARB via the requisite authorised dealer channel.
- 2.2.2 The authorised dealer releasing the relevant documents of title in terms of the schemes must countersign the form of surrender and transfer (*grey*) thereby indicating that the scheme consideration will be placed directly in its control.
- 2.2.3 The attached form of surrender and transfer (*grey*) makes provision for the details and signature of the authorised dealer concerned to be provided.

### 3. ALL OTHER NON-RESIDENTS OF THE COMMON MONETARY AREA

- 3.1 The scheme consideration due to a certificated Fortress shareholder who is a non-resident of South Africa and who has never resided in the Common Monetary Area, whose registered address is outside the Common Monetary Area and whose documents of title have been restrictively endorsed under the Exchange Control Regulations, will be deposited with the authorised dealer in foreign exchange in South Africa nominated by such scheme participant. It will be incumbent on the scheme participant concerned to instruct the nominated authorised dealer as to the disposal of the amounts concerned, against delivery of the relevant documents of title.
- 3.2 The form of surrender and transfer (*grey*) attached to this circular makes provision for the nomination required in terms of the paragraph 3.1 above. If the information regarding the authorised dealer is not given in terms of such paragraph 3.1, the scheme consideration will be held in trust by Fortress for the scheme participants concerned pending receipt of the necessary information or instruction.

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**MANAGEMENT SHARE EXPOSURE**


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The table below sets out the exposures of key management to FFA and FFB shares as at 23 November 2023, being the last practicable date. The table includes direct and indirect holdings as well as shares awarded under Fortress' Long Term Incentive Plan and Conditional Share Plan. Shares that are subject to management satisfying key performance targets have been included for completeness.

**Name**

	<b>FFA shares</b>	<b>Ring fenced FFA shares <sup>(1)</sup></b>	<b>Net FFA shares</b>	<b>Value of net FFA shares</b>	<b>FFB shares</b>	<b>Ring fenced FFB shares <sup>(1)</sup></b>	<b>Net FFB shares</b>	<b>Value of net FFB shares</b>
	<b>'000</b>	<b>'000</b>	<b>'000</b>	<b>R'000</b>	<b>'000</b>	<b>'000</b>	<b>'000</b>	<b>R'000</b>
S Brown	2 955	(610)	2 345	30 626	5 515	(1 335)	4 180	27 797
I Vorster	1 762	(111)	1 651	21 562	2 318	(111)	2 207	14 677
V Majija	1 660	(149)	1 511	19 734	2 081	(450)	1 631	10 846
<b>Total</b>	<b>6 377</b>	<b>(870)</b>	<b>5 507</b>	<b>71 921</b>	<b>9 914</b>	<b>(1 896)</b>	<b>8 018</b>	<b>53 320</b>

## Notes:

1. Ring fenced shares are under water and therefore excluded from the net value calculation.

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**BEE SHARES**


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	<b>BEE Preference Shares (64 197 791 FFB shares) held by Fortress Empowerment 1 and 3</b>	<b>Treasury Shares (64 197 790 FFB shares) held by Fortress Empowerment 2 and 4</b>
<b>Background</b>	<ul style="list-style-type: none"> <li>– During the 2019 financial year, Fortress provided financial assistance by way of the subscription for preference shares in Fortress Empowerment 1 and 3 to enable them to acquire a combined 64 197 791 FFB shares at R12.09 per share for an aggregate amount of R776.1 million for purposes of promoting BEE in relation to Fortress</li> <li>– The preference shares held by Fortress carry a 10-year term from 29 June 2019 but can be redeemed earlier at the option of the relevant BEE vehicle. Early redemption at the option of Fortress may occur from 29 June <b>2023</b></li> <li>– The terms of the empowerment transaction effectively entitle the vehicles to realise 30% of any increase in the market value of the Fortress shares they hold, with no downside risk and their rights to dividends being waived in favour of Fortress</li> <li>– The preference shares carry a zero coupon, with 70% of the increase in the market value of the FFB shares above R12.09 per share to be paid to Fortress as a dividend on the preference shares on realisation</li> <li>– Any decrease in the market value of the Fortress shares held by the vehicles will effectively not be borne by them, with the preference share redemption amount being reduced by any decrease in the value of the shares</li> <li>– The shares carry full voting rights (exercisable by YW Capital and Jade Capital)</li> </ul>	<ul style="list-style-type: none"> <li>– The intention of Fortress at the time was to introduce a new broad-based BEE party</li> <li>– The acquisition price of these shares was R12.09. Fortress can repurchase these shares by way of a specific repurchase, if authorised by shareholders</li> <li>– The shares carry full voting rights (exercisable by YW Capital and Jade Capital)</li> </ul>
<b>Accounting</b>	<ul style="list-style-type: none"> <li>– Fortress' investments in BEE preference shares are carried at fair value equal to the market value of the related FFB shares</li> <li>– Should the FFB share price increase above R12.09, 70% of the increase is reflected as a fair value gain to Fortress, while should the FFB share price decrease below R12.09, 100% of the decrease is reflected as a fair value loss to Fortress</li> <li>– Management is satisfied that Fortress does not control the vehicles and Fortress has therefore not consolidated these vehicles</li> </ul>	<ul style="list-style-type: none"> <li>– Fortress does not have the power to direct the activities the vehicles (no representation on the board of directors, nor the ability to appoint or remove directors)</li> <li>– Management is satisfied that the group controls the vehicles in terms of IFRS 10 and therefore consolidates and recognises their FFB shares as treasury shares</li> </ul>

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## MEMORANDUM OF INCORPORATION OF FORTRESS

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### 1. INTERPRETATION

- 1.1 In this Memorandum of Incorporation, unless the context clearly indicates a contrary intention, the following words and expressions bear the meanings assigned to them and cognate expressions bear corresponding meanings –
- 1.1.1 “**Act**” means the Companies Act, No. 71 of 2008, as amended, consolidated or re-enacted from time to time, and includes all schedules to such Act;
- 1.1.2 “**“A” Ordinary Share**” means an “A” Ordinary Share of no par value in the issued share capital of the Company, having the rights and restrictions set out in clauses 7.2, 7.3, 7.4 and 7.5;
- 1.1.3 “**“A” Ordinary Share Distribution(s)**” means a distribution declared in respect of an “A” Ordinary Share calculated with reference to clause 34.2;
- 1.1.4 “**“A” Ordinary Shareholder**” means the holder of an “A” Ordinary Share who is entered as such in the Securities Register, subject to the provisions of section 57 of the Act,
- 1.1.5 “**“B” Ordinary Share**” means a “B” Ordinary Share of no par value in the issued share capital of the Company, having the rights and restrictions set out in clauses 7.2, 7.4 and 7.5;
- 1.1.6 “**“B” Ordinary Shareholder**” means the holder of a “B” Ordinary Share who is entered as such in the securities register, subject to the provisions of section 57 of the Act;
- 1.1.7 “**Board**” means the board of Directors from time to time of the Company;
- 1.1.8 “**Certificated Securities**” means Securities issued by the Company evidenced by a certificate, as contemplated in section 1 of the Financial Markets Act;
- 1.1.9 “**Central Securities Depository**” has the meaning as defined in the Financial Markets Act;
- 1.1.10 “**Commission**” means the Companies and Intellectual Property Commission established by section 185 of the Act;
- 1.1.11 “**Company**” means the company named on the first page of this document, duly incorporated under the registration number endorsed thereon;
- 1.1.12 “**CPI**” means the Consumer Price Index for all income groups for all items as published by Statistics South Africa (or its successor in title), provided that if the aforesaid Index is discontinued or modified it shall be replaced by such index as determined by the company’s auditors from time to time;
- 1.1.13 “**Designated Date**” means either the Interim Designated Date or the Final Designated Date;
- 1.1.14 “**Director**” means a member of the Board as contemplated in section 66 of the Act, or an alternate director, and includes any person occupying the position of a director or alternate director, by whatever name designated;
- 1.1.15 “**Equity Securities**” shall have the meaning ascribed thereto in the JSE Listings Requirements;
- 1.1.16 “**Electronic Communication**” has the meaning set out in section 1 of the Electronic Communications and Transactions Act, No. 25 of 2002;
- 1.1.17 “**File**” or “**Filed**” when used as a verb, means to deliver a document to the Commission in the manner and form, if any, prescribed for that document;
- 1.1.18 “**Final Designated Date**” means 30 June of each calendar year or such other date as is determined by the Board from time to time;
- 1.1.19 “**Financial Markets Act**” means the Financial Markets Act, No. 19 of 2012, including any amendment, consolidation or re-enactment thereof;
- 1.1.20 “**First Income Period**” means each of the 6 month periods from 1 July to 31 December of each calendar year or such other period as is determined by the Board from time to time;

- 1.1.21 “**IFRS**” means International Financial Reporting Standards, as adopted from time to time by the International Accounting Standards Board;
  - 1.1.22 “**Income Period**” means the First Income Period or the Second Income Period, as the case may be;
  - 1.1.23 “**Interim Designated Date**” means 31 December of each calendar year or such other date as is determined by the Board from time to time;
  - 1.1.24 “**JSE**” means the exchange, licensed under the Financial Markets Act, operated by JSE Limited (Registration number 2005/022939/06), a public company duly incorporated in the Republic;
  - 1.1.25 “**JSE Listings Requirements**” means the Listings Requirements of the JSE applicable from time to time;
  - 1.1.26 “**Participant**” has the meaning as defined in the Financial Markets Act;
  - 1.1.27 “**Prescribed Officer**” means a person who, within the Company, performs any function that has been designated by the Minister in terms of section 66(10) of the Act, as defined in the Act;
  - 1.1.28 “**Prime Rate**” means the publicly quoted prime overdraft rate of interest of Standard Bank of South Africa Limited (the “**bank**”) from time to time, nominal annual, compounded monthly as certified by any branch or more senior manager of that bank, whose appointee and designation it shall not be necessary to prove, and whose determination of the rate shall be proof of that rate until the contrary is established;
  - 1.1.29 “**Regulations**” means the regulations published in terms of the Act from time to time;
  - 1.1.30 “**Republic**” means the Republic of South Africa;
  - 1.1.31 “**Second Income Period**” means each of the six month periods from 1 January to 30 June of each calendar year or such other period as is determined by the Board from time to time;
  - 1.1.32 “**Securities**” means –
    - 1.1.32.1 any shares, notes, bonds, debentures or other instruments, irrespective of their form or title, issued, or authorised to be issued, by the Company; or
    - 1.1.32.2 anything falling within the meaning of “securities” as set out in section 1 of the Securities Services Act, and includes shares held in a private company;
  - 1.1.33 “**Securities Register**” means the register of issued Securities of the Company required to be established in terms of section 50(1) of the Act and referred to in clause 9 hereof;
  - 1.1.34 “**SENS**” means the Stock Exchange News Service established and operated by the Issuer Regulation Division of the JSE;
  - 1.1.35 “**Share**” means one of the units into which the proprietary interest in the Company is divided, and includes an “A” Ordinary Share and/or a “B” Ordinary Share as indicated by the context;
  - 1.1.36 “**Shareholder**” means the holder of a Share who is entered as such in the Securities Register, subject to the provisions of section 57 of the Act;
  - 1.1.37 “**Solvency and Liquidity Test**” has the meaning attributed thereto in section 4 of the Act;
  - 1.1.38 “**Sub-register**” means the record of Uncertificated Securities administered and maintained by a Participant, which forms part of the Securities Register in terms of the Act;
  - 1.1.39 “**Uncertificated Securities**” means any “securities” defined as such in the Financial Markets Act; and
  - 1.1.40 “**Uncertificated Securities Register**” means the record of Uncertificated Securities administered and maintained by a Participant or Central Securities Depository, as determined in accordance with the rules of the Central Securities Depository.
- 1.2 In this Memorandum of Incorporation, unless the context clearly indicates otherwise –
- 1.2.1 words and expressions defined in the Act and which are not defined herein shall have the meanings given to them in the Act;
  - 1.2.2 a reference to a section by number refers to the corresponding section of the Act notwithstanding the renumbering of such section after the date on which the Company is incorporated;
  - 1.2.3 a reference to a clause by number refers to a corresponding provision of this Memorandum of Incorporation;

- 1.2.4 in any instance where there is a conflict between a provision (be it expressed, implied or tacit) of this Memorandum of Incorporation and –
- 1.2.4.1 a provision of any shareholders agreement, the provision of this Memorandum of Incorporation shall prevail to the extent of the conflict;
- 1.2.4.2 an alterable or elective provision of the Act, the provision of this Memorandum of Incorporation shall prevail to the extent of the conflict; and
- 1.2.4.3 an unalterable or non-elective provision of the Act, the unalterable or non-elective provision of the Act shall prevail to the extent of the conflict unless the Memorandum of Incorporation imposes on the Company a higher standard, greater restriction, longer period of time or similarly more onerous requirement, in which event the relevant provision of this Memorandum of Incorporation shall prevail to the extent of the conflict;
- 1.2.5 clause headings are for convenience only and are not to be used in its interpretation;
- 1.2.6 an expression which denotes –
- 1.2.6.1 any gender includes the other genders;
- 1.2.6.2 a natural person includes a juristic person and *vice versa*; and
- 1.2.6.3 the singular includes the plural and *vice versa*;
- 1.2.7 if the due date for performance of any obligation in terms of this Memorandum of Incorporation is a day which is not a business day then (unless otherwise stipulated), the due date for performance of the relevant obligation shall be the immediately succeeding business day;
- 1.2.8 any words or expressions defined in any clause shall, unless the application of any such word or expression is specifically limited to that clause, bear the meaning assigned to such word or expression throughout this Memorandum of Incorporation;
- 1.2.9 any reference to a notice shall be construed as a reference to a written notice, and shall include a notice which is transmitted electronically in a manner and form permitted in terms of the Act and/or the Regulations.
- 1.3 Any reference in this Memorandum of Incorporation to –
- 1.3.1 “**days**” shall be construed as calendar days unless qualified by the word “business”, in which instance a “**business day**” will be any day other than a Saturday, Sunday or public holiday as gazetted by the government of the Republic from time to time;
- 1.3.2 “**law**” means any law of general application and includes the common law and any statute, constitution, decree, treaty, regulation, directive, ordinance, by-law, order or any other enactment of legislative measure of government (including local and provincial government) statutory or regulatory body which has the force of law and a reference to any statutory enactment shall be construed as a reference to that enactment as amended or substituted from time to time;
- 1.3.3 “**person**” means any natural person, company, close corporation, trust, partnership or other entity whether or not having separate legal personality; and
- 1.3.4 “**writing**” means legible writing and in English and includes printing, typewriting, lithography or any other mechanical process, as well as any electronic communication in a manner and a form such that it can conveniently be printed by the recipient within a reasonable time and at a reasonable cost.
- 1.4 The words “**include**” and “**including**” mean “**include without limitation**” and “**including without limitation**”. The use of the words “include” and “including” followed by a specific example or examples shall not be construed as limiting the meaning of the general wording preceding it.
- 1.5 Unless otherwise provided, defined terms appearing in this Memorandum of Incorporation in title case shall be given their meaning as defined, while the same terms appearing in lower case shall be interpreted in accordance with their plain English meaning.
- 1.6 Where a particular number of business days is provided for between the occurrence of one event and another, the number of days must be calculated by excluding the day on which the first event occurs and including the day on which or by which the second event is to occur.

- 1.7 Where figures are referred to in numerals and in words, and there is any conflict between the two, the words shall prevail, unless the context indicates a contrary intention.
- 1.8 Any reference herein to “**this Memorandum of Incorporation**” shall be construed as a reference to this Memorandum of Incorporation as amended from time to time.

## 2. JURISTIC PERSONALITY

- 2.1 The Company is a pre-existing company and this Memorandum of Incorporation replaces and supersedes the Memorandum of Incorporation of the Company applicable immediately prior to the filing hereof.
- 2.2 The Company is incorporated in accordance with and governed by –
  - 2.2.1 the unalterable provisions of the Act, subject only to such higher standards, greater restrictions, longer periods of time or similarly more onerous requirements as may be imposed on the Company by this Memorandum of Incorporation in relation to such unalterable provisions; and
  - 2.2.2 the alterable provisions of the Act, subject to the limitations, extensions, variations or substitutions set out in this Memorandum of Incorporation; and
  - 2.2.3 the other provisions of this Memorandum of Incorporation.

## 3. LIMITATION OF LIABILITY

- 3.1 No person shall, solely by reason of being an incorporator, Shareholder or Director of the Company, be liable for any liabilities or obligations of the Company.

## 4. POWERS OF THE COMPANY

- 4.1 The Company has all of the legal powers and capacity contemplated in the Act, and no provision contained in this Memorandum of Incorporation should be interpreted or construed as negating, limiting, or restricting those powers in any way whatsoever.
- 4.2 The legal powers and capacity of the Company are not subject to any restrictions, limitations or qualifications, as contemplated in section 19(1)(b)(ii) of the Act.

## 5. ACQUISITION AND CESSATION OF RIGHTS

A person –

- 5.1 acquires the rights associated with any particular Securities of the Company when that person’s name is entered in the Company’s Securities Register as a person to whom those Securities have been issued or transferred; and
- 5.2 ceases to have the rights associated with any particular Securities of the Company when the transfer to another person or the re-acquisition by the Company or surrender to the Company of those Securities has been entered in the Company’s Securities Register.

## 6. RESTRICTIVE CONDITIONS

This Memorandum of Incorporation does not contain any restrictive conditions applicable to the Company as contemplated in section 15(2)(b) or (c).

## 7. ISSUE OF SHARES AND VARIATION OF RIGHTS

- 7.1 The Company is authorised to issue:
  - 7.1.1 2 000 000 000 (two billion) “A” Ordinary Shares, each of which ranks *pari passu* (which shall have the meaning ascribed thereto in paragraph 3.29 of the Listings Requirements or any amendment paragraph in the Listings Requirements) in respect of all rights conferred on “A” Ordinary Shareholders in terms of the provisions of the Memorandum of Incorporation; and



- 7.1.2 2 000 000 000 (two billion) “B” Ordinary Shares, each of which ranks *pari passu* (which shall have the meaning ascribed thereto in paragraph 3.29 of the Listings Requirements or any amendment paragraph in the Listings Requirements) in respect of all rights conferred on “B” Ordinary Shareholders in terms of the provisions of this Memorandum of Incorporation.
- 7.2 Without prejudice to any rights previously conferred on the holders of any existing Shares or class of Shares in the Company, any Shares whether in the initial or in any increased capital may be issued with such preferred, deferred, or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise, as the Company may from time to time determine provided, however, that there shall be no restriction on the transfer of Shares and such Shares shall be issued in accordance with the JSE Listings Requirements. Preference shares may be issued and existing Shares may be converted into preference shares on the basis that they are, or at the option of the Company are liable, to be redeemed on such terms and in such manner as shall be prescribed in this Memorandum of Incorporation or the resolution authorising or effecting such issue or conversion and in accordance with the JSE Listings Requirements.
- 7.3 The “A” Ordinary Shares shall be redeemable notwithstanding the date on which any of the “A” Ordinary Shares are issued, by ordinary resolution of “A” Ordinary Shareholders and “B” Ordinary Shareholders in a combined general meeting approving the redemption of the “A” Ordinary Shares (subject to not less than 75% of the votes exercisable by the holders of “A” Ordinary Shares and “B” Ordinary Shares present in person or represented by proxy and entitled to vote at such combined general meeting being cast in favour thereof). The “A” Ordinary Shares shall be redeemed by the Company at the higher of (i) the volume weighted average sales price of an “A” Ordinary Share (as shown by the official price list published by the JSE) over the 60 (sixty) trading days immediately preceding the date on which the notice to Shareholders convening the relevant combined general meeting is issued or (ii) an amount of R8.11 (eight Rand eleven cents), being the aggregate of the nominal value of the “A” Ordinary Shares and “A” debentures, at the date the first “A” Ordinary Shares and “A” debentures were issued by the Company as “A” linked units, being 22 October 2009. The Board shall determine whether any redemption so made by the Company shall have the effect of cancelling the “A” Ordinary Shares redeemed.
- 7.4 For so long as the Company has “A” Ordinary Shares and “B” Ordinary Shares in issue then, an “A” Ordinary Share shall only be issued contemporaneously with the issue of a “B” Ordinary Share in the ratio of 1:1. However, an “A” Ordinary Share and a “B” Ordinary Share need not be issued to the same person and once issued the “A” Ordinary Share and the “B” Ordinary Share may be sold or disposed of separately.
- 7.5 In addition to the provisions of clause 8.4, no resolution either converting “A” Ordinary Shares to “B” Ordinary Shares or *vice versa* shall be of any force or effect, unless with the aforesaid consent or resolution of both the holders of the “A” Ordinary Shares and the “B” Ordinary Shares. The provisions of this Memorandum of Incorporation relating to a general meeting shall *mutatis mutandis* apply to any such separate general meeting except that –
- 7.5.1 the necessary quorum shall be a Shareholder or Shareholders of the class present in person, or represented by proxy and holding in excess of 50% of the capital paid or credited as paid on the issued shares of that class;
- 7.5.2 if at any adjourned meeting of such Shareholders a quorum as above defined is not present, those Shareholders who are present shall be a quorum; and
- 7.5.3 any Shareholders of Shares of the class present in person or represented by proxy may demand a poll and, on a poll, shall have one vote for each share of the class of which he is the holder.

## 8. ALTERATION OF CAPITAL AND MEMORANDUM OF INCORPORATION

- 8.1 The Board shall not have the power to –
- 8.1.1 create any class of Shares; or
- 8.1.2 increase or decrease the number of authorised Shares of any class of the Company’s Shares; or
- 8.1.3 consolidate and reduce the number of the Company’s issued and authorised Shares of any class; or
- 8.1.4 subdivide its Shares of any class by increasing the number of its issued and authorised Shares of that class without an increase of its capital; or
- 8.1.5 convert one class of Shares into one or more other classes, save where a right of conversion attaches to the class of Shares created; or

- 8.1.6 reclassify any classified Shares that have been authorised but not issued; or
  - 8.1.7 classify any unclassified Shares that have been authorised but not issued; or
  - 8.1.8 change the name of the Company; or
  - 8.1.9 vary any preferences, rights, limitations or other terms attaching to any class of Shares,  
and such powers shall only be capable of being exercised by the Shareholders by way of a special resolution of the Shareholders and amendment to this Memorandum of Incorporation.
- 8.2 The Company has the power, subject to the authority of a special resolution as contemplated in clause 8.1, to subdivide its Shares of any class. Such subdivision may be effected through a mere splitting of, and consequential increase in, the authorised and issued Shares of the relevant class, and without an issue of new shares and an increase of its capital.
- 8.3 Each Share issued by the Company has associated with it an irrevocable right of the Shareholder to vote on any proposal to amend the preferences, rights, limitations and other terms associated with that Share.
- 8.4 In addition, and without prejudice to the provisions of clause 8.3, the variation of any preferences, rights, limitations and other terms associated with any class of Shares as set out in this Memorandum of Incorporation may be enacted only by an amendment of this Memorandum of Incorporation approved by special resolution of the Shareholders at a combined general meeting and such amendments shall not be implemented without a special resolution adopted by the holders of Shares of that class at a separate meeting, as contemplated in clause 7.5. If any amendment of the Memorandum of Incorporation relates to the variation of any preferences, rights, limitations and other share terms attaching to any class of shares other than the “A” Ordinary Shares and the “B” Ordinary Shares already in issue, that amendment must not be implemented without a special resolution, taken by the holders of Shares in that class at a separate meeting. In such instances, the holders of such Shares will be allowed to vote at the meeting of ordinary Shareholders subject to clause 21.11.
- 8.5 The authorisation and classification of Shares, the creation of any class of Shares, the conversion of one class of Shares into one or more other classes, the consolidation of securities, the sub-division of securities, the change of the name of the Company, the increase of number of Securities, and, subject to clause 8.3, the variation of any preference rights, limitations and other terms associated with each class of Shares as set out in this Memorandum of Incorporation may be changed only by an amendment of this Memorandum of Incorporation by special resolution of the Shareholders at a combined general meeting and in accordance with the JSE Listings Requirements, to the extent required, save if such an amendment is ordered by a court in terms of sections 16(1)(a) and 16(4) of the Act.
- 8.6 No Shares may be authorised in respect of which the preferences, rights, limitations or any other terms of any class of Shares may be varied in response to any objectively ascertainable external fact or facts as provided for in sections 37(6) and 37(7) of the Act.
- 8.7 The Company may only issue Shares which are fully paid up and freely transferable and only within the classes and to the extent that those Shares have been authorised by or in terms of this Memorandum of Incorporation.
- 8.8 The Board may, subject to clauses 8.9 and 8.14 and the further provisions of this clause 8.8, resolve to issue Shares of the Company at any time, but only within the classes and to the extent that those Shares have been authorised by or in terms of this Memorandum of Incorporation.
- 8.9 Subject to clauses 8.8 and 8.14, the Board may not issue unissued Shares unless such Shares have first been offered to existing Shareholders of the Shares of that class in proportion to their shareholding of that class of Shares (on such terms and in accordance with such procedures as the Board may determine), unless the relevant issue of Shares –
- 8.9.1 is a capitalisation issue; or
  - 8.9.2 is for the acquisition of assets, is a vendor consideration placing related to an acquisition of assets, or is an issue for the purposes of an amalgamation or merger; or
  - 8.9.3 is an issue pursuant to options or conversion rights; or
  - 8.9.4 is an issue in terms of an approved share incentive scheme; or

- 8.9.5 is an issue of shares for cash (as contemplated in the JSE Listings Requirements), which has been approved by the Shareholders by ordinary resolution, either by way of a general authority (which may be either conditional or unconditional) to issue Shares in its discretion or a specific authority in respect of any particular issue of Shares, in accordance with the JSE Listings Requirements, provided that, if such approval is in the form of a general authority to the Directors, it shall be valid only until the next annual general meeting of the Company or for 15 months from the date of the passing of the ordinary resolution, whichever is the earlier, and it may be varied or revoked by any general meeting of the Shareholders prior to such annual general meeting; or
- 8.9.6 otherwise falls within a category in respect of which it is not, in terms of the JSE Listings Requirements, a requirement for the relevant Shares to be so offered to existing ordinary Shareholders; or
- 8.9.7 is otherwise undertaken in accordance with an authority approved by ordinary shareholders in general meeting, provided that if any fraction of a share will have to be issued pursuant to such an offer, such entitlement to a fraction will be administered in accordance with the provisions of the JSE Listing requirements.
- 8.10 The Directors may exclude any Shareholders or category of Shareholders from an offer contemplated in clause 8.9 if and to the extent that they consider it necessary or expedient to do so because of legal impediments or compliance with the laws or the requirements of any regulatory body of any territory, outside of South Africa, that may be applicable to the offer.
- 8.11 Alterations of share capital, authorised shares and rights attaching to a class/es of Shares, all issues of Shares for cash and all issues of options and convertible securities granted or issued for cash must, in addition to the foregoing provisions, be in accordance with the JSE Listings Requirements.
- 8.12 All Securities of the Company for which a listing is sought on the JSE and all Securities of the same class as Securities of the Company which are listed on the JSE must, notwithstanding the provisions of section 40(5) of the Act, but unless otherwise required by the Act, only be issued after the Company has received the consideration approved by the Board for the issuance of such Securities.
- 8.13 Subject to sections 40(5) to 40(7) of the Act, when the Company has received the consideration approved by the Board for the issuance of any Shares –
- 8.13.1 those Shares are fully paid up; and
- 8.13.2 the Company must issue those Shares and cause the name of the holder to be entered onto the Company's Securities Register in accordance with sections 49 to 56 of the Act.
- 8.14 Notwithstanding anything to the contrary contained in this Memorandum of Incorporation, any issue of Shares, Securities convertible into Shares, or rights exercisable for Shares in a transaction, or a series of integrated transactions shall, in accordance with the provisions of section 41(3) of the Act, require the approval of the Shareholders by special resolution if the voting power of the class of Shares that are issued or are issuable as a result of the transaction or series of integrated transactions will be equal to or exceed 30% (thirty percent) of the voting power of all the Shares of that class held by Shareholders immediately before that transaction or series of integrated transactions.
- 8.15 Except to the extent that any such right is specifically included as one of the rights, preferences, limitations or other terms upon which any class of Shares is issued or as may otherwise be provided in this Memorandum of Incorporation (as is set out in clause 8.14), no Shareholder shall have any pre-emptive or other similar preferential right to be offered or to subscribe for any additional Shares issued by the Company.

## 9. REGISTRATION OF SECURITIES

- 9.1 Securities of the Company are to be issued in uncertificated form or, subject to the provisions of section 33 of the Financial Markets Act, in certificated form. Except to the extent otherwise provided in the Act, the rights and obligations of Security holders are not different solely on the basis of their securities being certificated or uncertificated and any provision of this Memorandum of Incorporation applies with respect to any Uncertificated Securities in the same manner as it applies to Certificated Securities, unless otherwise stated or indicated by the context.

- 9.2 Any Certificated Securities may cease to be evidenced by certificates, and thereafter become Uncertificated Securities.
- 9.3 Any Uncertificated Securities may be withdrawn from the Uncertificated Securities Register and certificates issued evidencing those Securities at the election of the holder of those Uncertificated Securities. A holder of Uncertificated Securities who elects to withdraw all or part of the Uncertificated Securities held by it in an Uncertificated Securities Register and obtain a certificate in respect of those withdrawn Securities, may so notify the relevant Participant or Central Securities Depository as required by the rules of the Central Securities Depository.
- 9.4 After receiving notice from a Participant or Central Securities Depository, as the case may be, that the holder of Uncertificated Securities wishes to withdraw all or part of the Uncertificated Securities held by it in an Uncertificated Securities Register and obtain a certificate in respect thereof, the Company shall –
- 9.4.1 immediately enter the relevant Security holder's name and details of its holding of Securities in the Securities Register and indicate on the Securities Register that the securities so withdrawn are no longer held in uncertificated form; and
- 9.4.2 within 10 (ten) business days (or 20 (twenty) business days in the case of a holder of Securities who is not resident within the Republic) prepare and deliver to the relevant person a certificate in respect of the Securities and notify the Central Securities Depository that the Securities are no longer held in uncertificated form.
- 9.5 The Company may charge a holder of Securities a reasonable fee to cover the actual cost of issuing any certificate as contemplated in this clause.
- 9.6 At the request of the Company, and on payment of the fee prescribed in the Act or the Regulations, if any, a Participant or Central Securities Depository, as determined in accordance with the rules of the Central Securities Depository, must furnish the Company with all details of the Company's Uncertificated Securities reflected in the Uncertificated Securities Register.
- 9.7 The Company must establish or cause to be established a Securities Register in the form prescribed by the Act and the Regulations and maintain the Securities Register in accordance with the prescribed standards.
- 9.8 As soon as practicable after issuing any Securities the Company must enter or cause to be entered in the Securities Register, in respect of every class of Securities it has issued –
- 9.8.1 the total number of Uncertificated Securities;
- 9.8.2 with respect to Certificated Securities –
- 9.8.2.1 the names and addresses of the persons to whom the Securities were issued;
- 9.8.2.2 the number of Securities issued to each of them;
- 9.8.2.3 the number of, and prescribed circumstances relating to, any Securities that have been placed in trust as contemplated in section 40(6)(d) or whose transfer has been restricted;
- 9.8.2.4 in the case of Securities other than Shares as contemplated in section 43, the number of those Securities issued and outstanding, the names and addresses of the registered owners of the Securities and any holders of beneficial interests therein; and
- 9.8.2.5 any other prescribed information.
- 9.9 If the Company has issued Uncertificated Securities, or has issued Securities that have ceased to be Certificated Securities as contemplated in clause 9.2, a record must be administered and maintained by a Participant or Central Securities Depository, in the prescribed form, as the Uncertificated Securities Register, which –
- 9.9.1 forms part of the Securities Register; and
- 9.9.2 must contain, with respect to all Uncertificated Securities contemplated in this clause 9, any details referred to in clause 9.8.2, read with the changes required by the context or as determined by the rules of the Central Securities Depository.

- 9.10 The Securities Register or Uncertificated Securities Register maintained in accordance with the Act shall be sufficient proof of the facts recorded in it, in the absence of evidence to the contrary.
- 9.11 Unless all the Shares rank equally for all purposes, the Shares, or each class of Shares, and any other Securities, must be distinguished by an appropriate numbering system.
- 9.12 A certificate evidencing any Certificated Securities of the Company –
- 9.12.1 must state on its face –
    - 9.12.1.1 the name of the Company;
    - 9.12.1.2 the name of the person to whom the Securities were issued; and
    - 9.12.1.3 the number and class of Shares and designation of the series, if any, evidenced by that certificate;
  - 9.12.2 must be signed by 2 (two) persons authorised by the Board, which signatures may be affixed or placed on the certificate by autographic, mechanical or electronic means; and
  - 9.12.3 is proof that the named Security holder owns the Securities, in the absence of evidence to the contrary.
- 9.13 A certificate remains valid despite the subsequent departure from office of any person who signed it.
- 9.14 If, as contemplated in clause 9.11, all of the Shares rank equally for all purposes, and are therefore not distinguished by a numbering system –
- 9.14.1 each certificate issued in respect of those Shares must be distinguished by a numbering system; and
  - 9.14.2 if the Share has been transferred, the certificate must be endorsed with a reference number or similar device that will enable each preceding holder of the Share in succession to be identified.

## 10. TRANSFER OF SECURITIES

- 10.1 The instrument of transfer of any Certificated Securities shall be signed by both the transferor and the transferee and the transferor shall be deemed to remain the holder of such Securities until the name of the transferee is entered in the Securities Register. The Directors may, however, in their discretion dispense with the signature of the transferee in such cases as they deem fit.
- 10.2 Subject to such restrictions as may be applicable, (whether by virtue of the preferences, rights, limitations or other terms associated with the Securities in question), any Shareholder or holder of other Securities may transfer all or any of its Securities by instrument in writing in any usual or common form or any other form which the Directors may approve.
- 10.3 Every instrument of transfer shall be delivered to the principal place of business of the Company, alternatively the offices of the Company's transfer secretaries, as appointed from time to time, accompanied by –
- 10.3.1 the certificate issued in respect of the Certificated Securities to be transferred; and/or
  - 10.3.2 such other evidence as the Company may require to prove the title of the transferor, or his or her right to transfer the Securities.
- 10.4 All authorities to sign transfer deeds or other instruments of transfer granted by holders of Securities for the purpose of transferring Securities which may be lodged, produced or exhibited with or to the Company at its registered office shall, as between the Company and the grantor of such authorities, be taken and deemed to continue and remain in full force and effect, and the Company may allow the same to be acted upon until such time as express notice in writing of the revocation of the same shall have been given and lodged at such of the Company's offices at which the authority was first lodged, produced or exhibited. Even after the giving and lodging of such notice, the Company shall be entitled to give effect to any instruments signed under the authority to sign and certified by any officer of the Company as being in order before the giving and lodging of such notice.
- 10.5 All instruments of transfer, when registered, shall either be retained by the Company or disposed of in such manner as the Directors shall from time to time decide. Any instrument of transfer which the Directors may decline to register shall (unless the Directors resolve otherwise) be returned on demand to the person who lodged it.

- 10.6 The transfer of Uncertificated Securities may be effected only –
- 10.6.1 by a Participant or Central Securities Depository;
  - 10.6.2 on receipt of an instruction to transfer sent and properly authenticated in terms of the rules of a Central Securities Depository or an order of a Court; and
  - 10.6.3 in accordance with section 53 and the rules of the Central Securities Depository.
- 10.7 Transfer of ownership in any Uncertificated Securities must be effected by debiting the account in the Uncertificated Securities Register from which the transfer is effected and crediting the account in the Uncertificated Securities Register to which the transfer is effected, in accordance with the rules of the Central Securities Depository.
- 10.8 The Directors may decline to recognise any instrument of transfer unless the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the person signing as transferor to make the transfer.

## 11. NO LIEN

It is recorded for the avoidance of doubt that fully paid Securities shall not be subject to any lien in favour of the Company and shall be freely transferable.

## 12. TRANSMISSION OF SECURITIES

- 12.1 Subject to the provisions of this Memorandum of Incorporation dealing with restrictions on the transfer of Securities, the executor of the estate of a deceased sole holder of a Security shall be the only person recognised by the Company as having any title to such Security. In the case of a Security registered in the names of 2 (two) or more holders, the survivor or survivors, and the executor of the estate of any deceased Securities holder shall be the only persons recognised by the Company as having any title to such Security. Any person who submits proof of his appointment as the executor, administrator, trustee, curator, or guardian in respect of the estate of a deceased Shareholder or holder of other Securities (“**Security Holder**”) of the Company, or of a Security Holder whose estate has been sequestrated or of a Security Holder who is otherwise under a disability or as the liquidator of any body corporate which is a Security Holder of the Company, shall be entered in the Securities Register *nomine officio*, and shall thereafter, for all purposes, be deemed to be a Security Holder.
- 12.2 If when called upon by the Directors to do so the executor fails to register the deceased’s Securities in its name or the names of the heir or legatees, the Securities shall not be capable of being forfeited, but shall continue to be registered in the names of the deceased or the executor’s name *nomine officio*.
- 12.3 Subject to the provisions of clause 12.1, any person becoming entitled to any Security by virtue of the death of a Security Holder shall, upon producing such evidence as the Directors think sufficient that he has such title or rights, have the right either to have such Security transferred to himself or to make such other transfer of the Security as such Security Holder could have made; provided that in respect of a transfer other than to himself –
- 12.3.1 the Directors shall have the same right to refuse or suspend registration as they would have had in the case of a proposed transfer of such Security by such Security Holder before his death; and
  - 12.3.2 a person becoming entitled to any Security shall not, unless and until he is himself registered as a Security Holder in respect of such Security, be entitled to exercise any voting or other right attaching to such Security or any other right relating to meetings of the Company.

## 13. DEBT INSTRUMENTS

- 13.1 The Board may authorise the Company to issue secured or unsecured debt instruments, as set out in section 43(2).
- 13.2 The Board may not grant any special privileges associated with any debt instruments to be issued by the Company relating to attending and voting at general meetings and the appointment of directors, as contemplated in section 43(3)(a).

#### 14. CAPITALISATION SHARES

- 14.1 Provided such transaction(s) has/have been approved by the JSE, if so required under the JSE Listings Requirements (and the JSE Listings Requirements have been complied with), the Board shall, in accordance with section 47, have the power or authority to –
- 14.1.1 approve the issuing of any authorised Shares as capitalisation Shares, on a *pro rata* basis to the Shareholders of one or more classes of Shares;
  - 14.1.2 to issue Shares of one class as capitalisation Shares in respect of Shares of another class; or
  - 14.1.3 to resolve to permit Shareholders to elect to receive a cash payment *in lieu* of a capitalisation Share, or a Scrip Dividend (as defined in the JSE Listings Requirements), at a value determined by the Board, and accordingly, this Memorandum of Incorporation does not limit, restrict or qualify the authority of the Board to do so.
- 14.2 Without derogating from the restrictions in clause 14.1, the Board may not resolve to offer a cash payment *in lieu* of awarding a capitalisation Share, as contemplated in clause 14.1.3, unless the Board:
- 14.2.1 has considered the Solvency and Liquidity Test as required by section 46, on the assumption that every such Shareholder would elect to receive cash; and
  - 14.2.2 is satisfied that the Company would satisfy the Solvency and Liquidity Test immediately upon the completion of the distribution.

#### 15. BENEFICIAL INTERESTS IN SECURITIES

The Company's issued Securities may be held by, and registered in the name of, one person for the beneficial interest of another person as set out in section 56(1).

#### 16. FINANCIAL ASSISTANCE

The Board may authorise the Company to provide financial assistance by way of loan, guarantee, the provision of security or otherwise to any person for the purpose of, or in connection with, the subscription of any option, or any Securities, issued or to be issued by the Company or a related or inter-related company, or for the purchase of any such Securities, as set out in section 44, subject to the passing of the necessary special resolutions, and the authority of the Board in this regard is not limited or restricted by this Memorandum of Incorporation.

#### 17. ACQUISITION BY THE COMPANY OF ITS OWN SHARES

- 17.1 Subject to the JSE Listings Requirements, and in accordance with and subject to the provisions of section 48 of the Act and the further provisions of this clause 17 –
- 17.1.1 the Board may determine that the Company acquires any number of its own Shares; and
  - 17.1.2 the board of any subsidiary of the Company may determine that such subsidiary acquire Shares of the Company, but –
    - 17.1.2.1 not more than 10% (ten percent), in aggregate, of the number of issued Shares of any class may be held by, or for the benefit of, all of the subsidiaries of the Company, taken together; and
    - 17.1.2.2 no voting rights attached to those Shares may be exercised while the Shares are held by that subsidiary and it remains a subsidiary of the Company.
- 17.2 Any decision by the Company to acquire its own Shares must satisfy the JSE Listings Requirements and the requirements of the Act and, accordingly, the Company may not acquire its own Shares unless –
- 17.2.1 for as long as it is required in terms of the JSE Listings Requirements, the acquisition has been approved by a special resolution of the Shareholders in terms of the JSE Listings Requirements, whether in respect of a particular repurchase or generally approved by Shareholders and unless such acquisition otherwise complies with sections 5.67 to 5.69 of the JSE Listings Requirements (or such other sections as may be applicable from time to time);

- 17.2.2 the acquisition –
    - 17.2.2.1 is pursuant to an existing legal obligation of the Company, or a court order; or
    - 17.2.2.2 the Board, by resolution, has authorised the acquisition;
  - 17.2.3 it reasonably appears that the Company will satisfy the Solvency and Liquidity Test immediately after completing the proposed acquisition; and
  - 17.2.4 the Board, by resolution, has acknowledged that it has applied the Solvency and Liquidity Test and reasonably concluded that the Company will satisfy the Solvency and Liquidity Test immediately after completing the proposed acquisition.
- 17.3 A decision of the Board referred to in clause 17.1.1 –
- 17.3.1 must be approved by a special resolution of the Shareholders if any Shares are to be acquired by the Company from a Director or Prescribed Officer of the Company, or a person related to a Director or Prescribed Officer of the Company; and
  - 17.3.2 is subject to the requirements of sections 114 and 115 of the Act if considered alone, or together with other transactions in an integrated series of transactions, it involves the acquisition by the Company of more than 5% (five percent) of the issued Shares of any particular class of the Company's Shares.
- 17.4 Notwithstanding any other provision of this Memorandum of Incorporation, the Company may not acquire its own Shares, and no subsidiary of the Company may acquire Shares of the Company if, as a result of that acquisition, there would no longer be any Shares of the Company in issue other than –
- 17.4.1 Shares held by one or more subsidiaries of the Company; or
  - 17.4.2 convertible or redeemable shares.
- 17.5 The Company may, in accordance with the JSE Listings Requirements, and subject to the necessary Shareholders resolution approving the odd-lot offer by the requisite majority of Shareholders at a general meeting, make an odd-lot offer to Shareholders holding less than such number of Shares as the Directors may determine, subject to the JSE having approved such number of Shares, in terms of which the offeree Shareholders are given the right to elect to retain their shareholding or sell their Shares, and such odd-lot offer may provide that if any offeree Shareholder fails to exercise such right of election, his shareholding will be compulsorily sold as if he had elected to sell such shareholding.

## 18. RECORD DATE FOR EXERCISE OF SHAREHOLDER RIGHTS

- 18.1 The Board may set a record date for purposes of all transactions and determining which Shareholders are entitled to –
- 18.1.1 receive notice of a Shareholders meeting;
  - 18.1.2 participate in and vote at a Shareholders meeting;
  - 18.1.3 decide any matter by written consent or by Electronic Communication;
  - 18.1.4 receive a distribution; or
  - 18.1.5 be allotted or exercise other rights,
- provided that, for as long as the JSE Listings Requirements apply to the Company, such record date shall be the record date as required by the JSE Listings Requirements.
- 18.2 A record date determined by the Board –
- 18.2.1 may not be earlier than the date on which the record date is determined or more than 10 (ten) business days before the date on which the event or action, for which the record date is being set, is scheduled to occur; and
  - 18.2.2 must be published to the Shareholders in a manner that satisfies the JSE Listings Requirements and any prescribed requirements.



## 19. SHAREHOLDERS MEETINGS

- 19.1 The Board, or any Prescribed Officer of the Company authorised by the Board, is entitled to call a Shareholders meeting at any time.
- 19.2 Subject to the provisions of section 60 of the Act dealing with the passing of resolutions of Shareholders otherwise than at a meeting of Shareholders, the Company shall hold a Shareholders meeting –
- 19.2.1 at any time that the Board is required by the Act or this Memorandum of Incorporation to refer a matter to Shareholders for decision;
- 19.2.2 at any time that the Board is required by the JSE Listings Requirements to refer a matter to Shareholders for decision and accordingly nothing in this Memorandum of Incorporation shall be construed as prohibiting or restricting the Company from calling any meeting for the purposes of adhering to the JSE Listings Requirements;
- 19.2.3 whenever required in terms of the Act to fill a vacancy on the Board; or
- 19.2.4 when required in terms of clause 19.3 or by any other provision of this Memorandum of Incorporation.
- 19.3 The Board shall call a meeting of Shareholders if 1 (one) or more written and signed demands by Shareholders calling for such a meeting are delivered to the Company and –
- 19.3.1 each such demand describes the specific purpose for which the meeting is proposed; and
- 19.3.2 in aggregate, demands for substantially the same purpose are made and signed by the holders, at the earliest time specified in any of those demands, of at least 10% (ten percent) of the voting rights entitled to be exercised in relation to the matter proposed to be considered at the meeting.
- 19.4 Notwithstanding any provision of the Act to the contrary, and in addition to other meetings of the Company that may be convened from time to time, the Company shall convene an annual general meeting of its Shareholders once in each calendar year but no more than 15 months after the date of the previous annual general meeting.
- 19.5 Subject to the provisions of the JSE Listings Requirements, any such annual general meeting –
- 19.5.1 shall be capable of being held by Electronic Communication in accordance with the further provisions of this Memorandum of Incorporation; and
- 19.5.2 shall not be capable of being held in accordance with the provisions of section 60 of the Act set out in clause 24.
- 19.6 Each annual general meeting of the Company contemplated in clause 19.4 shall provide for at least the following business to be transacted –
- 19.6.1 the presentation of the financial statements for the immediately preceding financial year of the Company and an audit committee report;
- 19.6.2 the election of Directors, to the extent required by the Act or by this Memorandum of Incorporation;
- 19.6.3 the election of the audit committee members to the extent required by the Act or by this Memorandum of Incorporation;
- 19.6.4 the appointment of an auditor for the following financial year; and
- 19.6.5 any matters raised by the Shareholders, with or without advance notice to the Company.
- 19.7 Each annual general meeting of the Company contemplated in clause 19.4 or any special general meeting of the Company may provide for the passing and adoption of special resolutions, contemplated in clauses 28.1 and 28.4 of this Memorandum of Incorporation, relating to the following business –
- 19.7.1 the determination of Directors' remuneration for the 2 (two) year period following the annual general meeting or special general meeting at which the resolution is approved; and
- 19.7.2 the granting of financial assistance in terms of section 45.
- 19.8 Save as otherwise provided herein, the Company is not required to hold any other Shareholders meetings other than those specifically required by the Act and the JSE Listings Requirements.

- 19.9 The Board may determine the location of any Shareholders meeting, and the Company may hold any such meeting in the Republic or in any foreign country, and the authority of the Board and the Company in this regard is not limited or restricted by this Memorandum of Incorporation.
- 19.10 Every Shareholders meeting shall be reasonably accessible within the Republic for electronic participation by Shareholders, irrespective of whether the meeting is held in the Republic or elsewhere.
- 19.11 The minimum number of days for the Company to deliver a notice of a Shareholders meeting to the Shareholders as required by section 62 is as provided for in section 62(1) and, accordingly, any such notice shall be delivered to all Shareholders as of the record date for the meeting at least 15 (fifteen) business days before the meeting is to begin.
- 19.12 The quorum for a Shareholders meeting to begin or for a matter to be considered are as set out in sections 64(1) and 64(3) and accordingly –
- 19.12.1 at least 3 (three) Shareholders entitled to attend and vote and who are present in person or able to participate in the meeting by Electronic Communication, or represented by a proxy who is present in person or able to participate in the meeting by Electronic Communication, must be present;
- 19.12.2 a Shareholders meeting may not begin until sufficient persons are present at the meeting to exercise, in aggregate, at least 25% (twenty five percent) of the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the meeting; and
- 19.12.3 a matter to be decided at a Shareholders meeting may not begin to be considered unless sufficient persons are present at the meeting to exercise, in aggregate, at least 25% (twenty five percent) of all of the voting rights that are entitled to be exercised in respect of that matter at the time the matter is called on the agenda.
- 19.13 The time periods specified in section 64(4) and 64(5) apply to the Company without variation and, accordingly, if within 1 (one) hour after the appointed time for a meeting to begin, the requirements of clause 19.12 –
- 19.13.1 for that meeting to begin have not been satisfied, the meeting shall be postponed, without any motion, vote or further notice, for 1 (one) week;
- 19.13.2 for consideration of a particular matter to begin have not been satisfied –
- 19.13.2.1 if there is other business on the agenda of the meeting, consideration of that matter may be postponed to a later time in the meeting without any motion or vote; or
- 19.13.2.2 if there is no other business on the agenda of the meeting, the meeting shall be adjourned, without any motion or vote, for 1 (one) week,
- provided that the person intended to chair a meeting that cannot begin due to the operation of clause 19.12 may extend the 1 (one) hour limit allowed in clause 19.13 for a reasonable period on the grounds that –
- 19.13.3 exceptional circumstances affecting weather, transportation or Electronic Communication have generally impeded or are generally impeding the ability of Shareholders to be present at the meeting; or
- 19.13.4 one or more particular Shareholders, having been delayed, have communicated an intention to attend the meeting, and those Shareholders, together with others in attendance, would satisfy the requirements of clause 19.12.
- 19.14 The accidental omission to give notice of any meeting to any particular Shareholder or Shareholders shall not invalidate any resolution passed at any such meeting.
- 19.15 If at the time appointed in terms of clause 19.13 for a postponed meeting to begin, or for an adjourned meeting to resume, the requirements of clause 19.12 have not been satisfied, the Shareholders present in person or by proxy will be deemed to constitute a quorum.
- 19.16 After a quorum has been established for a meeting, or for a matter to be considered at a meeting, all the Shareholders forming part of the quorum must be present in person or by Electronic Communication at the meeting for the matter to be considered at the meeting.

- 19.17 The maximum period allowable for an adjournment of a Shareholders meeting under section 64(10) is as set out in section 64(12), without variation.
- 19.18 The chairperson, if any, of the Board shall preside as chairperson at every Shareholders meeting.
- 19.19 If there is no such chairperson, or if at any meeting he or she is not present within 15 (fifteen) minutes after the time appointed for holding the meeting or is unwilling to act as chairperson, the Directors present shall choose 1 (one) of their number to be chairperson. If no Director is willing to act as chairperson or if no Director is present within 15 (fifteen) minutes after the time appointed for commencement of the meeting, the Shareholders present shall choose one of their number to be chairperson of the meeting.
- 19.20 The chairperson of a Shareholders meeting may –
- 19.20.1 appoint any firm or persons to act as scrutineers for the purpose of checking any powers of attorney received and for counting the votes at the meeting; and
  - 19.20.2 act on a certificate given by any such scrutineers without requiring production at the meeting of the forms of proxy or himself counting the votes.
- 19.21 If any votes were counted which ought not to have been counted or if any votes were not counted which ought to have been counted, the error shall not vitiate the resolution, unless –
- 19.21.1 it is brought to the attention of the chairperson at the meeting; and
  - 19.21.2 in the opinion of the chairperson of the meeting, it is of sufficient magnitude to vitiate the resolution.
- 19.22 Any objection to the admissibility of any vote (whether on a show of hands or on a poll) shall be raised –
- 19.22.1 at the meeting or adjourned meeting at which the vote objected to was recorded; or
  - 19.22.2 at the meeting or adjourned meeting at which the result of the poll was announced,
- and every vote not then disallowed shall be valid for all purposes. Any objection made timeously shall be referred to the chairperson of the meeting, whose decision shall be final and conclusive.
- 19.23 Even if he is not a Shareholder or holder of any of the Company's Securities –
- 19.23.1 any Director; or
  - 19.23.2 the company's attorney (or where the company's attorneys are a firm, any partner or director thereof),  
may attend and speak at any general meeting, but may not vote, unless he is a Shareholder or holder of any of the Company's Securities or the proxy or representative of a Shareholder or person entitled to vote thereat.
- 19.24 Every shareholder shall be entitled to vote at every general meeting or annual general meeting in person or by proxy.

## 20. SHAREHOLDERS' MEETINGS BY ELECTRONIC COMMUNICATION

- 20.1 Subject to the provisions of the JSE Listings Requirements, and without derogating from the generality of the provisions of clause 19.24, the Company may conduct a Shareholders meeting entirely by Electronic Communication but must provide for participation in a meeting by Electronic Communication, as set out in section 63. The power of the Company to do so is not limited or restricted by this Memorandum of Incorporation. Accordingly –
- 20.1.1 any Shareholders meeting may be conducted entirely by Electronic Communication; or
  - 20.1.2 one or more Shareholders, or proxies for Shareholders, may participate by Electronic Communication in all or part of any Shareholders meeting that is being held in person,  
so long as the Electronic Communication employed ordinarily enables all persons participating in that meeting to communicate concurrently with each other and without an intermediary, and to participate reasonably effectively in the meeting.

- 20.2 Any notice of any meeting of Shareholders at which it will be possible for Shareholders to participate by way of Electronic Communication shall inform Shareholders of the ability to so participate and shall provide any necessary information to enable Shareholders or their proxies to access the available medium or means of Electronic Communication, provided that such access shall be at the expense of the Shareholder or proxy concerned.

## 21. VOTES OF SHAREHOLDERS

- 21.1 Subject to any special rights or restrictions as to voting attached to any shares by or in accordance with this Memorandum of Incorporation, at a meeting of the Company –
- 21.1.1 every ordinary Shareholder present and entitled to exercise voting rights shall be entitled to 1 (one) vote on a show of hands, irrespective of the number of voting rights that ordinary Shareholder would otherwise be entitled to exercise;
- 21.1.2 on a poll, a member who is present in person or represented by proxy shall be entitled to 1 (one) vote in respect of each share he holds. No objection shall be raised to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairperson of the meeting, whose decision shall be final and conclusive; and
- 21.1.3 the holders of Shares other than “A” and “B” Ordinary Shares shall not be entitled to vote on any resolution at a meeting of Shareholders, except as provided for in clause 21.11.
- 21.2 Voting shall be conducted by means of a polled vote in respect of any matter to be voted on at a meeting of Shareholders if a demand is made for such a vote by –
- 21.2.1 at least 5 (five) persons having the right to vote on that matter, either as Shareholders or as proxies representing Shareholders;
- 21.2.2 a Shareholder who is, or Shareholders who together are, entitled, as Shareholders or proxies representing Shareholders, to exercise at least 10% (ten percent) of the voting rights entitled to be voted on that matter; or
- 21.2.3 the chairperson of the meeting.
- 21.3 At any meeting of the Company a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded in accordance with the provisions of clause 21.2 and, unless a poll is so demanded, a declaration by the chairperson that a resolution has, on a show of hands, been carried or carried unanimously or by a particular majority or defeated, and an entry to that effect in the book containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution. The demand for a poll may be withdrawn.
- 21.4 If a poll is duly demanded, it shall be taken in such manner as the chairperson directs and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. In computing the majority on the poll, regard shall be had to the number of votes to which each Shareholder is entitled.
- 21.5 In the case of an equality of votes, whether on a show of hands or on a poll, the chairperson of the meeting at which the show of hands takes place, or at which the poll is demanded, shall not be entitled to a second or casting vote.
- 21.6 A poll demanded on the election of a chairperson (as contemplated in clause 19.19) or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairperson of the meeting directs. The demand for a poll shall not prevent the continuation of a meeting for the transaction of any business other than the question upon which the poll has been demanded.
- 21.7 Where there are joint registered holders of any share, any 1 (one) of such persons may exercise all of the voting rights attached to that share at any meeting, either personally or by proxy, as if he or she were solely entitled thereto. If more than 1 (one) of such joint holders is present at any meeting, personally or by proxy, the person so present whose name stands first in the Securities Register in respect of such share shall alone be entitled to vote in respect thereof.

- 21.8 The board of any company or the controlling body of any other entity or person that holds any Securities of the Company may authorise any person to act as its representative at any meeting of Shareholders of the Company, in which event the following provisions will apply –
- 21.8.1 the person so authorised may exercise the same powers of the authorising company, entity or person as it could have exercised if it were an individual holder of Shares; and
  - 21.8.2 the authorising company, entity or person shall lodge a resolution of the directors of such company or controlling body of such other entity or person confirming the granting of such authority, and certified under the hand of the chairperson or secretary thereof, with the Company before the commencement of any Shareholders meeting at which such person intends to exercise any rights of such Shareholder, unless excused from doing so by the chairperson of such meeting.
- 21.9 Any person recognised in terms of clause 22 may vote at any Shareholders meeting in the same manner as if he were the registered holder of the Shares in question; provided that at least 48 (forty eight) hours before the holding of the meeting at which he proposes to vote, he shall have satisfied the Board as to his status.
- 21.10 On a poll, votes may be given either personally or by proxy.
- 21.11 The holders of Shares, other than “A” and “B” Ordinary Shares or any Shares created for the purpose of black economic empowerment in terms of the Broad-Based Black Economic Empowerment Act, 53 of 2003 or the Broad-Based Black Economic Empowerment Codes of Good Practice (“**Affected Shareholders**”) shall not be entitled to vote on any resolution taken by the Company other than –
- 21.11.1 during any special period, as provided for in clause 21.11.3 below, during which any dividend, any part of any dividend on such Shares or any redemption payment thereon remains in arrears and unpaid; and/or
  - 21.11.2 in regard to any resolution proposed for the winding-up of the Company or the reduction of its capital;
  - 21.11.3 the period referred to in clause 21.11.1 above shall be the period commencing on a day specified in this Memorandum of Incorporation, if any, not being more than six months after the due date of the dividend or redemption payment in question or, where no due date is specified, after the end of the financial year of the Company in respect of which such dividend accrued or such redemption payment became due;
- and provided that where the shares held by such Affected Shareholders (“**Affected Shares**”) are entitled to vote, they shall not carry any special rights or privileges and the Affected Shareholder shall be entitled to one vote for every Affected Share held provided that the total voting rights of the Affected Shareholders in respect of the Affected Shares shall not be more than 24,99% (twenty four comma ninety nine percent) of the total voting rights of all Shareholders at such meeting.

## 22. SHAREHOLDER RIGHTS, PROXIES AND REPRESENTATIVES

- 22.1 Any Shareholder may at any time appoint any natural person (or two or more natural persons concurrently), including a natural person who is not a Shareholder, as a proxy to –
- 22.1.1 participate in, and speak and vote at, a Shareholders meeting on behalf of that Shareholder; or
  - 22.1.2 give or withhold written consent on behalf of that Shareholder to a decision contemplated in section 60, provided that a Shareholder may appoint more than 1 (one) proxy to exercise voting rights attached to different Securities held by the Shareholder.
- 22.2 A proxy appointment –
- 22.2.1 must be in writing, dated and signed by the Shareholder; and
  - 22.2.2 remains valid for –
    - 22.2.2.1 1 (one) year after the date on which it was signed; or
    - 22.2.2.2 any longer or shorter period expressly set out in the appointment, unless it is revoked in a manner contemplated in the Act or expires earlier as contemplated in the Act.

- 22.3 The holder of a power of attorney or other written authority from a Shareholder may, if so authorised thereby, represent such Shareholder at any meeting of the Company and such holder shall deliver the power of attorney or other written authority (if any), or a copy thereof, to the Company before such holder exercises any rights of the Shareholder at a Shareholders meeting.
- 22.4 All of the remaining provisions of the Act relating to the appointment and revocation of proxies and the rights of proxies generally shall apply and, in particular –
  - 22.4.1 a Shareholder has the right to appoint 2 (two) or more persons concurrently as proxies as set out in section 58(3)(a) (“**Concurrent Proxies**”), provided that the instrument appointing the Concurrent Proxies clearly states the order in which the Concurrent Proxies’ votes are to take precedence in the event that both or all of the Concurrent Proxies are present, and vote, at the relevant meeting;
  - 22.4.2 a Shareholders proxy may delegate the proxy’s powers to another person as set out in section 58(3)(b);
  - 22.4.3 a Shareholder or his proxy must deliver to the Company a copy of the instrument appointing a proxy at least 48 hours or such shorter period as the board may determine in respect of any meeting before the commencement of the meeting at which the proxy intends to exercise that Shareholders rights; and
  - 22.4.4 unless the instrument appointing a proxy provides otherwise, a Shareholder’s proxy may decide, without direction from the Shareholder, whether to exercise or abstain from exercising any voting right of the Shareholder, as set out in section 58(7),  
and none of such rights or powers are limited, restricted or varied by this Memorandum of Incorporation.
- 22.5 The chairman of any Shareholders meeting may reject or accept any form of proxy which is completed and/or received, other than in compliance with the provisions of clause 22.3, provided that, in respect of acceptances, he is satisfied as to the manner in which the Shareholder(s) concerned wish(es) to vote.
- 22.6 Every instrument of proxy shall, as far as circumstances permit, be substantially in the following form, or in such other form as the Directors may approve from time to time –

“I/We \_\_\_\_\_  
being a shareholder of Fortress Real Estate Investments Limited do hereby appoint \_\_\_\_\_

or failing him/her \_\_\_\_\_

or failing him/her, the chairperson of the meeting as my/our proxy to vote or abstain from voting on my/our behalf at the meeting of the Company to be held at \_\_\_\_\_ on \_\_\_\_\_ and at any adjournment thereof as follows:

	In favour of	Against	Abstain
Special Resolution 1	.....	.....	.....
Ordinary Resolution 1	.....	.....	.....

(Indicate instruction to proxy by way of a cross in space provided above). Except as instructed above or if no instructions are inserted above, my/our proxy may vote as he/she thinks fit.

**SIGNED** this    day of                    in the year of                    .

\_\_\_\_\_  
SHAREHOLDER’S SIGNATURE

(Note: A shareholder entitled to attend, speak and vote is entitled to appoint a proxy to attend, speak and vote in his/her stead, and such proxy need not be a shareholder of the Company).”

## 23. SHAREHOLDER RESOLUTIONS

- 23.1 For an ordinary resolution to be approved it must be supported by more than 50% (fifty percent) of the voting rights of Shareholders exercised on the resolution by all Shareholders present in person, or represented by proxy, as provided in section 65(7), unless otherwise stated in this Memorandum of Incorporation. Notwithstanding the foregoing, to the extent that the JSE Listings Requirements requires the support of a higher percentage of voting rights to be exercised in respect of any ordinary resolution, the Company shall not implement such ordinary resolution unless such ordinary resolution is supported by the higher percentage of voting rights of Shareholders required to be exercised on that resolution in terms of the JSE Listings Requirements.
- 23.2 For a special resolution to be approved it must be supported by the holders of at least 75% (seventy five percent) of the voting rights exercised on the resolution by all Shareholders present in person, or represented by proxy, as provided in section 65(9).
- 23.3 No matters, except:
- 23.3.1 those matters set out in section 65(11);
  - 23.3.2 any other matter required by the Act or this Memorandum of Incorporation to be resolved by means of a special resolution; or
  - 23.3.3 for so long as the Company's Securities are listed on the JSE, any other matter required by the JSE Listings Requirements to be resolved by means of a special resolution in terms of the JSE Listings Requirements,  
require a special resolution adopted at a Shareholders meeting of the Company.
- 23.4 In the event that any Shareholder abstains from voting in respect of any resolution, such Shareholder will, for the purposes of determining the number of votes exercised in respect of that resolution, be deemed not to have exercised a vote in respect thereof (i.e. that Shareholder's votes will neither be included in the aggregate number of votes cast nor in the total number of votes exercised in favour of or against that resolution).

## 24. SHAREHOLDERS ACTING OTHER THAN AT A MEETING

- 24.1 In accordance with the provisions of section 60, but subject to clause 24.5, a resolution that could be voted on at a Shareholders meeting (other than in respect of the election of Directors) may instead be –
- 24.1.1 submitted by the Board for consideration to the Shareholders entitled to exercise the voting rights in relation to the resolution; and
  - 24.1.2 voted on in writing by such Shareholders within a period of 20 (twenty) business days after the resolution was submitted to them.
- 24.2 A resolution contemplated in clause 24.1 –
- 24.2.1 will have been adopted if it is supported by persons entitled to exercise sufficient voting rights for it to have been adopted as an ordinary or special resolution, as the case may be, at a properly constituted Shareholders meeting; and
  - 24.2.2 if adopted, will have the same effect as if it had been approved by voting at a meeting.
- 24.3 In addition to a resolution passed in terms of clause 24.1, a resolution in writing signed by all the Shareholders entitled to vote thereon shall be as valid and effectual as if adopted at a duly convened general meeting of Shareholders of the Company.
- 24.4 Within 10 (ten) business days after adopting a resolution, in terms of the provisions of this clause 24, the Company shall deliver a statement describing the results of the vote, consent process, or election to every Shareholder who was entitled to vote on or consent to the resolution, or vote on the election of a Director, as the case may be.
- 24.5 For so long as is required under the JSE Listings Requirements or unless the JSE allows otherwise, the provisions of this clause 24 shall not apply to any Shareholder meetings that are called in terms of the JSE Listings Requirements (which for the avoidance of any doubt, must be held "in person") or to any annual general meeting of the Company.

## 25. COMPOSITION AND POWERS OF THE BOARD OF DIRECTORS

- 25.1 In addition to the minimum number of Directors, if any, that the Company must have to satisfy any requirement in terms of the Act to appoint an audit committee, or a social and ethics committee, the Board must comprise at least 4 (four) Directors and not more than 15 (fifteen) Directors. The Shareholders shall be entitled by ordinary resolution to amend such maximum number of Directors as they from time to time shall consider appropriate.
- 25.2 Subject to clauses 25.3, 25.4 and 25.5, all Directors shall be elected by an ordinary resolution of the Shareholders at a general or annual general meeting of the Company and no appointment of a Director in accordance with a resolution passed in terms of section 60 of the Act shall be valid.
- 25.3 Subject to the requirements of the Act, the chairman of the Board or the chief executive officer shall be entitled, subject to the written approval of the majority of the Directors, to appoint any person as a Director in terms of section 66(4)(a)(i), provided that such appointment must be approved by the Shareholders at the next Shareholders meeting or annual general meeting.
- 25.4 The authority of the Board to fill a vacancy on the Board on a temporary basis, as set out in section 68(3) is not limited or restricted by this Memorandum of Incorporation provided that any Directors so appointed must resign at the next annual general meeting of the Company and may make themselves available for election.
- 25.5 Accordingly, the Board shall have the power at any time and from time to time to appoint any person as a Director, either to fill a casual vacancy or as an addition to the Board.
- 25.6 Until 1 (one) or more Directors have been so elected, each incorporator of the Company shall, in terms of section 67(1), serve as a Director of the Company.
- 25.7 In any election of Directors –
- 25.7.1 the election is to be conducted as a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy or to confirm an additional appointment, with the series of votes continuing until all vacancies on the Board have been filled or all additional appointments have been confirmed; and
- 25.7.2 in each vote to fill a vacancy –
- 25.7.2.1 each vote entitled to be exercised may be exercised once; and
- 25.7.2.2 the vacancy is filled or the additional appointment confirmed only if a majority of the votes exercised support the candidate,
- provided only that, in the event that the Company only has 1 (one) Shareholder, the provisions of this clause 25.7 will not apply and the election of Directors shall take place in such manner as the Shareholder shall determine.
- 25.8 The Company shall only have elected Directors and there shall be no appointed or *ex officio* Directors as contemplated in section 66(4).
- 25.9 Apart from satisfying the qualification and eligibility requirements set out in section 69, a person need not satisfy any eligibility requirements or qualifications to become or remain a Director or a Prescribed Officer of the Company.
- 25.10 A Director shall cease to hold office as such if:
- 25.10.1 he becomes insolvent, or assigns his estate for the benefit of his creditors, or suspends payment or files a petition for the liquidation of his affairs, or compounds generally with his creditors;
- 25.10.2 he becomes of unsound mind;
- 25.10.3 in the case of an executive Director who is an employee of the Company, his employment relationship with the Company is terminated for whatsoever reason, including but not limited to, resignation, retirement, misconduct or otherwise;
- 25.10.4 he is prohibited from being, is removed as or is disqualified from acting as a director of a company in terms of the Act;
- 25.10.5 he is required to do so in terms of the JSE Listings Requirements;



- 25.10.6 subject to section 71 of the Act, he absents himself from meetings of the Board for 6 (six) consecutive months without the leave of the other Directors and is not represented at such meetings during such 6 (six) months by an alternate Director, and the Directors resolve that his office shall be vacated, provided that the Directors shall have the power to grant any Director leave of absence for an indefinite period;
- 25.10.7 he has given 1 (one) month's (or with the permission of the Directors, a lesser period) notice in writing of his intention to resign;
- 25.10.8 he is removed under clause 25.11; or
- 25.10.9 the Board resolved to remove him in accordance with section 71(3).
- 25.11 The Company may by ordinary resolution in accordance with clause 25.10.8 and section 71(2), remove any Director before the expiration of his period of office and by an ordinary resolution elect another person in his stead. The person so elected shall hold office until the next annual general meeting of the Company and shall then retire and be eligible for re-election.
- 25.12 No Director shall be appointed for life or for an indefinite period and the Directors shall rotate in accordance with the following provisions –
- 25.12.1 at each annual general meeting referred to in clause 19.4, 1/3 (one third) of the Directors for the time being, or if their number is not three or a multiple of three, the number nearest to 1/3 but not less than 1/3, shall retire from office, provided also that at least 1/3 (one third) of the non-executive Directors for the time being, or if their number is not three or a multiple of three, the number nearest to 1/3, but not less than 1/3, shall retire from office;
- 25.12.2 the Directors to retire in every year are, firstly those who have been appointed to fill a casual vacancy or an additional appointment to the Board, and secondly those who have been longest in office since their last election, but as between persons who were elected as Directors on the same day, those to retire shall, unless they otherwise agree among themselves, be determined by lot. Notwithstanding the foregoing, if at the date of any annual general meeting, any:
- 25.12.2.1 Director will have held office for a period of 3 (three) years since his last election or appointment;
- 25.12.2.2 Director will have reached the age of 75 (seventy five) years or older; and/or
- 25.12.2.3 non-executive Director will have held office for an aggregate period of 9 (nine) years since his first election or appointment,
- then such Director shall retire at such annual general meeting, either as one of the Directors to retire in pursuance to the foregoing or additionally thereto;
- 25.12.3 a retiring Director may be re-elected, provided he is eligible for election. If elected or re-elected he shall be deemed not to have vacated his office;
- 25.12.4 a retiring Director shall act as a Director throughout the annual general meeting at which he retires;
- 25.12.5 the Company, at the annual general meeting at which a Director retires in the above manner, or at any other general meeting, may fill the vacancy by electing a person thereto, provided that the Company shall not be entitled to fill the vacancy by means of a resolution passed in accordance with the provisions of section 60 of the Act as set out in clause 24; and
- 25.12.6 if at any meeting at which an election of Directors ought to take place the offices of the retiring Directors are not filled, unless it is expressly resolved not to fill such vacancies, the meeting shall stand adjourned and the further provisions of this Memorandum of Incorporation, including clauses 19.13 to 19.15 (inclusive) will apply *mutatis mutandis* to such adjournment, and if at such adjourned meeting the vacancies are not filled, the retiring Directors, or such of them as have not had their offices filled, shall be deemed to have been re-elected at such adjourned meeting.
- 25.13 The Board shall, through its nomination committee (if so constituted in terms of clause 31.1), provide the Shareholders with a recommendation in the notice of the meeting at which the re-election of a retiring Director is proposed, as to which retiring Directors are eligible for re-election, taking into account that Director's past performance and contribution. Any Shareholder shall have the right to nominate Directors.

- 25.14 The Board has the power to exercise all of the powers and perform any of the functions of the Company, as set out in section 66(1), and the powers of the Board in this regard are only limited and restricted as contemplated in this clause 25.
- 25.15 The Directors may at any time and from time to time by power of attorney appoint any person or persons to be the attorney or attorneys and agent(s) of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors in terms of this Memorandum of Incorporation) and for such period and subject to such conditions as the Directors may from time to time think fit. Any such appointment may, if the Directors think fit, be made in favour of any company, the members, directors, nominees or managers of any company or firm, or otherwise in favour of any fluctuating body of persons, whether nominated directly or indirectly by the Directors. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorneys and agents as the Directors think fit. Any such attorneys or agents as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.
- 25.16 Save as otherwise expressly provided herein, all cheques, promissory notes, bills of exchange and other negotiable or transferable instruments, and all documents to be executed by the Company, shall be signed, drawn, accepted, endorsed or executed, as the case may be, in such manner as the Directors shall from time to time determine.
- 25.17 All acts performed by the Directors or by a committee of Directors or by any person acting as a Director or a member of a committee shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of the Directors or persons acting as aforesaid, or that any of them were disqualified from or had vacated office, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of such committee.
- 25.18 If the number of Directors falls below the minimum number fixed in accordance with this Memorandum of Incorporation, the remaining Directors must as soon as possible and in any event not later than 3 (three) months from the date that the number falls below such minimum, fill the vacancy/ies, provided that such Director/s are elected by the Shareholders at the next annual general meeting or call a general meeting for the purpose of filling the vacancy/ies.
- 25.19 The failure by the Company to have the minimum number of Directors during the said 3 (three) month period does not limit or negate the authority of the board of Directors or invalidate anything done by the board of Directors while their number is below the minimum number fixed in accordance with this Memorandum of Incorporation.
- 25.20 The Directors in office may act notwithstanding any vacancy in their body, but if, after the expiry of the 3 (three) month period contemplated in clause 25.18 above, and for so long as their number is reduced below the minimum number fixed in accordance with this Memorandum of Incorporation, they may act only for the purpose of filling vacancies in their body in terms of section 68(3) or of summoning general meetings of the Company for that purpose provided that if there is no Director able or willing to act, then any Shareholder may convene a general meeting for that purpose, but not for any other purpose.
- 25.21 A Director may hold any other office or place of profit under the Company (except that of auditor or Company Secretary) or any subsidiary of the Company in conjunction with the office of Director, provided that the appointment, duration and remuneration (in addition to the remuneration to which he may be entitled as a Director) in respect of such other office must be determined by a disinterested quorum of Directors.
- 25.22 A Director of the Company may be employed in any other capacity in the Company or as a director or employee of a company controlled by or itself a major subsidiary of the Company and, in such event, his appointment and remuneration in respect of such other office must be determined by a disinterested quorum of Directors.
- 25.23 Each Director and each alternate Director, Prescribed Officer and member of any committee of the Board (whether or not such latter persons are also members of the Board) shall, subject to the exemptions contained in section 75(2) and the qualifications contained in section 75(3), comply with all of the provisions of section 75 in the event that they (or any person who is a related person to them) have a personal financial interest in any matter to be considered by the Board.
- 25.24 A Director may not vote on any resolution pertaining to any matter in which he has a personal financial interest as contemplated in section 75. However, notwithstanding his interest in any matter, such Director may be counted for the purposes of determining a quorum for a Board meeting.

25.25 The Board may authorise the payment of such donations by the Company to such religious, charitable, public or other bodies, clubs, funds, associations or persons as may seem desirable in the interests of the Company, provided that any donations to any political parties or associations shall require prior approval of Shareholders in a general or annual general meeting.

## 26. ALTERNATE DIRECTORS

26.1 Any Director shall have the power to nominate another person approved by the Board to act as alternate Director in his place during his absence or inability to act as such Director, provided that 50% (fifty percent) of all alternate Directors shall be elected by an ordinary resolution of the Shareholders at a general or annual general meeting of the Company in accordance with section 66(4)(b) of the Companies Act. Upon being elected or appointed as an alternate Director, the alternate Director shall, in all respects, be subject to the terms and conditions existing with reference to the other Directors of the Company. A person may be elected or appointed as alternate to more than one Director. Where a person is alternate to more than one Director or where an alternate Director is a Director, he shall have a separate vote, on behalf of each Director he is representing in addition to his own vote, if any.

26.2 The alternate Directors, whilst acting in the place of the Directors whom they represent, shall exercise and discharge all the duties and functions of the Directors they represent.

26.3 The appointment of an alternate Director shall cease on the happening of any event which, if he was a Director, would cause him to cease to hold office in terms of this Memorandum of Incorporation or if the Director whom he represents ceases to be a Director, or gives notice to the Company Secretary that the alternate Director representing him shall have ceased to do so. An alternate Director shall look to the Director whom he represents for his remuneration.

## 27. BOARD MEETINGS

27.1 Save as may be provided otherwise herein, the Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit.

27.2 The Directors may elect a chairperson and a deputy chairperson and determine the period for which each is to hold office. The chairperson, or in his absence the deputy chairperson, shall be entitled to preside over all meetings of Directors. If no chairperson or deputy chairperson is elected, or if at any meeting neither is present or willing to act as chairperson thereof within 10 (ten) minutes of the time appointed for holding the meeting, the Directors present shall choose 1 (one) of their number to be chairperson of such meeting.

27.3 In addition to the provisions of section 73(1), any Director shall at any time be entitled to call a meeting of the Directors.

27.4 The Board has the power to –

27.4.1 consider any matter and/or adopt any resolution other than at a meeting contemplated in section 74 and, accordingly, any decision that could be voted on at a meeting of the Board may instead be adopted by the written consent of a majority of the Directors, given in person or by Electronic Communication, provided that each Director has received notice of the matter to be decided. Such resolution, inserted in the minute book, shall be as valid and effective as if it had been passed at a meeting of directors. Any such resolution may consist of several documents and shall be deemed to have been passed on the date on which it was signed by the last director who signed it (unless a statement to the contrary is made in that resolution);

27.4.2 conduct a meeting entirely by Electronic Communication, or to provide for participation in a meeting by Electronic Communication, as set out in section 73(3), provided that, as required by such section, the Electronic Communication facility employed ordinarily enables all persons participating in the meeting to communicate concurrently with each other without an intermediary and to participate reasonably effectively in the meeting;

27.4.3 determine the manner and form of providing notice of its meetings contemplated in section 73(4), provided that –

- 27.4.3.1 the notice period for the convening of any meeting of the Board will be at least 7 (seven) days unless the decision of the Directors is required on an urgent basis which justifies a shorter period of notice, in which event the meeting may be called on shorter notice. The decision of the chairperson of the Board, or failing the chairperson for any reason, the decision of any 2 (two) directors as to whether a matter should be decided on an urgent basis, and the period of notice to be given, shall be final and binding on the Directors;
  - 27.4.3.2 an agenda of the matters to be discussed at the meeting shall be given to each Director, together with the notice referred to in clause 27.4.3.1;
  - 27.4.3.3 no meeting may be held if notice thereof and the agenda therefore is not given in accordance with clauses 27.4.3.1 and 27.4.3.2; and
  - 27.4.3.4 proceed with a meeting despite a failure or defect in giving notice of the meeting, as provided in section 73(5),  
and the powers of the Board in respect of the above matters are not limited or restricted by this Memorandum of Incorporation.
- 27.5 The quorum requirement for a board meeting (including an adjourned meeting) to begin, the voting rights at such a meeting, and the requirements for approval of a resolution at such a meeting are as set out in section 73(5), subject only to clause 27.5.5, and accordingly –
- 27.5.1 if all of the Directors of the Company –
    - 27.5.1.1 acknowledge actual receipt of the notice convening a meeting; or
    - 27.5.1.2 are present at a meeting; or
    - 27.5.1.3 waive notice of a meeting,
 the meeting may proceed even if the Company failed to give the required notice of that meeting or there was a defect in the giving of the notice;
  - 27.5.2 a majority of the Directors must be present at a meeting before a vote may be called at any meeting of the Directors;
  - 27.5.3 each Director has 1 (one) vote on a matter before the Board;
  - 27.5.4 a majority of the votes cast in favour of a resolution is sufficient to approve that resolution; and
  - 27.5.5 in the case of a tied vote at any meeting of the Directors:
    - 27.5.5.1 the chairperson of the Board may not cast a deciding vote in addition to any deliberative vote; and
    - 27.5.5.2 the matter being voted on shall fail.
- 27.6 Resolutions adopted by the Board –
- 27.6.1 must be dated and sequentially numbered; and
  - 27.6.2 are effective as of the date of the resolution, unless any resolution states otherwise.
- 27.7 Any minutes of a meeting, or a resolution, signed by the chairperson of the meeting, or by the chairperson of the next meeting of the Board, are evidence of the proceedings of that meeting, or the adoption of that resolution, as the case may be.
- 27.8 Minutes of all board meetings, resolutions and Directors' declarations shall be kept in accordance with the provisions of section 24.

## 28. DIRECTORS' COMPENSATION AND FINANCIAL ASSISTANCE

- 28.1 The Company may pay remuneration to the Directors for their services as Directors in accordance with a special resolution approved by the Company's Shareholders within the previous 2 (two) years, as set out in section 66(8) and (9), and the power of the Company in this regard is not limited or restricted by this Memorandum of Incorporation.

- 28.2 Any Director who –
- 28.2.1 serves on any executive or other committee;
  - 28.2.2 devotes special attention to the business of the Company;
  - 28.2.3 goes or resides outside South Africa for the purpose of the Company;
  - 28.2.4 otherwise performs or binds himself to perform services which, in the opinion of the Directors, are outside the scope of the ordinary duties of a Director,  
 may be paid such extra remuneration or allowances in addition to or in substitution of the remuneration to which he may be entitled as a Director, as a disinterested quorum of the Directors may from time to time determine.
- 28.3 The Directors may also be paid all their travelling and other expenses necessarily incurred by them in connection with –
- 28.3.1 the business of the Company; and
  - 28.3.2 attending meetings of the Directors or of committees of the Directors of the Company.
- 28.4 The Board may, as contemplated in and subject to the requirements of section 45, authorise the Company to provide financial assistance to a Director, Prescribed Officer or other person referred to in section 45(2), and the power of the Board in this regard is not limited or restricted by this Memorandum of Incorporation.

## 29. INDEMNIFICATION OF DIRECTORS

- 29.1 The Company may –
- 29.1.1 advance expenses to a Director or directly or indirectly indemnify a Director in respect of the defence of legal proceedings, as set out in section 78(4);
  - 29.1.2 indemnify a Director in respect of liability as set out in section 78(5); and/or
  - 29.1.3 purchase insurance to protect the Company or a Director as set out in section 78(7),  
 and the power of the Company in this regard is not limited, restricted or extended by this Memorandum of Incorporation.
- 29.2 The provisions of clause 29.1 shall apply *mutatis mutandis* in respect of any former Director, Prescribed Officer or member of any committee of the Board, including any committee.

## 30. BORROWING POWERS

- 30.1 Subject to this Memorandum of Incorporation, the Directors may from time to time exercise all of the powers of the Company to –
- 30.1.1 borrow for the purposes of the Company such sums as they think fit;
  - 30.1.2 secure the payment or repayment of any such sums, or any other sum, as they think fit, whether by the creation and issue of Securities, mortgage or charge upon all or any of the property or assets of the Company.
- 30.2 For the purposes of clause 30.1, at the time that any new borrowing is authorised by the Company –
- 30.2.1 the total consolidated liabilities as reflected in the Company's latest published interim or annual consolidated IFRS financial statements;
  - 30.2.2 less any capital repayments made on those liabilities after the balance sheet date;
  - 30.2.3 plus the nominal value of the new debt;
- shall not be more than 60% of the total consolidated assets as reflected in the Company's latest published interim or annual consolidated IFRS financial statements or *pro forma* consolidated balance sheet.

### 31. COMMITTEES OF THE BOARD

- 31.1 The Board may –
- 31.1.1 appoint committees of Directors and delegate to any such committee any of the authority of the Board as contemplated in section 72(1); and/or
  - 31.1.2 include in any such committee persons who are not Directors, as contemplated in section 72(2)(a), and the power of the Board in this regard is not limited or restricted by this Memorandum of Incorporation.
- 31.2 If and for as long as it is required to do so in terms of the Act, and unless the Company is exempted from doing so by the Tribunal in terms of section 72(5), the Board must appoint a social and ethics committee having the powers and functions prescribed in terms of section 72 and the Regulations.
- 31.3 If and for as long as any of the Company's Securities are listed on the JSE, the Board shall appoint such Board committees as are required by the JSE Listings Requirements, having such functions and powers as are prescribed by or in terms of the JSE Listings Requirements.
- 31.4 If and for as long as it is required to do so in terms of the Act, the Board must appoint an audit committee having the powers and functions prescribed in terms of section 94 and the Regulations.
- 31.5 The authority of a committee appointed by the Board as contemplated in sections 72(2)(b) and (c) is not limited or restricted by this Memorandum of Incorporation.

### 32. ANNUAL FINANCIAL STATEMENTS

- 32.1 The Company shall keep all such accurate and complete accounting records, in English, as are necessary to enable the Company to satisfy its obligations in terms of –
- 32.1.1 the Act;
  - 32.1.2 any other law with respect to the preparation of financial statements to which the Company may be subject; and
  - 32.1.3 this Memorandum of Incorporation.
- 32.2 The Company shall each year prepare annual financial statements within 6 (six) months after the end of its financial year, or such shorter period as may be appropriate to provide the required notice of an annual general meeting in terms of section 61(7).
- 32.3 The Company shall appoint an auditor upon, or as soon as reasonably possible after, its incorporation and each year at its annual general meeting. If the Company appoints a firm as its auditor, any change in the composition of the members of that firm shall not by itself create a vacancy in the office of auditor.
- 32.4 The annual financial statements of the Company shall be prepared and audited in accordance with the provisions of section 30.
- 32.5 A copy of the annual financial statements prepared in compliance with the JSE Listings Requirements must be distributed to Shareholders at least 15 business days before the date of the annual general meeting of the Company at which such annual financial statements will be considered.
- 32.6 The annual financial statements shall be prepared on a basis that is not inconsistent with any unalterable or non-elective provision of the Act and shall satisfy, as to form and content, the financial reporting standards of IFRS and, subject to and in accordance with IFRS –
- 32.6.1 present fairly the state of affairs and business of the Company and explain the transactions and financial position of the business of the Company;
  - 32.6.2 show the Company's assets, liabilities and equity, as well as its income and expenses and any other prescribed information;

- 32.6.3 set out the date on which the statements were produced and the accounting period to which they apply; and
- 32.6.4 bear a prominent notice indicating that the annual financial statements have been audited and the name and professional designation of the person who prepared them.

### 33. COMPANY SECRETARY

- 33.1 The Company must appoint a company secretary.
- 33.2 The company secretary must have the requisite knowledge of, or experience with, relevant laws and be a permanent resident of the Republic.
- 33.3 The Board must fill any vacancy in the office of company secretary within 60 (sixty) business days after such vacancy arises by a person whom the Directors consider to have the requisite knowledge and experience.

### 34. DISTRIBUTION RIGHTS ATTACHING TO THE “A” ORDINARY SHARES

- 34.1 If the Company resolves to declare a distribution to Shareholders in respect of any Income Period, no such distribution may be declared by the Company in respect of the “B” Ordinary Shares for such Income Period until the “A” Ordinary Share Distribution has been declared in respect of the “A” Ordinary Shares for that Income Period, and no such distribution shall be paid by the Company in respect of the “B” Ordinary Shares for such Income Period unless the relevant “A” Ordinary Share Distribution has been paid.
- 34.2 The “A” Ordinary Share Distributions for the “A” Ordinary Shares shall be calculated as follows
  - 34.2.1 Financial year ending 30 June 2015
    - 34.2.1.1 For the First Income Period for the financial year ending 30 June 2015, an “A” Ordinary Share Distribution of 58.81 cents per “A” Ordinary Share, escalated by an amount equal to the lesser of 5% or the most recently available CPI figure.
    - 34.2.1.2 For the Second Income Period for the financial year ending 30 June 2015, an “A” Ordinary Share Distribution of 58.81 cents per “A” Ordinary Share, escalated by an amount equal to the lesser of 5% or the most recently available CPI figure.
  - 34.2.2 Financial year ending 30 June 2016 and the financial years thereafter (other than the financial year ending 30 June 2020 and 30 June 2021)
    - 34.2.2.1 For the First Income Periods for the financial year ending 30 June 2016 and for the financial years thereafter (other than the financial year ending 30 June 2020 and 30 June 2021), an “A” Ordinary Share Distribution per “A” Ordinary Share equivalent to the prior year’s fixed distribution for the First Income Period per “A” Ordinary Share, escalated by an amount equal to the lesser of 5% or the most recently available CPI figure.
    - 34.2.2.2 For the Second Income Periods for the financial year ending 30 June 2016 and for the financial years thereafter (other than the financial year ending 30 June 2020 and 30 June 2021), an “A” Ordinary Share Distribution per “A” Ordinary Share equivalent to the prior year’s fixed distribution for the Second Income Period in the prior year per “A” Ordinary Share, escalated by an amount equal to the lesser of 5% or the most recently available CPI figure.
  - 34.2.3 Financial year ending 30 June 2020:
    - 34.2.3.1 For the First Income Period of the financial year ending 30 June 2020, an “A” Ordinary Share Distribution per “A” Ordinary Share equivalent to the prior year’s fixed distribution for the First Income Period per “A” Ordinary Share, escalated by an amount equal to the lesser of 5% or the most recently available CPI figure.
    - 34.2.3.2 For the Second Income Period of the financial year ending 30 June 2020, an “A” Ordinary Share Distribution per “A” Ordinary Share equivalent to either (i) the prior year’s fixed distribution for the Second Income Period in the prior year per “A” Ordinary Share, escalated by an amount equal to the lesser of 5% or the most recently available CPI figure; or (ii) if the Board considers it appropriate and in the interests of the Company, a lesser amount as determined by the Board, provided that for purposes of clause 34.3, the requirement that the “A” Ordinary Share Distribution has been declared shall only be fulfilled if the amount in (i) above is declared.

34.2.4 Financial year ending 30 June 2021:

34.2.4.1 For the First Income Period of the financial year ending 30 June 2021, an "A" Ordinary Share Distribution per "A" Ordinary Share equivalent to the prior year's fixed distribution for the First Income Period per "A" Ordinary Share, escalated by an amount equal to the lesser of 5% or the most recently available CPI figure.

34.2.4.2 For the Second Income Period of the financial year ending 30 June 2021, an "A" Ordinary Share Distribution per "A" Ordinary Share equivalent to either (i) the prior year's fixed distribution for the Second Income Period in the prior year per "A" Ordinary Share, escalated by an amount equal to the lesser of 5% or the most recently available CPI figure; or (ii) if the board considers it appropriate and in the interests of the Company, a lesser amount as determined by the board of directors, provided that for purposes of clause 34.3, the requirement that the "A" Ordinary Share Distribution has been declared shall only be fulfilled if the amount in (i) above is declared.

34.2.5 In determining the "A" Ordinary Share Distribution with reference to any prior period's distribution, other than the Second Income Period of the financial years ending 30 June 2020 and 30 June 2021, the prior period's distribution shall be determined or calculated with reference to the "A" Ordinary Share Distribution for the equivalent period in the prior year, whether or not such amount was declared or paid, and for the Second Income Period for the financial years ending 30 June 2021 and 30 June 2022, shall be determined with reference to the amount of the "A" Ordinary Share Distribution for the Second Income Period of the financial year ended 30 June 2020 and 30 June 2021 contemplated in paragraph 34.2.3.2(i) and 34.2.4.2(i) respectively, whether or not such amount (or other amount) was declared or paid.

34.3 If the Board resolves to declare a distribution to Shareholders in respect of any part of an Income Period, no such distribution shall be paid by the company in respect of the "B" Ordinary Shares for such Income Period until the "A" Ordinary Share Distribution has been declared in respect of the "A" Ordinary Shares for that Income Period, and the distribution in respect of the "B" Ordinary Shares shall be paid on the same date as the "A" Ordinary Share Distribution is paid.

34.4 The directors shall, for the purposes of calculating any distribution to be paid, be entitled in their discretion to ignore or round off downwards fractions of a cent of any distribution to be paid.

34.5 The amount of any "A" Ordinary Share Distribution which has been declared but not paid on the due date therefore, in respect of any Income Period shall escalate from the first day following the due date of payment of such "A" Ordinary Share Distribution up to (but excluding) the date of payment thereof at a rate equal to the Prime Rate plus 2%, calculated and compounded on a daily basis.

34.6 If the Company changes the date upon which its financial year ends, the Company shall be and it is hereby authorised to change the dates from which the "A" Ordinary Share Distributions are calculated, falls due, accrues and/or becomes payable, provided that:

34.6.1 the rights of the "A" Ordinary Shareholders to "A" Ordinary Share Distributions on their "A" Ordinary Shares shall not be diminished or adversely affected by such changes;

34.6.2 the Company shall forthwith notify "A" Ordinary Shareholders of the changes made by notice in terms of clause 39 or, if the "A" Ordinary Shares are listed on an exchange, on SENS (if listed on the JSE) or on any other news service of the relevant exchange, and in such other manner prescribed by the relevant exchange.

34.7 Save as provided in this clause 34 and clause 7 of this Memorandum of Incorporation, all issued shares shall rank *pari passu* in all respects.

## 35. DISTRIBUTIONS

35.1 Distributions shall be declared by the Directors in accordance with the Act.

35.2 Distributions may be declared either free of or subject to the deduction of income tax and any other tax or duty in respect of which the Company may be chargeable.



- 35.3 Subject to clause 34, no distribution shall bear interest against the Company, except as otherwise provided under the conditions of issue of the Shares in respect of which such distribution is payable.
- 35.4 The Directors may from time to time declare and pay to the Shareholders such interim distributions as the Directors consider to be appropriate.
- 35.5 All unclaimed monies due to Shareholders will be held by or on behalf of the Company in trust for the benefit of the Shareholder concerned until claimed, provided that, subject to the provisions of the Prescription Act, 68 of 1969, as amended from time to time and any other applicable laws of prescription, monies unclaimed for a period of 3 (three) years from the date on which they were declared (or such longer period as may be required under the laws of prescription) may be declared forfeited by the Directors for the benefit of the Company. The Directors may at any time annul such forfeiture upon such conditions (if any) as they think fit.
- 35.6 Any distribution, interest or other sum payable in cash to the holder of a Share may be paid by cheque or warrant sent by post and addressed to –
- 35.6.1 the holder at his registered address;
  - 35.6.2 in the case of joint holders, the holder whose name appears first in the Securities Register in respect of the Share, at his registered address; or
  - 35.6.3 such person and at such address as the holder or joint holders may in writing direct.
- 35.7 Should the Directors determine that any payments to Shareholders, either all or any of them, is to be made by cheque or warrant, then the Directors shall be entitled to suppress the issue of cheques or warrants with a value lower than R100.00 to any one Shareholder. The unpaid distribution will be retained in the Company's unclaimed distribution account and once the accumulated amount exceeds R100.00, such payment may be claimed by the Shareholder by submitting a written claim.
- 35.8 Every such cheque or warrant shall –
- 35.8.1 be made payable to the order of the person to whom it is addressed; and
  - 35.8.2 be sent at the risk of the holder or joint holders.
- 35.9 The Company shall not be responsible for the loss in transmission of any cheque or warrant or of any document (whether similar to a cheque or warrant or not) sent by post as aforesaid.
- 35.10 A holder or any one of two or more joint holders, or his or their agent duly appointed in writing, may give valid receipts for any distributions or other moneys paid in respect of a Share held by such holder or joint holders.
- 35.11 When such cheque or warrant is paid, it shall discharge the Company of any further liability in respect of the amount concerned.
- 35.12 A distribution may also be paid in any other way determined by the Directors, including without limitation by means of electronic funds transfer, and if the directives of the Directors in that regard are complied with, the Company shall not be liable for any loss or damage which a Shareholder may suffer as a result thereof.
- 35.13 Without detracting from the ability of the Company to issue capitalisation Shares, any distribution may be paid wholly or in part –
- 35.13.1 by the distribution of specific assets;
  - 35.13.2 by the issue of Shares, debentures or securities of the Company or of any other company;
  - 35.13.3 in cash; or
  - 35.13.4 in any other way which the Directors may at the time of declaring the distribution determine.
- 35.14 Where any difficulty arises in regard to such distribution, the Directors may settle that difficulty as they think expedient, and in particular may fix the value which shall be placed on such specific assets on distribution.
- 35.15 The Directors may –
- 35.15.1 determine that cash payments shall be made to any Shareholder on the basis of the value so fixed in order to secure equality of distribution; and

- 35.15.2 vest any such assets in trustees upon such trusts for the benefit of the persons entitled to the distribution as the Directors deem expedient.
- 35.16 Any distribution must be made payable to Shareholders registered as at a date subsequent to the date of declaration thereof or the date of confirmation thereof, whichever is the later date.
- 35.17 Payments to Shareholders shall be made in accordance with the JSE Listings Requirements and must not provide that capital shall be repaid upon the basis that it may be called up again.

## 36. ACCESS TO COMPANY RECORDS

- 36.1 Each person who holds or has a beneficial interest in any Securities issued by the Company is entitled to inspect and copy, without any charge for any such inspection or upon payment of no more than the prescribed maximum charge for any such copy, the information contained in the records of the Company referred to in section 26(1), being –
- 36.1.1 this Memorandum of Incorporation, and any amendments or alterations thereof;
  - 36.1.2 a record of the Directors, including the details of any person who has served as a Director, for a period of 7 (seven) years after that person has ceased to serve as a Director, and any information relating to such persons referred to in section 24(5);
  - 36.1.3 all –
    - 36.1.3.1 reports presented at an annual general meeting of the Company for a period of 7 (seven) years after the date of any such meeting, provided that no such inspection right shall exist if and to the extent that the Company is not required to, and does not, in fact, hold an annual general meeting; and
    - 36.1.3.2 annual financial statements required by the Act for a period of 7 (seven) years after the date on which each such particular financial statements were issued;
  - 36.1.4 notice and minutes of all Shareholders meetings, including –
    - 36.1.4.1 all resolutions adopted by them, for 7 (seven) years after the date each such resolution was adopted; and
    - 36.1.4.2 any document that was made available by the Company to the holders of Securities in relation to each such resolution;
  - 36.1.5 any written communications sent generally by the Company to all holders of any class of the Company's Securities, for a period of 7 (seven) years after the date on which each of such communications was issued; and
  - 36.1.6 the Securities Register.
- 36.2 A person not contemplated in clause 36.1 has a right to inspect the Securities Register and the register of Directors of the Company upon payment of an amount not exceeding the prescribed maximum fee for any such inspection.
- 36.3 A person who wishes to inspect the Uncertificated Securities Register may do so only through the Company in terms of section 26 of the Act, and in accordance with the rules of the Central Securities Depository. Within 5 (five) business days after the date of a request for inspection, the Company must produce a record of the Uncertificated Securities Register, which record must reflect at least the details referred to in section 50(3)(b) at the close of business on the day on which the request for inspection was made.
- 36.4 As provided for in section 26(3), this Memorandum of Incorporation does not establish any information rights of any person in addition to the information rights provided in sections 26(1) and 26(2).

## 37. RATIFICATION OF ULTRA VIRES ACTS

Unless otherwise agreed with the JSE, the ratification of the Company's actions as provided for in sections 20(2) and 20(6) of the Act is prohibited to the extent that such ratification is contrary to the JSE Listings Requirements.

### 38. PAYMENT OF COMMISSION

- 38.1 The Company may pay a commission at a rate not exceeding 10% of the issue price of a Security to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any Securities of the Company or for procuring or agreeing to procure, whether absolutely or conditionally, subscriptions for any Securities of the Company.
- 38.2 Commission may be paid out of capital or profits, whether current or accumulated, or partly out of the one and partly out of the other.
- 38.3 Such commission may be paid in cash or, if authorised by the Company in general meeting, by the allotment of fully or partly paid-up Shares, or partly in one way and partly in the other.
- 38.4 The Company may, on any issue of Securities, pay such brokerage as may be lawful.

### 39. NOTICES

- 39.1 Any notice, document, record and/or statement which the Company is required to give or publish to its Shareholders or which the Company elects to give or publish to its Shareholders may be given or published in any manner authorised by the Act and, if applicable, the JSE Listings Requirements including, without limitation, by being transmitted electronically to Shareholders.
- 39.2 To the extent required in terms of the JSE Listings Requirements, whilst the Company's Shares are listed on the JSE, all notices shall be released through SENS.
- 39.3 Any notice of a general meeting shall state the place, day and hour of, and the nature of the business to be transacted at the general meeting.
- 39.4 Notices of general meetings and annual general meetings shall be delivered to all Shareholders entitled to vote at such meeting and who have elected to receive such documents.
- 39.5 If a Shareholder does not notify the Company in writing of an address, email address or cell phone number for the purposes of receiving written notices from the Company, that Shareholder shall be deemed to have waived his right to be so served with notices until such time as that Shareholder notifies the Company in writing of an address, email address or cell phone number for the purposes of receiving written notices from the Company.
- 39.6 Subject to meeting all minimum requirements imposed by the Act, the Company is authorised to give or publish any notice, circular, document, record and/or statement (collectively a "**notification**") to its Shareholders by any method authorised by the Act including by means of electronic transmission (including, without limitation, by way of email or short message service (SMS)) and irrespective as to whether the address to which the notification is to be transmitted was notified to the Company (or its authorised agent or representative) by the Shareholder or otherwise sourced by the Company.
- 39.7 Any Shareholder whose address in the Securities Register is an address not within South Africa, and who shall from time to time furnish the Company with an address within South Africa at which notices can be served upon him, shall be entitled to have notices served upon him at such address.
- 39.8 Save as determined in this Memorandum of Incorporation or in the Act, no Shareholder other than a registered Shareholder whose address appears in the Securities Register as being in South Africa, shall be entitled to receive any notice from the Company.
- 39.9 In the case of joint holders of a Security, all notices shall, unless such holders otherwise in writing request and the Directors agree, be given to that Shareholder whose name appears first in the Securities Register and a notice so given shall be deemed sufficient notice to all the joint holders.
- 39.10 Every person who by operation of law, transfer or other means whatsoever becomes entitled to any Security shall be bound by every notice in respect of that Security which, prior to his name and address being entered in the Securities Register, was given to the person from whom he derives his title to such Security.

39.11 Any notice or document delivered in accordance with the provisions of this Memorandum of Incorporation shall, notwithstanding that such Shareholder was then deceased, and whether or not the Company has notice of his death, be deemed to have been duly served in respect of any Shares, whether held solely or jointly with other persons by such Shareholder, until some other person is registered in his stead as the sole or joint holder thereof, and such service shall for all purposes of this Memorandum of Incorporation be deemed a sufficient service of such notice or document on his heirs, executors or administrators, and all persons (if any) jointly interested with him in any such Securities.

#### **40. AMENDMENT OF MEMORANDUM OF INCORPORATION**

40.1 Every provision of this Memorandum of Incorporation is capable of amendment in accordance with sections 16, 17 and 152(6)(b). There is accordingly no provision of this Memorandum of Incorporation which may not be amended as contemplated in sections 15(2)(b) and (c).

40.2 This Memorandum of Incorporation may only be altered or amended by way of a special resolution of the Ordinary Shareholders in accordance with section 16(1)(c), except if such amendment is in compliance with a Court order as contemplated in sections 16(1)(a) and 16(4).

40.3 An amendment of this Memorandum of Incorporation will take effect from the later of –

40.3.1 the date on, and time at, which the Commission accepts the filing of the notice of amendment contemplated in section 16(7); and

40.3.2 the date, if any, set out in the said notice of amendment,

save in the case of an amendment that changes the name of the Company, which will take effect from the date set out in the amended registration certificate issued by the Commission.

40.4 In the circumstances where the Memorandum of Incorporation is proposed to be amended to remove or eliminate a specific inconsistency or contravention of the Act, which provision of this Memorandum of Incorporation is void in terms of section 15(1)(b) or could be declared void by a court of law in terms of section 218(1) the shareholders undertake not to object to that amendment on the grounds contemplated in section 164(2)(a) or demand that the company pay the shareholder fair value for all of the shares held by that person, in terms of section 164.

40.5 Save as set out in clause 40.2 above, this Memorandum of Incorporation is not capable of amendment by any other method. The provisions of section 16(1)(b) shall accordingly not apply to this Memorandum of Incorporation, nor shall any other alterable provisions of the Act which permit a method of altering or amending the Memorandum of Incorporation not set out in clause 40.2 above, apply to this Memorandum of Incorporation.

#### **41. WINDING UP**

If the Company is wound up, the assets remaining after payment of the debts and liabilities of the Company and the costs of the liquidation shall be applied as follows –

41.1 each of the holders of “A” Ordinary Shares shall be entitled to receive an amount equal to the volume weighted average sales price of an “A” Ordinary Share (as shown on the official price list published by the JSE) over the 60 (sixty) trading days immediately preceding the date of publication of any announcement detailing the events relating to such winding up;

Thereafter –

41.2 each of the “B” Ordinary Shareholders shall be entitled to receive any surplus of such monies available for distribution.

#### **42. COMPANY RULES**

The Board is prohibited from making, amending or repealing any rules as contemplated in section 15(3) of the Act and the Board’s capacity to make, amend or repeal such rules is hereby excluded.



## FORTRESS REAL ESTATE INVESTMENTS LIMITED

(formerly Fortress REIT Limited)

(Incorporated in the Republic of South Africa)

(Registration number 2009/016487/06)

JSE share codes: FFA ISIN: ZAE000248498

FFB ISIN: ZAE000248506

LEI: 378900FE98E30F24D975

("Fortress" or the "company")

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### NOTICE OF COMBINED GENERAL MEETING OF FORTRESS SHAREHOLDERS

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Where appropriate and applicable, the terms defined in the circular to which this notice of combined general meeting is attached bear the same meanings in this notice of combined general meeting and, in particular, in the resolutions set out below.

Notice is hereby given that a combined general meeting of all Fortress shareholders will be held at 10:00 on Friday, 19 January 2024 at the registered office of Fortress (Block C, Cullinan Place, Cullinan Close, Morningside, 2196), as well as virtually via a remote interactive electronic platform, Microsoft Teams, for the purpose of considering and, if deemed fit, passing with or without modification, the resolutions set out below.

Shareholders are referred to the circular, which sets out the information and explanatory material that they may require in order to determine whether to participate in the meeting and vote on the resolutions set out below.

In terms of section 62(3)(e) of the Companies Act:

- a shareholder who is entitled to attend and vote at the meeting 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; and
- shareholders recorded in the register of the company on the voting record date (including shareholders and their proxies) are required to provide reasonably satisfactory identification before being entitled to attend or participate in the meeting. In this regard, all shareholders recorded in the register on the voting record date will be required to provide identification satisfactory to the chairperson of the meeting. Forms of identification include valid identity documents, drivers' licenses and passports.

#### Important dates to note

**2023**

Record date to determine which Fortress shareholders are entitled to receive this circular	Friday, 24 November
Circular together with the accompanying notices convening the Fortress shareholder meetings, forms of proxy ( <i>pink, green and yellow</i> ) and forms of surrender and transfer ( <i>blue and grey</i> ) posted to Fortress shareholders on	Thursday, 30 November
Announcement relating to the issue of the circular (together with the notices of the Fortress shareholder meetings) released on SENS on	Thursday, 30 November
Announcement relating to the issue of the circular (together with the notices of the Fortress shareholder meetings) published in the press on	Friday, 1 December

Last date to trade in Fortress shares on the JSE in order to be recorded on the register to vote at the appropriate Fortress shareholder meeting(s) on	Tuesday, 9 January
Record date to be eligible to vote at the appropriate Fortress shareholder meeting(s), being the voting record date, by the close of trade on	Friday, 12 January
Last date and time to lodge forms of proxy in respect of the Fortress shareholder meetings with the transfer secretaries by 10:00 on (alternatively, the form of proxy may be handed to the chairperson of the Fortress shareholder meetings at any time prior to the commencement of the Fortress shareholder meetings or prior to voting on any resolution to be proposed at the Fortress shareholder meetings)	Wednesday, 17 January
Last date and time for Fortress shareholders to give notice of their objections to the special resolution approving the scheme in terms of section 164(3) of the Companies Act by no later than 10:00 on	Friday, 19 January
Combined general meeting held at 10:00 on	Friday, 19 January
Results of the Fortress shareholder meetings released on SENS on	Friday, 19 January
Results of the Fortress shareholder meetings published in the press on	Monday, 22 January

**Notes:**

- All times given in this document are local times in South Africa and may be changed by Fortress (subject to the approval of the JSE and/or the TRP, if required). The dates have been determined based on certain assumptions regarding the date by which certain shareholder and regulatory approvals will be obtained and that no court approval or review of the scheme resolution or the repurchase resolution will be required. Any change in the dates and times will be released on SENS and published in the press.
- A form of proxy not lodged with the transfer secretaries may be handed to the chairperson of the Fortress shareholder meetings at any time prior to the commencement of the Fortress shareholder meetings or prior to voting on any resolution to be proposed at the Fortress shareholder meetings.
- If any of the Fortress shareholder meetings is adjourned or postponed, a form of proxy submitted for the initial meeting will remain valid in respect of any adjournment or postponement of the meeting, unless it is withdrawn.
- If any of the Fortress shareholder meetings is adjourned or postponed, then forms of proxy that have not yet been submitted should be lodged with the transfer secretaries by no later than two business days before the adjourned or postponed meeting but may nonetheless be handed to the chairperson of the adjourned or postponed meeting at any time prior to the commencement of the adjourned or postponed meeting or prior to voting on any resolution to be proposed at the adjourned or postponed meeting.
- Fortress shareholders should note that as transactions in shares are settled in the electronic settlement system used by Strate, settlement of trades takes place three business days after such trades. Therefore, Fortress shareholders who acquire Fortress shares after close of trade on Tuesday, 9 January 2024 will not be eligible to vote at the Fortress shareholder meetings.

1. **SPECIAL RESOLUTION NUMBER 1: APPROVAL OF REPURCHASE OF FFB SHARES PURSUANT TO THE SCHEME**

“RESOLVED THAT, subject to the adoption of the scheme resolution, the company is authorised to repurchase the scheme shares from the scheme participants in consideration for the delivery by the Fortress subsidiaries, on behalf of Fortress of the consideration shares to scheme participants in accordance with the requirements of sections 48(8)(a) and 48(8)(b) of the Companies Act.”

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

The Companies Act requires the approval of Fortress shareholders by special resolution for the repurchase of FFB shares from scheme participants which will occur as a result of the scheme resolution.

In order for special resolution number 1 to be adopted, the support of at least 75% of the total number of votes cast by Fortress shareholders present or represented by proxy at this general meeting and entitled to vote, is required.

2. **SPECIAL RESOLUTION NUMBER 2: CONVERSION OF THE ISSUED FFA SHARES TO FFB SHARES**

“RESOLVED THAT, subject to the requisite resolutions being passed by the board of directors of the company and the holders of “A” Ordinary Shares, in terms of Clause 7.5 of the Memorandum of Incorporation of the company, all of the “A” Ordinary Shares in issue are hereby converted to “B” Ordinary Shares by amending the rights, preferences, limitations and other terms of the issued “A” Ordinary Shares as follows:

- the provisions of Clause 7.3, which contain the provisions relating to the redemption of issued “A” Ordinary Shares shall no longer apply in respect of the issued “A” Ordinary Shares, as at the FFA conversion record date;

- 2.2 the provisions of Clause 34, which contain the specific distribution rights attaching to the “A” Ordinary Shares, shall no longer apply in respect of the issued “A” Ordinary Shares, as at FFA conversion record date;
- 2.3 the provisions of Clause 41.1, which contain the “A” Ordinary Share preferential rights on winding up of the Company, shall no longer be applicable in respect of the issued “A” Ordinary Shares, as at FFA conversion record date; and
- 2.4 all other rights, preferences, limitations and other terms attaching to the issued “A” Ordinary Shares which differ from the rights, preferences, limitations and other terms attaching to the “B” Ordinary Shares (if any) shall be amended such that following the implementation of the conversion contemplated in this special resolution number 1, the issued “A” Ordinary Shares as at the FFA conversion record date shall have the same rights, preferences, limitations and other terms as the “B” Ordinary Shares.”

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

The reason for special resolution number 2 is to approve the conversion of the issued FFA shares to FFB shares and to set out the applicable amendments to the rights, preferences, limitations and other terms of the FFA shares required to implement such conversion.

The effect of special resolution number 2 is that, subject to the fulfilment or waiver (as applicable) of all of the conditions precedent (save for any condition precedent relating to this resolution being passed), all of the issued FFA shares shall become FFB shares, and as a result the listing of FFA shares on the Main Board of the JSE will be terminated with effect from Tuesday, 27 February 2024 or such other date as may be approved by the JSE in accordance with paragraph 1.17(b) of the JSE Listings Requirements.

In addition to the above, the effect of all the issued FFA shares converting into issued FFB shares is that the board will no longer be limited to declaring and paying a fixed distribution out of income in respect of those shares (as is the case for the FFA shares) and will be free to declare a distribution of any amount and from whatever source in respect of the converted FFB shares (by virtue of them being FFB shares and the only shares in issue), subject to compliance with the Companies Act.

Currently the fundamental differences between the rights attaching to the FFA shares and the FFB shares are: (i) the FFA shares have a preference on distributions out of income due to the requirement that a fixed distribution amount must be declared and paid in favour of the FFA shares prior to any distribution being declared and paid to the holders of FFB shares, (ii) the FFA shares are redeemable at a determinable price at the election of shareholders and (iii) the FFA shares have a preference to distributions upon the winding up of Fortress.

Notwithstanding that the rights of the current issued FFA shares are amended as contemplated in special resolution 2, these amended rights, and the resultant conversion of the issued FFA shares to FFB shares, does not require any amendments to the MOI. The reason for no amendments being required is that Fortress will retain two classes of authorised shares, namely the FFA shares and the FFB shares. As all of the terms of the FFB shares are already contemplated in the MOI, the conversion of the issued FFA shares to issued FFB shares does not affect the rights attaching to either class of share and thus does not affect the wording of the MOI.

The above amendments reflect the amendment of the abovementioned rights such that the FFA shares become FFB shares (as already contemplated in the MOI). Accordingly, all of the FFA shares in issue will become FFB shares upon implementation of this resolution, resulting in no FFA shares being in issue after the conversion.

As all the existing FFB shares are repurchased in terms of special resolution 1, the result of only converted FFB shares being in issue without any FFA shares being in issue is that the minimum dividend amount is not required to be met in order for distributions to be declared to shareholders (which shall all be the existing holders of FFA shares).

The FFA shares will still exist as a separate class of shares in the authorised share capital of Fortress, however there will be no FFA shares in issue following the conversion.

In order for special resolution 2 to be adopted, the support of at least 75% of the voting rights exercised on the resolution by shareholders, present in person or by proxy at the meeting, is required, provided that Shareholders holding in excess of 50% of the issued shares are present in person or represented by proxy at the combined general meeting.

### 3. SPECIAL RESOLUTION NUMBER 3: AMENDMENT TO THE MEMORANDUM OF INCORPORATION

“RESOLVED THAT the Memorandum of Incorporation of Fortress Real Estate Investments Limited be amended as follows:

3.1 by amending Clause 7.1 to read as follows:

“7.1 *The Company is authorised to issue:*

7.1.1. 830 019 693 (eight hundred and thirty million nineteen thousand six hundred and ninety three) “A” Ordinary Shares, each of which ranks *pari passu* (which shall have the meaning ascribed thereto in paragraph 3.29 of the Listings Requirements or any amendment paragraph in the Listings Requirements) in respect of all rights conferred on “A” Ordinary Shareholders in terms of the provisions of the Memorandum of Incorporation; and

7.1.2. 3 169 980 307 (three billion one hundred and sixty nine million nine hundred and eighty thousand three hundred and seven) “B” Ordinary Shares, each of which ranks *pari passu* (which shall have the meaning ascribed thereto in paragraph 3.29 of the Listings Requirements or any amendment paragraph in the Listings Requirements) in respect of all rights conferred on “B” Ordinary Shareholders in terms of the provisions of this Memorandum of Incorporation.”;

3.2 by amending Clause 7.4 such that it reads as follows:

“7.4 *For so long as the Company has “A” Ordinary Shares and “B” Ordinary Shares in issue then, an “A” Ordinary Share shall only be issued contemporaneously with the issue of a “B” Ordinary Share in the ratio of 1:1. However, an “A” Ordinary Share and a “B” Ordinary Share need not be issued to the same person and once issued the “A” Ordinary Share and the “B” Ordinary Share may be sold or disposed of separately. In addition, “A” Ordinary Shares may only be issued following a resolution of the holders of the “B” Ordinary Shares authorising the issue of such “A” Ordinary Shares, provided that 75% of the Shareholders shall be required to have voted in favour of such resolution.*”;

3.3 by amending Clause 8.4 and Clause 8.5 such that they read as follows:

“8.4. *In addition, and without prejudice to the provisions of clause 8.3, the variation of any preferences, rights, limitations and other terms associated with any class of Shares as set out in this Memorandum of Incorporation may be enacted only by an amendment of this Memorandum of Incorporation approved by special resolution of the Shareholders at a combined general meeting (where more than one class of Share is in issue), and such amendments shall not be implemented without a special resolution adopted by the holders of Shares of that class at a separate meeting, as contemplated in clause 7.5. If any amendment of the Memorandum of Incorporation relates to the variation of any preferences, rights, limitations and other share terms attaching to any class of shares other than the “A” Ordinary Shares and the “B” Ordinary Shares already in issue, that amendment must not be implemented without a special resolution, taken by the holders of Shares in that class at a separate meeting. In such instances, the holders of such Shares will be allowed to vote at the meeting of ordinary Shareholders subject to clause 21.11.*

8.5 *The authorisation and classification of Shares, the creation of any class of Shares, the conversion of one class of Shares into one or more other classes, the consolidation of securities, the sub-division of securities, the change of the name of the Company, the increase of number of Securities, and, subject to clause 8.3, the variation of any preference rights, limitations and other terms associated with each class of Shares as set out in this Memorandum of Incorporation may be changed only by an amendment of this Memorandum of Incorporation by special resolution of the Shareholders at a combined general meeting (where more than one class of Share is in issue) and in accordance with the JSE Listings Requirements, to the extent required, save if such an amendment is ordered by a court in terms of sections 16(1)(a) and 16(4) of the Act.*”;

3.4 by amending Clause 34.1 such that it reads as follows:

“34.1. *Where there are “A” Ordinary Shares in issue, if the Company resolves to declare a distribution to Shareholders in respect of any Income Period, no such distribution may be declared by the Company in respect of the “B” Ordinary Shares for such Income Period until the “A” Ordinary Share Distribution has been declared in respect of the “A” Ordinary Shares for that Income Period, and no such distribution shall be paid by the Company in respect of the “B” Ordinary Shares for such Income Period unless the relevant “A” Ordinary Share Distribution has been paid.*”;



3.5 by amending Clause 34.3 such that it reads as follows:

*“34.3. Where there are “A” Ordinary Shares in issue, if the Board resolves to declare a distribution to Shareholders in respect of any part of an Income Period, no such distribution shall be paid by the company in respect of the “B” Ordinary Shares for such Income Period until the “A” Ordinary Share Distribution has been declared in respect of the “A” Ordinary Shares for that Income Period, and the distribution in respect of the “B” Ordinary Shares shall be paid on the same date as the “A” Ordinary Share Distribution is paid.”.*

#### **Reason and effect of special resolution number 3**

The reason for special resolution number 3 is to record the consequential changes required to the MOI of the company as a result of the conversion of the issued FFA shares to FFB shares pursuant to special resolution 2.

The current MOI contemplates that there will be both FFA shares and FFB shares in issue at all times. Although the FFA shares will still exist as a separate class of shares in the authorised share capital of Fortress, following the conversion contemplated in special resolution 2 there will be no FFA shares in issue. Accordingly, amendments to the MOI are required to make provision for instances where the FFB shares are the only shares in issue. These amendments are the ones set out in special resolution 3.

The purpose of the amendment contemplated in paragraph 3.1 above is to record that following the FFA conversion, the issued FFA shares as at the FFA conversion record date will form part of the authorised FFB share capital (which is accordingly increased by the number of converted FFB shares) and shall no longer form part of the authorised FFA share capital (which is accordingly reduced by the number of converted FFB shares).

The purpose of the amendment contemplated in paragraph 3.2 above is to add the final sentence in clause 7.4, which creates the extra restriction on the issue of FFA shares by requiring that any such issue be approved by a special resolution of the holders of the FFB shares.

The purpose of the amendment contemplated in paragraph 3.3 is to add the underlined wording in clauses 8.4 and 8.5 so as to clarify that a combined meeting of Fortress shareholders will only be applicable where both FFA shares and FFB shares are in issue. Where only FFB shares are in issue then all shareholder meetings will be only of FFB shareholders.

The purpose of the amendment contemplated in paragraphs 3.4 and 3.5 is to add the underlined wording to clauses 34.1 and 34.3 so as to clarify that the restriction on the declaration of distributions to shareholders in clauses 34.1 and 34.3 will only apply if there are FFA shares in issue. Where there are no FFA shares in issue then the board’s discretion to declare distributions is not restricted by clause 34 of the MOI.

In order for special resolution 3 to be adopted, the support of at least 75% of the voting rights exercised on the resolution by shareholders, present in person or by proxy at the combined meeting, is required.

#### **4. SPECIAL RESOLUTION NUMBER 4: REVERSAL OF THE AMENDMENT TO THE MEMORANDUM OF INCORPORATION**

“RESOLVED THAT, subject to and in the event of (i) special resolution numbers 1, 2 and 3 being approved at the FFB general meeting in terms of the Companies Act; (ii) the scheme failing to become unconditional for whatever reason; and (iii) Fortress making an announcement on SENS to the effect that the scheme shall not be implemented, for whatever reason, the Memorandum of Incorporation of Fortress Real Estate Investments Limited is hereby replaced by the form of memorandum of incorporation attached hereto as Annexure 8 (being the form of memorandum of incorporation prior to the approval of special resolution 3)”.

#### **Reason and effect of special resolution number 4**

Following the adoption of special resolution 3 the amendments to the MOI will be filed with the Companies and Intellectual Property Commission in anticipation of the Scheme being implemented. In the event that the Scheme subsequently fails (notwithstanding the passing of special resolutions 1,2 and 3, then the amendments to the MOI set out in special resolution 3 will no longer be necessary. Accordingly, the version of the MOI as at the date of this notice will be required to be re-adopted and re-filed with the Companies and Intellectual Property Commission. The reason for special resolution number 4 is to approve such re-adoption of the existing MOI of the Company in the event that the scheme is not implemented.

In order for special resolution 4 to be adopted, the support of at least 75% of the voting rights exercised on the resolution by shareholders, present in person or by proxy at the combined meeting, is required.

## 5. ORDINARY RESOLUTION NUMBER 1: AUTHORISATION OF DIRECTORS

“RESOLVED THAT any director of the company and/or the company secretary be and are hereby authorised to do all things, sign all documents and take all such actions required and generally do anything necessary or desirable to give effect to and implement special resolution number 1, special resolution number 2, special resolution 3 and special resolution number 4 set out above and all such actions taken prior hereto be and are hereby ratified and approved to the extent permissible by law.”

### Reason and effect of ordinary resolution number 1

The reason for and effect of ordinary resolution number 1 is to authorise and empower the directors of Fortress and/or the company secretary to take all action as may be required, necessary or desirable to give effect to the special resolutions 1, 2, 3 and to the extent required, 4.

In order for ordinary resolution number 1 to be adopted, the support of at least 50% of the voting rights exercised on the resolution by shareholders eligible to vote thereon, present in person or by proxy at the combined meeting, is required.

## APPRAISAL RIGHTS FOR DISSENTING SHAREHOLDERS

In accordance with section 164 of the Companies Act, at any time before special resolution number 2 as set out in this notice convening the combined general meeting is voted on, a Fortress shareholder may give the company a written notice objecting to special resolution number 2.

Within 10 business days after the company has adopted special resolution number 2, the company must send a notice that the special resolution has been adopted to each Fortress shareholder who:

- gave the company a written notice of objection as contemplated above; and
- has neither withdrawn that notice nor voted in support of special resolution number 2.

A Fortress shareholder may demand that the company pay such shareholder the fair value for all of the shares of the company held by that person if:

- the shareholder has sent the company a written notice of objection;
- the company has adopted special resolution number 2; and
- the shareholder voted against the special resolution number 2 and has complied with all of the procedural requirements of section 164 of the Companies Act.

A copy of section 164 of the Companies Act is set out in **Appendix A to Annexure 1** of the circular to which this notice convening the combined general meeting is attached. Further detail regarding the process and consequences of a shareholder exercising its appraisal rights are set out in paragraph of the circular.

## VOTING AND QUORUM

The quorum requirement for the combined general meeting to begin or for a matter to be considered is at least three shareholders present in person. In addition:

- the combined general meeting may not begin until sufficient persons are present in person or represented by proxy to exercise, in aggregate, at least 25% of the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the combined general meeting; and
- a matter to be decided at the combined general meeting may not begin to be considered unless sufficient persons are present in person or represented by proxy to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised in respect of that matter at the time the matter is called on the agenda, provided that in respect of special resolution 2, the voting rights required to be represented shall increase to at least 50% of the voting rights that are entitled to be exercised in respect of thereof at the time the matter is called on the agenda.

Every shareholder present in person or represented by proxy and entitled to exercise voting rights at the combined general meeting shall be entitled to vote on a show of hands, irrespective of the number of voting rights that shareholder would otherwise be entitled to exercise. On a poll, any person who is present at the combined general meeting, whether as a shareholder or as proxy for a shareholder, has the number of votes determined in accordance with the voting rights associated with the shares held by that shareholder.

## SHAREHOLDERS

### General instructions

Shareholders who are entitled to attend, speak and vote at the combined general meeting are encouraged to do so.

## **Electronic participation**

Shareholders wishing to participate in the combined general meeting are requested, for administrative purposes, to submit notification of their intent (the “**electronic notice**”) by e-mail to the transfer secretaries JSE Investor Services Proprietary Limited, at meetingservices@jseinvestorservices.co.za as soon as possible and by no later than 10:00 on Wednesday, 17 January 2024. The electronic notice should include relevant contact details including email address, cellular number and landline, as well as full details of the shareholder’s title to the shares and proof of identity, in the form of copies of identity documents and share certificates (in the case of certificated shareholders), and (in the case of dematerialised shareholders) written confirmation from the shareholder’s CSDP confirming the shareholder’s title to the dematerialised shares. The shareholder should also indicate whether the shareholder wishes to vote by proxy or wishes to exercise votes during the combined general meeting. Upon receipt of the required information, the shareholder concerned will be provided with a link to access the combined general meeting which will take place via Microsoft Teams together with any further instructions. The fact that shareholders are requested to submit an electronic notice to the transfer secretaries before 10:00 on Wednesday, 17 January 2024 will not in any way affect the rights of shareholders who submit an electronic notice after this date and who have been fully verified (as required in terms of section 63(1) of the Companies Act) to participate in and/or vote at the combined general meeting.

## **Proxies and authority for representatives to act**

The attached form of proxy is only to be completed by:

- certificated shareholders; or
- own name dematerialised shareholders,

who cannot attend the combined general meeting but wish to be represented thereat.

All other beneficial owners who have dematerialised their shares through a CSDP or broker, without own name registration, and who wish to attend the combined general meeting, 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.

Forms of proxy are requested to be deposited at the transfer secretaries, JSE Investor Services Proprietary Limited, One Exchange Square, Gwen Lane, Sandown, 2196 posted to PO Box 4844, Johannesburg, 2000 or emailed to meetingservices@jseinvestorservices.co.za so as to arrive by no later than 10:00 on Wednesday, 17 January 2024. Forms of proxy not lodged with the transfer secretaries in time may be handed to the chairperson of the combined general meeting or to the transfer secretaries prior to the commencement of voting on any resolution at the combined general meeting. Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend, speak and vote in person at the combined general meeting or virtually via a remote interactive electronic platform, Microsoft Teams, should the shareholder decide to do so.

A company that is a shareholder, wishing to attend and participate at the combined general meeting should ensure that a resolution authorising a representative to so attend and participate at the combined general meeting on its behalf, is passed by its directors.

**Fortress does not accept responsibility and will not be held liable for any failure on the part of the CSDP or broker of a dematerialised shareholder to notify such shareholder of the combined general meeting of or any business to be conducted thereat.**

## **GENERAL NOTES**

1. Shareholders who are companies or other bodies corporate may, by resolution of its directors or other governing body, authorise any person to act as its representative at the combined general meeting.
2. The chairperson of the combined general meeting will be making a demand that all resolutions put to the vote shall be decided by way of a poll.

## **By order of the board**

**Fortress Real Estate Investments Limited**

30 November 2023

## **Registered office**

Block C, Cullinan Place  
Cullinan Close  
Morningside, 2196



## FORTRESS REAL ESTATE INVESTMENTS LIMITED

(formerly Fortress REIT Limited)

(Incorporated in the Republic of South Africa)

(Registration number 2009/016487/06)

JSE share codes: FFA ISIN: ZAE000248498

FFB ISIN: ZAE000248506

LEI: 378900FE98E30F24D975

("Fortress" or the "company")

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### NOTICE OF GENERAL MEETING OF FFA SHAREHOLDERS

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Where appropriate and applicable, the terms defined in the circular to which this notice of FFA general meeting is attached bear the same meanings in this notice of FFA general meeting and, in particular, in the resolutions set out below.

Notice is hereby given that a general meeting of FFA shareholders will be held at 10:30 on Friday, 19 January 2024 or 5 minutes after the completion of the combined general meeting, whichever is the later at the registered office of Fortress (Block C, Cullinan Place, Cullinan Close, Morningside, 2196), as well as virtually via a remote interactive electronic platform, Microsoft Teams, for the purpose of considering and, if deemed fit, passing with or without modification, the resolutions set out below.

FFA shareholders are referred to the circular, which sets out the information and explanatory material that they may require in order to determine whether to participate in the meeting and vote on the resolutions set out below.

The applicable provisions of the Companies Act and the memorandum of incorporation of Fortress which relate to general meetings of the company, voting, and the adoption of special resolutions, shall with the necessary changes apply.

In terms of section 62(3)I of the Companies Act:

- a shareholder who is entitled to attend and vote at the meeting 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; and
- shareholders recorded in the register of the company on the voting record date (including shareholders and their proxies) are required to provide reasonably satisfactory identification before being entitled to attend or participate in the meeting. In this regard, all shareholders recorded in the register on the voting record date will be required to provide identification satisfactory to the chairperson of the meeting. Forms of identification include valid identity documents, drivers' licenses and passports.

#### Important dates to note

	<b>2023</b>
Record date to determine which Fortress shareholders are entitled to receive this circular	Friday, 24 November
Circular together with the accompanying notices convening the Fortress shareholder meetings, forms of proxy ( <i>pink, green and yellow</i> ) and forms of surrender and transfer ( <i>blue and grey</i> ) posted to Fortress shareholders on	Thursday, 30 November
Announcement relating to the issue of the circular (together with the notices of the Fortress shareholder meetings) released on SENS on	Thursday, 30 November
Announcement relating to the issue of the circular (together with the notices of the Fortress shareholder meetings) published in the press on	Friday, 1 December

Last date to trade in Fortress shares on the JSE in order to be recorded on the register to vote at the appropriate Fortress shareholder meeting(s) on	Tuesday, 9 January
Record date to be eligible to vote at the appropriate Fortress shareholder meeting(s), being the voting record date, by the close of trade on	Friday, 12 January
Last date and time to lodge forms of proxy in respect of the Fortress shareholder meetings with the transfer secretaries by 10:00 on (alternatively, the form of proxy may be handed to the chairperson of the Fortress shareholder meetings at any time prior to the commencement of the Fortress shareholder meetings or prior to voting on any resolution to be proposed at the Fortress shareholder meetings)	Wednesday, 17 January
Last date and time for Fortress shareholders to give notice of their objections to the special resolution approving the scheme in terms of section 164(3) of the Companies Act by no later than 10:00 on	Friday, 19 January
FFA general meeting held at 10:30 or 5 minutes after the completion of the combined general meeting, whichever is the later, on	Friday, 19 January
Results of the Fortress shareholder meetings released on SENS on	Friday, 19 January
Results of the Fortress shareholder meetings published in the press on	Monday, 22 January

**Notes:**

- All times given in this document are local times in South Africa and may be changed by Fortress (subject to the approval of the JSE and/or the TRP, if required). The dates have been determined based on certain assumptions regarding the date by which certain shareholder and regulatory approvals will be obtained and that no court approval or review of the scheme resolution or the repurchase resolution will be required. Any change in the dates and times will be released on SENS and published in the press.
- A form of proxy not lodged with the transfer secretaries may be handed to the chairperson of the Fortress shareholder meetings at any time prior to the commencement of the Fortress shareholder meetings or prior to voting on any resolution to be proposed at the Fortress shareholder meetings.
- If any of the Fortress shareholder meetings is adjourned or postponed, a form of proxy submitted for the initial meeting will remain valid in respect of any adjournment or postponement of the meeting, unless it is withdrawn.
- If any of the Fortress shareholder meetings is adjourned or postponed, then forms of proxy that have not yet been submitted should be lodged with the transfer secretaries by no later than two business days before the adjourned or postponed meeting but may nonetheless be handed to the chairperson of the adjourned or postponed meeting at any time prior to the commencement of the adjourned or postponed meeting or prior to voting on any resolution to be proposed at the adjourned or postponed meeting.
- Fortress shareholders should note that as transactions in shares are settled in the electronic settlement system used by Strate, settlement of trades takes place three business days after such trades. Therefore, Fortress shareholders who acquire Fortress shares after close of trade on Tuesday, 9 January 2024 will not be eligible to vote at the Fortress shareholder meetings.

## 1. SPECIAL RESOLUTION NUMBER 1: CONVERSION OF THE ISSUED FFA SHARES TO FFB SHARES

“RESOLVED THAT, subject to the requisite resolutions being passed by the board of directors of the company and the shareholders at a combined general meeting, in terms of Clause 7.5 of the Memorandum of Incorporation of the company, all of the “A” Ordinary Shares in issue are hereby converted to “B” Ordinary Shares by amending the rights, preferences, limitations and other terms of the issued “A” Ordinary Shares as follows:

- the provisions of Clause 7.3, which contain the provisions relating to the redemption of the issued “A” Ordinary Shares, shall no longer apply in respect of the issued “A” Ordinary Shares as at the FFA conversion record date;
- the provisions of Clause 34, which contain the specific distribution rights attaching to the “A” Ordinary Shares, shall no longer apply in respect of the issued “A” Ordinary Shares as at the FFA conversion record date;
- the provisions of Clause 41.1, which contain the “A” Ordinary Share preferential rights on winding up of the Company, shall no longer be applicable in respect of the issued “A” Ordinary Shares as at the FFA conversion record date; and
- all other rights, preferences, limitations and other terms attaching to the issued “A” Ordinary Shares which differ from the rights, preferences, limitations and other terms attaching to the “B” Ordinary Shares (if any) shall be amended such that following the implementation of the conversion contemplated in this special resolution number 1, the issued “A” Ordinary Shares as at the FFA conversion record date shall have the same rights, preferences, limitations and other terms as the “B” Ordinary Shares.”

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

The reason for special resolution number 1 is to approve the conversion of the issued FFA shares to FFB shares and to set out the applicable amendments to the terms of the issued FFA shares required to implement such conversion.

The effect of special resolution number 1 is that, subject to the fulfilment or waiver (as applicable) of all of the conditions precedent (save for any condition precedent relating to this resolution being passed), all of the issued FFA shares shall be converted to FFB shares, and as a result the listing of FFA shares on the Main Board of the JSE will be terminated with effect from Tuesday, 27 February 2024 or such other date as may be approved by the JSE in accordance with paragraph 1.17(b) of the JSE Listings Requirements.

In addition to the above, the effect of all the issued FFA shares converting into issued FFB shares is that the board will no longer be limited to declaring and paying a fixed distribution out of income in respect of those shares (as is the case for the FFA shares) and will be free to declare a distribution of any amount and from whatever source in respect of the converted FFB shares (by virtue of them being FFB shares and the only shares in issue), subject to applicable compliance with the Companies Act.

Currently the fundamental difference between the rights attaching to the FFA shares and the FFB shares are: (i) the FFA shares have a preference on distributions out of income due to the requirement that a fixed distribution amount must be declared and paid in favour of the FFA shares prior to any distribution to be declared and paid to the holders of FFB shares, (ii) the FFA shares are redeemable at a determinable price at the election of shareholders and (iii) the FFA shares have a preference to distributions upon the winding up of Fortress.

Notwithstanding that the rights of the current issued FFA shares are amended as contemplated in special resolution 1, these amended rights, and the resultant conversion of the issued FFA shares to FFB shares, does not require any amendments to the MOI. The reason for no amendments being required is that Fortress will retain two classes of authorised shares, namely the FFA shares and the FFB shares. As all of the terms of the FFB shares are already contemplated in the MOI, the conversion of the issued FFA shares to issued FFB shares does not affect the rights attaching to either class of share and thus does not affect the wording of the MOI.

The above amendments reflect the amendment of the abovementioned rights such that the FFA shares become FFB shares (as a class of shares already contemplated and fully set out in the MOI). Accordingly, all of the FFA shares in issue will become FFB shares upon implementation of this resolution, resulting in no FFA shares being in issue after the conversion.

As all the existing FFB shares are repurchased in terms of special resolution 1, the result of only converted FFB shares being in issue without any FFA shares being in issue is that the minimum dividend amount is not required to be met in order for distributions to be declared to shareholders (which shall all be the existing holders of FFA shares).

The FFA shares will still exist as a separate class of shares in the authorised share capital of Fortress, however there will be no FFA shares in issue following the conversion.

In order for special resolution 1 to be adopted, the support of at least 75% of the voting rights exercised on the resolution by shareholders, present in person or by proxy at the meeting, is required, provided that FFA shareholders holding in excess of 50% of the issued FFA shares are present in person or represented by proxy at the meeting.

## **2. SPECIAL RESOLUTION NUMBER 2: AMENDMENT TO THE MEMORANDUM OF INCORPORATION**

“RESOLVED THAT the Memorandum of Incorporation of Fortress Real Estate Investments Limited be amended as follows:

2.1 by amending Clause 7.1 to read as follows:

“7.1 *The Company is authorised to issue:*

7.1.1. *830 019 693 (eight hundred and thirty million nineteen thousand six hundred and ninety three) “A” Ordinary Shares, each of which ranks pari passu (which shall have the meaning ascribed thereto in paragraph 3.29 of the Listings Requirements or any amendment paragraph in the Listings Requirements) in respect of all rights conferred on “A” Ordinary Shareholders in terms of the provisions of the Memorandum of Incorporation; and*

7.1.2. *3 169 980 307 (three billion one hundred and sixty nine million nine hundred and eighty thousand three hundred and seven) “B” Ordinary Shares, each of which ranks pari passu (which shall have the meaning ascribed thereto in paragraph 3.29 of the Listings Requirements or any amendment paragraph in the Listings Requirements) in respect of all rights conferred on “B” Ordinary Shareholders in terms of the provisions of this Memorandum of Incorporation.”;*

2.2 by amending Clause 7.4 such that it reads as follows:

*“7.4 For so long as the Company has “A” Ordinary Shares and “B” Ordinary Shares in issue then, an “A” Ordinary Share shall only be issued contemporaneously with the issue of a “B” Ordinary Share in the ratio of 1:1. However, an “A” Ordinary Share and a “B” Ordinary Share need not be issued to the same person and once issued the “A” Ordinary Share and the “B” Ordinary Share may be sold or disposed of separately. In addition, “A” Ordinary Shares may only be issued following a resolution of the holders of the “B” Ordinary Shares authorising the issue of such “A” Ordinary Shares, provided that 75% of the Shareholders shall be required to have voted in favour of such resolution.”;*

2.3 by amending Clause 8.4 and Clause 8.5 such that they read as follows:

*“8.4. In addition, and without prejudice to the provisions of clause 8.3, the variation of any preferences, rights, limitations and other terms associated with any class of Shares as set out in this Memorandum of Incorporation may be enacted only by an amendment of this Memorandum of Incorporation approved by special resolution of the Shareholders at a combined general meeting (where more than one class of Share is in issue), and such amendments shall not be implemented without a special resolution adopted by the holders of Shares of that class at a separate meeting, as contemplated in clause 7.5. If any amendment of the Memorandum of Incorporation relates to the variation of any preferences, rights, limitations and other share terms attaching to any class of shares other than the “A” Ordinary Shares and the “B” Ordinary Shares already in issue, that amendment must not be implemented without a special resolution, taken by the holders of Shares in that class at a separate meeting. In such instances, the holders of such Shares will be allowed to vote at the meeting of ordinary Shareholders subject to clause 21.11.*

*8.5 The authorisation and classification of Shares, the creation of any class of Shares, the conversion of one class of Shares into one or more other classes, the consolidation of securities, the sub-division of securities, the change of the name of the Company, the increase of number of Securities, and, subject to clause 8.3, the variation of any preference rights, limitations and other terms associated with each class of Shares as set out in this Memorandum of Incorporation may be changed only by an amendment of this Memorandum of Incorporation by special resolution of the Shareholders at a combined general meeting (where more than one class of Share is in issue) and in accordance with the JSE Listings Requirements, to the extent required, save if such an amendment is ordered by a court in terms of sections 16(1)(a) and 16(4) of the Act.”;*

2.4 by amending Clause 34.1 such that it reads as follows:

*“34.1 Where there are “A” Ordinary Shares in issue, if the Company resolves to declare a distribution to Shareholders in respect of any Income Period, no such distribution may be declared by the Company in respect of the “B” Ordinary Shares for such Income Period until the “A” Ordinary Share Distribution has been declared in respect of the “A” Ordinary Shares for that Income Period, and no such distribution shall be paid by the Company in respect of the “B” Ordinary Shares for such Income Period unless the relevant “A” Ordinary Share Distribution has been paid.”; and*

2.5 by amending Clause 34.3 such that it reads as follows:

*“34.3. Where there are “A” Ordinary Shares in issue, if the Board resolves to declare a distribution to Shareholders in respect of any part of an Income Period, no such distribution shall be paid by the company in respect of the “B” Ordinary Shares for such Income Period until the “A” Ordinary Share Distribution has been declared in respect of the “A” Ordinary Shares for that Income Period, and the distribution in respect of the “B” Ordinary Shares shall be paid on the same date as the “A” Ordinary Share Distribution is paid.”.*

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

The reason for special resolution number 2 is to record the consequential changes required to the MOI of the company as a result of the conversion of the issued FFA shares to FFB shares contemplated in special resolution 1.

The current MOI contemplates that there will be both FFA shares and FFB shares in issue at all times. Although the FFA shares will still exist as a separate class of shares in the authorised share capital of Fortress, following the conversion contemplated in special resolution 2 there will be no FFA shares in issue. Accordingly, amendments to the MOI are required to make provision for instances where the FFB shares are the only shares in issue. These amendments are the ones set out in special resolution 2.

The purpose of the amendment contemplated in paragraph 2.1 above is to record that following the FFA conversion, the issued FFA shares as at the FFA conversion record date will form part of the authorised FFB share capital (which is accordingly increased by the number of converted FFB shares) and shall no longer form part of the authorised FFA share capital (which is accordingly reduced by the number of converted FFB shares).

The purpose of the amendment contemplated in paragraph 2.2 above is to add the final sentence in clause 7.4, which creates the extra restriction on the issue of FFA shares by requiring that any such issue be approved by a special resolution of the holders of the FFB shares.

The purpose of the amendment contemplated in paragraph 2.3 is to add the underlined wording in clauses 8.4 and 8.5 so as to clarify that a combined meeting of the Shareholders will only be applicable where both FFA shares and FFB shares are in issue. Where only FFB shares are in issue then all shareholder meetings will be only of FFB shareholders.

The purpose of the amendment contemplated in paragraph 2.4 and 2.5 is to add the underlined wording to clauses 34.1 and 34.3 so as to clarify that the restriction on the declaration of distributions to shareholders in clauses 34.1 and 34.3 will only apply if there are FFA shares in issue. Where there are no FFA shares in issue then the board's discretion to declare distributions is not restricted by clause 34 of the MOI.

In order for special resolution 2 to be adopted, the support of at least 75% of the voting rights exercised on the resolution by shareholders, present in person or by proxy at the combined meeting, is required.

### **3. SPECIAL RESOLUTION NUMBER 3: REVERSAL OF THE AMENDMENT TO THE MEMORANDUM OF INCORPORATION**

“RESOLVED THAT, subject to and in the event of (i) special resolutions number 1 and 2 being approved at the FFB general meeting in terms of the Companies Act; (ii) the scheme failing to become unconditional for whatever reason; and (iii) Fortress making an announcement on SENS to the effect that the scheme shall not be implemented, for whatever reason, the Memorandum of Incorporation of Fortress Real Estate Investments Limited is hereby replaced by the form of memorandum of incorporation attached hereto as Annexure 8 (being the form of memorandum of incorporation prior to the approval of special resolution 3)”.

#### **Reason and effect of special resolution number 3**

Following the adoption of special resolution 3 the amendments to the MOI will be filed with the Companies and Intellectual Property Commission in anticipation of the Scheme being implemented. In the event that the Scheme subsequently fails (notwithstanding the passing of special resolutions 1,2 and 3, then the amendments to the MOI set out in special resolution 3 will no longer be necessary. Accordingly the version of the MOI as at the date of this notice will be required to be re-adopted and re-filed with the Companies and Intellectual Property Commission. The reason for special resolution number 3 is to approve such re-adoption of the existing MOI of the company in the event that the scheme is not implemented.

In order for special resolution 3 to be adopted, the support of at least 75% of the voting rights exercised on the resolution by shareholders, present in person or by proxy at the combined meeting, is required.

### **VOTING AND QUORUM**

The quorum requirement for the FFA general meeting to begin or for a matter to be considered is at least three FFA shareholders present in person. In addition:

- the FFA general meeting may not begin until sufficient persons are present in person or represented by proxy to exercise, in aggregate, at least 25% of the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the FFA general meeting; and
- a matter to be decided at the FFA general meeting may not begin to be considered unless sufficient persons are present in person or represented by proxy to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised in respect of that matter at the time the matter is called on the agenda, provided that, in respect of special resolution 2, the voting rights required to be represented shall increase to at least 50% of the voting rights that are entitled to be exercised in respect of thereof at the time the matter is called on the agenda.

Every FFA shareholder present in person or represented by proxy and entitled to exercise voting rights at the FFA general meeting shall be entitled to vote on a show of hands, irrespective of the number of voting rights that FFA shareholder would otherwise be entitled to exercise. On a poll, any person who is present at the FFA meeting, whether as a shareholder or as proxy for a shareholder, has the number of votes determined in accordance with the voting rights associated with the shares held by that shareholder.

### **SHAREHOLDERS**

#### **General instructions**

FFA shareholders who are entitled to attend, speak and vote at the FFA general meeting are encouraged to do so.



## **Electronic participation**

FFA shareholders wishing to participate in the FFA general meeting are requested, for administrative purposes, to submit notification of their intent (the “**electronic notice**”) by e-mail to the transfer secretaries JSE Investor Services Proprietary Limited, at meetingservices@jseinvestorservices.co.za as soon as possible and by no later than 10:00 on Wednesday, 17 January 2024. The electronic notice should include relevant contact details including email address, cellular number and landline, as well as full details of the FFA shareholder’s title to the shares and proof of identity, in the form of copies of identity documents and share certificates (in the case of certificated shareholders), and (in the case of dematerialised shareholders) written confirmation from the FFA shareholder’s CSDP confirming the FFA shareholder’s title to the dematerialised shares. The FFA shareholder should also indicate whether the FFA shareholder wishes to vote by proxy or wishes to exercise votes during the FFA general meeting. Upon receipt of the required information, the FFA shareholder concerned will be provided with a link to access the FFA general meeting which will take place via Microsoft Teams together with any further instructions. The fact that FFA shareholders are requested to submit an electronic notice to the transfer secretaries before 10:00 on Wednesday, 17 January 2024 will not in any way affect the rights of FFA shareholders who submit an electronic notice after this date and who have been fully verified (as required in terms of section 63(1) of the Companies Act) to participate in and/or vote at the FFA general meeting.

## **Proxies and authority for representatives to act**

The attached form of proxy is only to be completed by:

- certificated shareholders; or
- own name dematerialised shareholders,

who cannot attend the FFA general meeting but wish to be represented thereat.

All other beneficial owners who have dematerialised their shares through a CSDP or broker, without own name registration, and who wish to attend the FFA general meeting, 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 FFA shareholders must not use a form of proxy.

Forms of proxy are requested to be deposited at the transfer secretaries, JSE Investor Services Proprietary Limited, One Exchange Square, Gwen Lane, Sandown, 2196 posted to PO Box 4844, Johannesburg, 2000 or emailed to meetingservices@jseinvestorservices.co.za so as to arrive by no later than 10:00 on Wednesday, 17 January 2024. Forms of proxy not lodged with the transfer secretaries in time may be handed to the chairperson of the FFA general meeting or to the transfer secretaries prior to the commencement of voting on any resolution at the FFA general meeting. Any FFA shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend, speak and vote in person at the FFA general meeting or virtually via a remote interactive electronic platform, Microsoft Teams, should the FFA shareholder decide to do so.

A company that is an FFA shareholder, wishing to attend and participate at the FFA general meeting should ensure that a resolution authorising a representative to so attend and participate at the FFA general meeting on its behalf, is passed by its directors.

**Fortress does not accept responsibility and will not be held liable for any failure on the part of the CSDP or broker of a dematerialised FFA shareholder to notify such FFA shareholder of the FFA general meeting of or any business to be conducted thereat.**

## **GENERAL NOTES**

1. FFA shareholders who are companies or other bodies corporate may, by resolution of its directors or other governing body, authorise any person to act as its representative at the FFA general meeting.
2. The chairperson of the FFA general meeting will be making a demand that all resolutions put to the vote shall be decided by way of a poll.

## **By order of the board**

**Fortress Real Estate Investments Limited**

30 November 2023

### **Registered office**

Block C, Cullinan Place  
Cullinan Close  
Morningside, 2196



## FORTRESS REAL ESTATE INVESTMENTS LIMITED

(formerly Fortress REIT Limited)

(Incorporated in the Republic of South Africa)

(Registration number 2009/016487/06)

JSE share codes: FFA ISIN: ZAE000248498

FFB ISIN: ZAE000248506

LEI: 378900FE98E30F24D975

("Fortress" or the "company")

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### NOTICE OF GENERAL MEETING OF FFB SHAREHOLDERS

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Where appropriate and applicable, the terms defined in the circular to which this notice of FFB general meeting is attached bear the same meanings in this notice of FFB general meeting and, in particular, in the resolutions set out below.

Notice is hereby given that a general meeting of FFB shareholders will be held at 11:00 on Friday, 19 January 2024 or 5 minutes after the completion of the FFA general meeting, whichever is the later at the registered office of Fortress (Block C, Cullinan Place, Cullinan Close, Morningside, 2196), as well as virtually via a remote interactive electronic platform, Microsoft Teams, for the purpose of considering and, if deemed fit, passing with or without modification, the resolutions set out below.

FFB shareholders are referred to the circular, which sets out the information and explanatory material that they may require in order to determine whether to participate in the general meeting and vote on the resolutions set out below.

The applicable provisions of the Companies Act and the memorandum of incorporation of Fortress which relate to general meetings of the company, voting, and the adoption of special resolutions, shall with the necessary changes apply.

In terms of section 62(3)(c) of the Companies Act:

- a shareholder who is entitled to attend and vote at the meeting 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; and
- shareholders recorded in the register of the company on the voting record date (including shareholders and their proxies) are required to provide reasonably satisfactory identification before being entitled to attend or participate in the meeting. In this regard, all shareholders recorded in the register on the voting record date will be required to provide identification satisfactory to the chairperson of the meeting. Forms of identification include valid identity documents, drivers' licenses and passports.

#### Important dates to note

	<b>2023</b>
Record date to determine which Fortress shareholders are entitled to receive this circular	Friday, 24 November
Circular together with the accompanying notices convening the Fortress shareholder meetings, forms of proxy ( <i>pink, green and yellow</i> ) and forms of surrender and transfer ( <i>blue and grey</i> ) posted to Fortress shareholders on	Thursday, 30 November
Announcement relating to the issue of the circular (together with the notices of the Fortress shareholder meetings) released on SENS on	Thursday, 30 November
Announcement relating to the issue of the circular (together with the notices of the Fortress shareholder meetings) published in the press on	Friday, 1 December

Last date to trade in Fortress shares on the JSE in order to be recorded on the register to vote at the appropriate Fortress shareholder meeting(s) on	Tuesday, 9 January
Record date to be eligible to vote at the appropriate Fortress shareholder meeting(s), being the voting record date, by the close of trade on	Friday, 12 January
Last date and time to lodge forms of proxy in respect of the Fortress shareholder meetings with the transfer secretaries by 10:00 on (alternatively, the form of proxy may be handed to the chairperson of the Fortress shareholder meetings at any time prior to the commencement of the Fortress shareholder meetings or prior to voting on any resolution to be proposed at the Fortress shareholder meetings)	Wednesday, 17 January
Last date and time for Fortress shareholders to give notice of their objections to the special resolution approving the scheme in terms of section 164(3) of the Companies Act by no later than 10:00 on	Friday, 19 January
FFB general meeting held at 11:00 or 5 minutes after the completion of the FFA general meeting, whichever is the later, on	Friday, 19 January
Results of the Fortress shareholder meetings released on SENS on	Friday, 19 January
Results of the Fortress shareholder meetings published in the press on	Monday, 22 January

**Notes:**

- All times given in this document are local times in South Africa and may be changed by Fortress (subject to the approval of the JSE and/or the TRP, if required). The dates have been determined based on certain assumptions regarding the date by which certain shareholder and regulatory approvals will be obtained and that no court approval or review of the scheme resolution or the repurchase resolution will be required. Any change in the dates and times will be released on SENS and published in the press.
- A form of proxy not lodged with the transfer secretaries may be handed to the chairperson of the Fortress shareholder meetings at any time prior to the commencement of the Fortress shareholder meetings or prior to voting on any resolution to be proposed at the Fortress shareholder meetings.
- If any of the Fortress shareholder meetings is adjourned or postponed, a form of proxy submitted for the initial meeting will remain valid in respect of any adjournment or postponement of the meeting, unless it is withdrawn.
- If any of the Fortress shareholder meetings is adjourned or postponed, then forms of proxy that have not yet been submitted should be lodged with the transfer secretaries by no later than two business days before the adjourned or postponed meeting but may nonetheless be handed to the chairperson of the adjourned or postponed meeting at any time prior to the commencement of the adjourned or postponed meeting or prior to voting on any resolution to be proposed at the adjourned or postponed meeting.
- Fortress shareholders should note that as transactions in shares are settled in the electronic settlement system used by Strate, settlement of trades takes place three business days after such trades. Therefore, Fortress shareholders who acquire Fortress shares after close of trade on Tuesday, 9 January 2024 will not be eligible to vote at the Fortress shareholder meetings.

## 1. SPECIAL RESOLUTION NUMBER 1: APPROVAL OF THE SCHEME

“RESOLVED THAT the scheme of arrangement proposed by the company to FFB shareholders in terms of section 114(1)(c) of the Companies Act (as more fully described in paragraph 3 of the circular to which this notice is attached), which, if implemented (following the fulfilment or waiver, as applicable, of the conditions precedent, save for any condition precedent relating to the passing of this special resolution), will result in Fortress repurchasing all of the scheme shares in exchange for the delivery by the Fortress subsidiaries, on behalf of Fortress, of the consideration shares on the scheme operative date to the FFB shareholders, be and is hereby approved as a special resolution in accordance with the requirements of section 115(2)(a) of the Companies Act.”

### Reason and effect of special resolution number 1

In terms of section 115(1) and section 115(2) of the Companies Act, a company may only implement a scheme of arrangement in terms of section 114 of the Companies Act if such scheme of arrangement is approved by a special resolution adopted by persons entitled to vote on such a matter, at a meeting called for that purpose and at which sufficient persons are present to exercise, in aggregate, at least 25% of all voting rights that are entitled to be exercised on the special resolution.

The reason for special resolution number 1 is to obtain the approval of FFB shareholders, in terms of section 114 read with section 115 of the Companies Act for the scheme proposed by Fortress to FFB shareholders, and to obtain any approval that may be required in terms of sections 48(8)(a) and/or 48(8)(b) of the Companies Act.

The effect of special resolution number 1 is that, subject to the fulfilment or waiver (as applicable) of all of the conditions precedent (save for any condition precedent relating to this resolution being passed), Fortress will repurchase all of the

scheme shares from scheme participants in exchange for the delivery by the Fortress subsidiaries, on behalf of Fortress, of the consideration shares to scheme participants.

In order for the special resolution number 1 to be adopted, the support of at least 75% of the voting rights exercised on the resolution by FFB shareholders, present in person or by proxy at the FFB general meeting, is required.

## 2. **SPECIAL RESOLUTION NUMBER 2: REVOCATION OF SPECIAL RESOLUTION NUMBER 1 IF THE SCHEME IS NOT IMPLEMENTED**

“RESOLVED THAT, subject to and in the event of (i) special resolution number 1 being approved at the FFB general meeting in terms of the Companies Act; (ii) the scheme failing to become unconditional for whatever reason; (iii) any dissenting shareholder having validly exercised its appraisal rights in relation to the scheme; and (iv) Fortress making an announcement on SENS to the effect that the scheme shall not be implemented, for whatever reason, special resolution number 1 is revoked with effect from the date of the announcement of (iv) above, as contemplated in section 164(9) of the Companies Act, and accordingly any dissenting shareholder that has sent a demand to Fortress in terms of sections 164(5) to (8) of the Companies Act to be paid the fair value of its shares, shall have no rights to be so paid under section 164 of the Companies Act.”

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

The reason for and effect of special resolution number 2 is that, in accordance with section 164(9)(c) of the Companies Act, shareholders who validly exercise their appraisal rights pursuant to the scheme, shall, by virtue of special resolution number 2, be re-instated as shareholders of the company, and their appraisal rights will become void and of no further force or effect if, after the approval of the scheme in terms of special resolution number 1, the scheme is not implemented for whatever reason and the company makes an announcement on SENS to the effect that the scheme shall not be continued or implemented.

In order for special resolution number 2 to be adopted, the support of at least 75% of the voting rights exercised on the resolution by shareholders, present in person or by proxy at the FFA general meeting, is required.

## **APPRAISAL RIGHTS FOR DISSENTING SHAREHOLDERS**

In accordance with section 164 of the Companies Act, at any time before special resolution number 1 as set out in this notice convening the FFB general meeting is voted on, an FFB shareholder may give the company a written notice objecting to special resolution number 1.

Within 10 business days after the company has adopted special resolution number 1, the company must send a notice that the special resolution has been adopted to each FFB shareholder who:

- gave the company a written notice of objection as contemplated above; and
- has neither withdrawn that notice nor voted in support of special resolution number 1.

An FFB shareholder may demand that the company pay such shareholder the fair value for all of the shares of the company held by that person if:

- the shareholder has sent the company a written notice of objection;
- the company has adopted special resolution number 1; and
- the shareholder voted against the special resolution number 1 and has complied with all of the procedural requirements of section 164 of the Companies Act.

A copy of section 164 of the Companies Act is set out in **Appendix A to Annexure 1** of the circular to which this notice convening the FFB general meeting is attached. Further detail regarding the process and consequences of a shareholder exercising its appraisal rights are set out in paragraph 3.6 of the circular.

## **VOTING AND QUORUM**

The quorum requirement for the FFB general meeting to begin or for a matter to be considered is at least three FFB shareholders present in person. In addition:

- the FFB general meeting may not begin until sufficient persons are present in person or represented by proxy to exercise, in aggregate, at least 25% of the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the FFB general meeting; and
- a matter to be decided at the FFB general meeting may not begin to be considered unless sufficient persons are present in person or represented by proxy to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised in respect of that matter at the time the matter is called on the agenda.

Every FFB shareholder present in person or represented by proxy and entitled to exercise voting rights at the FFB general meeting shall be entitled to vote on a show of hands, irrespective of the number of voting rights that FFB shareholder would otherwise be entitled to exercise. On a poll, any person who is present at the FFB general meeting, whether as a shareholder or as proxy for a shareholder, has the number of votes determined in accordance with the voting rights associated with the shares held by that shareholder.

## **SHAREHOLDERS**

### **General instructions**

FFB shareholders who are entitled to attend, speak and vote at the FFB general meeting are encouraged to do so.

### **Electronic participation**

FFB shareholders wishing to participate in the FFB general meeting are requested, for administrative purposes, to submit notification of their intent (the “**electronic notice**”) by e-mail to the transfer secretaries JSE Investor Services Proprietary Limited, at [meetingservices@jseinvestorservices.co.za](mailto:meetingservices@jseinvestorservices.co.za) as soon as possible and by no later than 10:00 on Wednesday, 17 January 2024. The electronic notice should include relevant contact details including email address, cellular number and landline, as well as full details of the FFB shareholder’s title to the shares and proof of identity, in the form of copies of identity documents and share certificates (in the case of certificated shareholders), and (in the case of dematerialised shareholders) written confirmation from the FFB shareholder’s CSDP confirming the FFB shareholder’s title to the dematerialised shares. The FFB shareholder should also indicate whether the FFB shareholder wishes to vote by proxy or wishes to exercise votes during the FFB general meeting. Upon receipt of the required information, the FFB shareholder concerned will be provided with a link to access the FFB general meeting which will take place via Microsoft Teams together with any further instructions. The fact that FFB shareholders are requested to submit an electronic notice to the transfer secretaries before 10:00 on Wednesday, 17 January 2024 will not in any way affect the rights of FFB shareholders who submit an electronic notice after this date and who have been fully verified (as required in terms of section 63(1) of the Companies Act) to participate in and/or vote at the FFB general meeting.

### **Proxies and authority for representatives to act**

The attached form of proxy is only to be completed by:

- certificated shareholders; or
- own name dematerialised shareholders,

who cannot attend the FFB general meeting but wish to be represented thereat.

All other beneficial owners who have dematerialised their shares through a CSDP or broker, without own name registration, and who wish to attend the FFB general meeting, 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 FFB shareholders must not use a form of proxy.

Forms of proxy are requested to be deposited at the transfer secretaries, JSE Investor Services Proprietary Limited, One Exchange Square, Gwen Lane, Sandown, 2196 posted to PO Box 4844, Johannesburg, 2000 or emailed to [meetingservices@jseinvestorservices.co.za](mailto:meetingservices@jseinvestorservices.co.za) so as to arrive by no later than 10:00 on Wednesday, 17 January 2024. Forms of proxy not lodged with the transfer secretaries in time may be handed to the chairperson of the FFB general meeting or to the transfer secretaries prior to the commencement of voting on any resolution at the FFB general meeting. Any FFB shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend, speak and vote in person at the FFB general meeting or virtually via a remote interactive electronic platform, Microsoft Teams, should the FFB shareholder decide to do so.

A company that is an FFB shareholder, wishing to attend and participate at the FFB general meeting should ensure that a resolution authorising a representative to so attend and participate at the FFB general meeting on its behalf, is passed by its directors.

**Fortress does not accept responsibility and will not be held liable for any failure on the part of the CSDP or broker of a dematerialised FFB shareholder to notify such FFB shareholder of the FFB general meeting of or any business to be conducted thereat.**

## **GENERAL NOTES**

1. FFB shareholders who are companies or other bodies corporate may, by resolution of its directors or other governing body, authorise any person to act as its representative at the FFB general meeting.
2. The chairperson of the FFB general meeting will be making a demand that all resolutions put to the vote shall be decided by way of a poll.

**By order of the board**

**Fortress Real Estate Investments Limited**

30 November 2023

**Registered office**

Block C, Cullinan Place

Cullinan Close

Morningside, 2196



# FORTRESS REAL ESTATE INVESTMENTS LIMITED

(formerly Fortress REIT Limited)  
(Incorporated in the Republic of South Africa)  
(Registration number 2009/016487/06)  
JSE share codes: FFA ISIN: ZAE000248498  
FFB ISIN: ZAE000248506  
LEI: 378900FE98E30F24D975  
("Fortress" or the "company")

## FORM OF PROXY FOR THE COMBINED GENERAL MEETING

Where appropriate and applicable, the terms defined in the circular to which this form of proxy is attached bear the same meanings in this form of proxy.

### THIS FORM OF PROXY IS ONLY FOR USE BY:

- certificated shareholders;
- own name dematerialised shareholders.

For completion by the aforesaid registered shareholders who are unable to attend the combined general meeting to be held at 10:00 on Friday, 19 January 2024 at the registered office of Fortress (Block C, Cullinan Place, Cullinan Close, Morningside, 2196), as well as virtually via a remote interactive electronic platform, Microsoft Teams.

If you are a dematerialised shareholder, other than with own name registration, do not use this form. Dematerialised shareholders, other than with own name registration, should provide instructions to their appointed CSDP or broker in the form as stipulated in the agreement entered into between the shareholder and the CSDP or broker.

I/We (FULL NAMES IN BLOCK LETTERS PLEASE)

Email address  
Telephone number  
Cellphone number  
of (address)

being the holder(s) of [ ] FFA shares hereby appoint:  
and/or [ ] FFB shares hereby appoint:

- or failing him/her
- of failing him/her
- the chairperson of the combined general meeting

as my/our proxy to attend and speak and to vote for me/us and on my/our behalf at the combined general meeting of shareholders and at any adjournment or postponement thereof, for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed at the combined general meeting, and to vote on the resolutions in respect of the shares registered in my/our name(s):

Please indicate with an "X" in the appropriate spaces below how you wish your votes to be cast. Unless this is done the proxy will vote as he/she thinks fit.

	Number of votes		
	*In favour of	*Against	*Abstain
Special resolution number 1: Approval of repurchase of FFB shares pursuant to the scheme			
Special resolution number 2: Conversion of issued FFA shares to FFB shares			
Special resolution number 3: Amendment of MOI			
Special resolution number 4: Reversal of amendment to the MOI			
Ordinary resolution number 1: Authorisation of directors			

One vote per share held by shareholders, recorded in the registers on the voting record date

Unless otherwise instructed my proxy may vote or abstain from voting as he/she thinks fit.

Signed this day of 2023/2024

Signature

Assisted by me (where applicable)

(State capacity and full name)

A shareholder entitled to attend and vote at the combined general meeting is entitled to appoint a proxy to attend, vote and speak in his/her stead. A proxy need not be a shareholder of Fortress. Each shareholder is entitled to appoint one or more proxies to attend, speak and, on a poll, vote in place of that shareholder at the combined general meeting.

Forms of proxy are requested to be deposited at the transfer secretaries, JSE Investor Services Proprietary Limited, One Exchange Square, Gwen Lane, Sandown, 2196 posted to PO Box 4844, Johannesburg, 2000 or emailed to [meetingservices@jseinvestorservices.co.za](mailto:meetingservices@jseinvestorservices.co.za) so as to arrive by no later than 10:00 on Wednesday, 17 January 2024. Should you require assistance, please contact JSE Investor Services by calling 086 147 2644 (call centre) or 011 713 0800 (switch board) between 08:00 and 16:30 on business days. Forms of proxy not lodged with the transfer secretaries in time may be handed to the chairperson of the combined general meeting or to the transfer secretaries prior to the commencement of voting on any resolution at the combined general meeting. Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend, speak and vote in person at the combined general meeting should the shareholder decide to do so.

**Please read notes on the reverse side hereof.**

#### NOTES TO THE FORM OF PROXY:

1. Only shareholders who are registered in the registers of Fortress under their own name on the date on which shareholders must be recorded as such in the registers maintained by the transfer secretaries in order to attend and vote at the combined general meeting, being Friday, 12 January 2024 (the “**voting record date**”), may complete a form of proxy or attend the combined general meeting. This includes certificated shareholders or own name dematerialised shareholders. A proxy need not be a shareholder of Fortress.
2. Certificated shareholders wishing to attend the combined general meeting have to ensure beforehand with the transfer secretaries that their shares are registered in their own name.
3. Beneficial shareholders whose shares are not registered in their own name, but in the name of another, for example, a nominee, may not complete a proxy form, unless a form of proxy is issued to them by a registered shareholder and they should contact the registered shareholder for assistance in issuing instructions on voting their shares, or obtaining a proxy to attend, speak and, on a poll, vote at the combined general meeting.
4. Dematerialised shareholders who have not elected own name registration in the registers of Fortress through a CSDP and who wish to attend the combined general meeting, must instruct the CSDP or broker to provide them with the necessary letter of representation to attend.
5. Dematerialised shareholders who have not elected own name registration in the register of Fortress through a CSDP and who are unable to attend, but wish to vote at the combined general meeting, must timeously provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between that shareholder and the CSDP or broker.
6. A shareholder may insert the name of a proxy or the names of two or more alternative proxies of the shareholder’s choice in the space, with or without deleting “the chairperson of the combined general meeting of shareholders”. The person whose name stands first on the form of proxy and who is present at the combined general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
7. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the combined general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed, should such shareholder wish to do so. In addition to the foregoing, a shareholder may revoke the proxy appointment by:
  - a. cancelling it in writing, or making a later inconsistent appointment of a proxy; and
  - b. delivering a copy of the revocation instrument to the proxy, and to Fortress.
8. 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 of the later of the date:
  - a. stated in the revocation instrument, if any; or
  - b. upon which the revocation instrument is delivered to the proxy and Fortress as required in section 58(4)(ii) of the Companies Act.
  - c. Should the instrument appointing a proxy or proxies have been delivered to the transfer secretaries, as long as that appointment remains in effect, any notice that is required by the Companies Act or the MOI to be delivered by the company to the shareholder must be delivered to:
    - d. the shareholder; or
    - e. the proxy or proxies if the shareholder has in writing directed Fortress to do so and has paid any reasonable fee charged by Fortress for doing so.
9. A proxy is entitled to exercise, or abstain from exercising, any voting right of the relevant shareholder without direction, except to the extent that the existing MOI or the instrument appointing the proxy provide otherwise.
10. If Fortress issues an invitation to shareholders to appoint one or more persons named by Fortress as a proxy, or supplies a form of instrument appointing a proxy:
  - a. such invitation must be sent to every shareholder who is entitled to receive notice of the meeting at which the proxy is intended to be exercised;
  - b. Fortress must not require that the proxy appointment be made irrevocable; and
  - c. the proxy appointment remains valid only until the end of the relevant meeting at which it was intended to be used, unless revoked as contemplated in section 58(5) of the Companies Act.
11. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies. A deletion of any printed matter and the completion of any blank space(s) need not be signed or initialled.
12. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form unless previously recorded by the transfer secretaries or waived by the chairperson of the combined general meeting.
13. A minor must be assisted by his/her parent/guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries.
14. A company holding shares in Fortress that wishes to attend and participate at the combined general meeting should ensure that a resolution authorising a representative to act is passed by its directors. Resolutions authorising representatives in terms of section 57(5) of the Companies Act must be lodged with the transfer secretaries prior to the combined general meeting.
15. Where there are joint holders of shares any one of such persons may vote at any meeting in respect of such shares as if he were solely entitled thereto; but if more than one of such joint holders wishes to be present or represented at the combined general meeting, that one of the said persons whose name appears first in the register of such shares or his proxy, as the case may be, shall alone be entitled to vote in respect thereof.
16. The chairperson of the combined general meeting may reject or accept any proxy which is completed and/or received other than in accordance with the instructions, provided that he shall not accept a proxy unless he is satisfied as to the matter in which a shareholder wishes to vote.
17. A proxy may not delegate his/her authority to act on behalf of the shareholder, to another person.
18. A shareholder’s instruction to the proxy must be indicated by the insertion of the relevant number of shares to be voted on behalf of that shareholder in the appropriate space provided. Failure to comply with the above will be deemed to authorise the chairperson of the combined general meeting, if the chairperson is the authorised proxy, to vote in favour of the resolutions at the combined general meeting or other proxy to vote or to abstain from voting at the combined general meeting as he/she deems fit, in respect of the shares concerned. A shareholder or the proxy is not obliged to use all of the votes exercisable by the shareholder or the proxy, but the total of votes cast in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the shareholder or the proxy.
19. Forms of proxy are requested to be deposited at the transfer secretaries, JSE Investor Services Proprietary Limited, One Exchange Square, Gwen Lane, Sandown, 2196, posted to PO Box 4844, Johannesburg, 2000 or emailed to [meetingservices@jseinvestorservices.co.za](mailto:meetingservices@jseinvestorservices.co.za) so as to arrive by no later than 10:00 on Wednesday, 17 January 2024. Should you require assistance, please contact JSE Investor Services by calling 086 147 2644 (call centre) or 011 713 0800 (switch board) between 08:00 and 16:30 on business days. Forms of proxy not lodged with the transfer secretaries in time may be handed to the chairperson of the combined general meeting or to the transfer secretaries prior to the commencement of voting on any resolution at the combined general meeting. Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend, speak and vote in person at the combined general meeting should the shareholder decide to do so.
20. This form of proxy may be used at any adjournment or postponement of the combined general meeting, including any postponement due to a lack of quorum, unless withdrawn by the shareholder.
21. The foregoing notes include a summary of the relevant provisions of section 58 of the Companies Act, as required in terms of that section.





**FORTRESS REAL ESTATE INVESTMENTS LIMITED**

(formerly Fortress REIT Limited)  
(Incorporated in the Republic of South Africa)  
(Registration number 2009/016487/06)  
JSE share codes: FFA ISIN: ZAE000248498  
FFB ISIN: ZAE000248506  
LEI: 378900FE98E30F24D975  
("Fortress" or the "company")

**FORM OF PROXY FOR THE FFA GENERAL MEETING**

Where appropriate and applicable, the terms defined in the circular to which this form of proxy is attached bear the same meanings in this form of proxy.

**THIS FORM OF PROXY IS ONLY FOR USE BY:**

- certificated FFA shareholders;
- own name dematerialised FFA shareholders.

For completion by the aforesaid registered FFA shareholders who are unable to attend the FFA general meeting to be held at 10:30 on Friday, 19 January 2024 or 5 minutes after the completion of the combined general meeting, whichever is the later, at the registered office of Fortress (Block C, Cullinan Place, Cullinan Close, Morningside, 2196), as well as virtually via a remote interactive electronic platform, Microsoft Teams.

If you are a dematerialised FFA shareholder, other than with own name registration, do not use this form. Dematerialised FFA shareholders, other than with own name registration, should provide instructions to their appointed CSDP or broker in the form as stipulated in the agreement entered into between the FFA shareholder and the CSDP or broker.

I/We (FULL NAMES IN BLOCK LETTERS PLEASE)

Email address \_\_\_\_\_  
Telephone number \_\_\_\_\_  
Cellphone number \_\_\_\_\_  
of (address) \_\_\_\_\_

being the holder(s) of  FFA shares hereby appoint:

- \_\_\_\_\_ or failing him/her
- \_\_\_\_\_ of failing him/her
- the chairperson of the FFA general meeting

as my/our proxy to attend and speak and to vote for me/us and on my/our behalf at the FFA general meeting of FFA shareholders and at any adjournment or postponement thereof, for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed at the FFA general meeting, and to vote on the resolutions in respect of the FFA shares registered in my/our name(s):

Please indicate with an "X" in the appropriate spaces below how you wish your votes to be cast. Unless this is done the proxy will vote as he/she thinks fit.

	Number of votes		
	*In favour of	*Against	*Abstain
Special resolution number 1: Conversion of issued FFA shares to FFB shares			
Special resolution number 2: Amendment to MOI			
Special resolution number 3: Reversal of amendment to MOI			

One vote per FFA share held by FFA shareholders, recorded in the registers on the voting record date

Unless otherwise instructed my proxy may vote or abstain from voting as he/she thinks fit.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2023/2024

Signature \_\_\_\_\_

Assisted by me (where applicable) \_\_\_\_\_

(State capacity and full name) \_\_\_\_\_

An FFA shareholder entitled to attend and vote at the FFA general meeting is entitled to appoint a proxy to attend, vote and speak in his/her stead. A proxy need not be an FFA shareholder. Each FFA shareholder is entitled to appoint one or more proxies to attend, speak and, on a poll, vote in place of that FFA shareholder at the FFA general meeting.

Forms of proxy are requested to be deposited at the transfer secretaries, JSE Investor Services Proprietary Limited, One Exchange Square, Gwen Lane, Sandown, 2196 posted to PO Box 4844, Johannesburg, 2000 or emailed to meetingservices@jseinvestorservices.co.za so as to arrive by no later than 10:00 on Wednesday, 17 January 2024. Should you require assistance, please contact JSE Investor Services by calling 086 147 2644 (call centre) or 011 713 0800 (switch board) between 08:00 and 16:30 on business days. Forms of proxy not lodged with the transfer secretaries in time may be handed to the chairperson of the FFA general meeting or to the transfer secretaries prior to the commencement of voting on any resolution at the FFA general meeting. Any FFA shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend, speak and vote in person at the FFA general meeting should the FFA shareholder decide to do so.

**Please read notes on the reverse side hereof.**

**NOTES TO THE FORM OF PROXY:**

1. Only FFA shareholders who are registered in the registers of Fortress under their own name on the date on which FFA shareholders must be recorded as such in the registers maintained by the transfer secretaries in order to attend and vote at the FFA general meeting, being Friday, 12 January 2024 (the “**voting record date**”), may complete a form of proxy or attend the FFA general meeting. This includes certificated FFA shareholders or own name dematerialised FFA shareholders. A proxy need not be an FFA shareholder.
2. Certificated FFA shareholders wishing to attend the FFA general meeting have to ensure beforehand with the transfer secretaries that their FFA shares are registered in their own name.
3. Beneficial FFA shareholders whose FFA shares are not registered in their own name, but in the name of another, for example, a nominee, may not complete a proxy form, unless a form of proxy is issued to them by a registered FFA shareholder and they should contact the registered FFA shareholder for assistance in issuing instructions on voting their FFA shares, or obtaining a proxy to attend, speak and, on a poll, vote at the FFA general meeting.
4. Dematerialised FFA shareholders who have not elected own name registration in the registers of Fortress through a CSDP and who wish to attend the FFA general meeting, must instruct the CSDP or broker to provide them with the necessary letter of representation to attend.
5. Dematerialised FFA shareholders who have not elected own name registration in the register of Fortress through a CSDP and who are unable to attend, but wish to vote at the FFA general meeting, must timeously provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between that FFA shareholder and the CSDP or broker.
6. An FFA shareholder may insert the name of a proxy or the names of two or more alternative proxies of the FFA shareholder's choice in the space, with or without deleting “the chairperson of the FFA general meeting of FFA shareholders”. The person whose name stands first on the form of proxy and who is present at the FFA general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
7. The completion and lodging of this form of proxy will not preclude the relevant FFA shareholder from attending the FFA general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed, should such FFA shareholder wish to do so. In addition to the foregoing, an FFA shareholder may revoke the proxy appointment by:
  - a. cancelling it in writing, or making a later inconsistent appointment of a proxy; and
  - b. delivering a copy of the revocation instrument to the proxy, and to Fortress.
8. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the FFA shareholder as of the later of the date:
  - a. stated in the revocation instrument, if any; or
  - b. upon which the revocation instrument is delivered to the proxy and Fortress as required in section 58(4)(ii) of the Companies Act.
  - c. Should the instrument appointing a proxy or proxies have been delivered to the transfer secretaries, as long as that appointment remains in effect, any notice that is required by the Companies Act or the MOI to be delivered by the company to the FFA shareholder must be delivered to:
    - d. the FFA shareholder; or
    - e. the proxy or proxies if the FFA shareholder has in writing directed Fortress to do so and has paid any reasonable fee charged by Fortress for doing so.
9. A proxy is entitled to exercise, or abstain from exercising, any voting right of the relevant FFA shareholder without direction, except to the extent that the existing MOI or the instrument appointing the proxy provide otherwise.
10. If Fortress issues an invitation to FFA shareholders to appoint one or more persons named by Fortress as a proxy, or supplies a form of instrument appointing a proxy:
  - a. such invitation must be sent to every FFA shareholder who is entitled to receive notice of the meeting at which the proxy is intended to be exercised;
  - b. Fortress must not require that the proxy appointment be made irrevocable; and
  - c. the proxy appointment remains valid only until the end of the relevant meeting at which it was intended to be used, unless revoked as contemplated in section 58(5) of the Companies Act.
11. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies. A deletion of any printed matter and the completion of any blank space(s) need not be signed or initialled.
12. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form unless previously recorded by the transfer secretaries or waived by the chairperson of the FFA general meeting.
13. A minor must be assisted by his/her parent/guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries.
14. A company holding FFA shares that wishes to attend and participate at the FFA general meeting should ensure that a resolution authorising a representative to act is passed by its directors. Resolutions authorising representatives in terms of section 57(5) of the Companies Act must be lodged with the transfer secretaries prior to the FFA general meeting.
15. Where there are joint holders of FFA shares any one of such persons may vote at any meeting in respect of such FFA shares as if he were solely entitled thereto; but if more than one of such joint holders wishes to be present or represented at the FFA general meeting, that one of the said persons whose name appears first in the register of such FFA shares or his proxy, as the case may be, shall alone be entitled to vote in respect thereof.
16. The chairperson of the FFA general meeting may reject or accept any proxy which is completed and/or received other than in accordance with the instructions, provided that he shall not accept a proxy unless he is satisfied as to the matter in which an FFA shareholder wishes to vote.
17. A proxy may not delegate his/her authority to act on behalf of the FFA shareholder, to another person.
18. An FFA shareholder's instruction to the proxy must be indicated by the insertion of the relevant number of FFA shares to be voted on behalf of that FFA shareholder in the appropriate space provided. Failure to comply with the above will be deemed to authorise the chairperson of the FFA general meeting, if the chairperson is the authorised proxy, to vote in favour of the resolutions at the FFA general meeting or other proxy to vote or to abstain from voting at the FFA general meeting as he/she deems fit, in respect of the FFA shares concerned. An FFA shareholder or the proxy is not obliged to use all of the votes exercisable by the FFA shareholder or the proxy, but the total of votes cast in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the FFA shareholder or the proxy.
19. Forms of proxy are requested to be deposited at the transfer secretaries, JSE Investor Services Proprietary Limited, One Exchange Square, Gwen Lane, Sandown, 2196, posted to PO Box 4844, Johannesburg, 2000 or emailed to meetingservices@jseinvestorservices.co.za so as to arrive by no later than 10:00 on Wednesday, 17 January 2024. Should you require assistance, please contact JSE Investor Services by calling 086 147 2644 (call centre) or 011 713 0800 (switch board) between 08:00 and 16:30 on business days. Forms of proxy not lodged with the transfer secretaries in time may be handed to the chairperson of the FFA general meeting or to the transfer secretaries prior to the commencement of voting on any resolution at the FFA general meeting. Any FFA shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend, speak and vote in person at the FFA general meeting should the FFA shareholder decide to do so.
20. This form of proxy may be used at any adjournment or postponement of the FFA general meeting, including any postponement due to a lack of quorum, unless withdrawn by the FFA shareholder.
21. The foregoing notes include a summary of the relevant provisions of section 58 of the Companies Act, as required in terms of that section.



## FORTRESS REAL ESTATE INVESTMENTS LIMITED

(formerly Fortress REIT Limited)  
(Incorporated in the Republic of South Africa)  
(Registration number 2009/016487/06)  
JSE share codes: FFA ISIN: ZAE000248498  
FFB ISIN: ZAE000248506  
LEI: 378900FE98E30F24D975  
("Fortress" or the "company")

### FORM OF PROXY FOR THE FFB GENERAL MEETING

Where appropriate and applicable, the terms defined in the circular to which this form of proxy is attached bear the same meanings in this form of proxy.

#### THIS FORM OF PROXY IS ONLY FOR USE BY:

- certificated FFB shareholders;
- own name dematerialised FFB shareholders.

For completion by the aforesaid registered FFB shareholders who are unable to attend the FFB general meeting to be held at 11:00 on Friday, 19 January 2024 or 5 minutes after the completion of the FFA general meeting, whichever is the later, at the registered office of Fortress (Block C, Cullinan Place, Cullinan Close, Morningside, 2196), as well as virtually via a remote interactive electronic platform, Microsoft Teams.

If you are a dematerialised FFB shareholder, other than with own name registration, do not use this form. Dematerialised FFB shareholders, other than with own name registration, should provide instructions to their appointed CSDP or broker in the form as stipulated in the agreement entered into between the FFB shareholder and the CSDP or broker.

I/We (FULL NAMES IN BLOCK LETTERS PLEASE)

Email address

Telephone number

Cellphone number

of (address)

being the holder(s) of  FFB shares hereby appoint:

- or failing him/her
- of failing him/her
- the chairperson of the scheme meeting

as my/our proxy to attend and speak and to vote for me/us and on my/our behalf at the FFB general meeting of FFB shareholders and at any adjournment or postponement thereof, for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed at the FFB general meeting, and to vote on the resolutions in respect of the FFB shares registered in my/our name(s):

Please indicate with an "X" in the appropriate spaces below how you wish your votes to be cast. Unless this is done the proxy will vote as he/she thinks fit.

	Number of votes		
	*In favour of	*Against	*Abstain
Special resolution 1: Approval of the scheme			
Special resolution 2: Revocation of special resolution number 1			

One vote per FFB share held by FFB shareholders, recorded in the registers on the voting record date

Unless otherwise instructed my proxy may vote or abstain from voting as he/she thinks fit.

Signed this  day of  2023/2024

Signature

Assisted by me (where applicable)

(State capacity and full name)

An FFB shareholder entitled to attend and vote at the FFB general meeting is entitled to appoint a proxy to attend, vote and speak in his/her stead. A proxy need not be an FFB shareholder. Each FFB shareholder is entitled to appoint one or more proxies to attend, speak and, on a poll, vote in place of that FFB shareholder at the FFB general meeting.

Forms of proxy are requested to be deposited at the transfer secretaries, JSE Investor Services Proprietary Limited, One Exchange Square, Gwen Lane, Sandown, 2196 posted to PO Box 4844, Johannesburg, 2000 or emailed to meetingservices@jseinvestorservices.co.za so as to arrive by no later than 10:00 on Wednesday, 17 January 2024. Should you require assistance, please contact JSE Investor Services by calling 086 147 2644 (call centre) or 011 713 0800 (switch board) between 08:00 and 16:30 on business days. Forms of proxy not lodged with the transfer secretaries in time may be handed to the chairperson of the FFB general meeting or to the transfer secretaries prior to the commencement of voting on any resolution at the FFB general meeting. Any FFB shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend, speak and vote in person at the FFB general meeting should the FFB shareholder decide to do so.

**Please read notes on the reverse side hereof.**

**NOTES TO THE FORM OF PROXY:**

1. Only FFB shareholders who are registered in the registers of Fortress under their own name on the date on which FFB shareholders must be recorded as such in the registers maintained by the transfer secretaries in order to attend and vote at the FFB general meeting, being Friday, 12 January 2024 (the “**voting record date**”), may complete a form of proxy or attend the FFB general meeting. This includes certificated FFB shareholders or own name dematerialised FFB shareholders. A proxy need not be an FFB shareholder.
2. Certificated FFB shareholders wishing to attend the FFB general meeting have to ensure beforehand with the transfer secretaries that their FFB shares are registered in their own name.
3. Beneficial FFB shareholders whose FFB shares are not registered in their own name, but in the name of another, for example, a nominee, may not complete a proxy form, unless a form of proxy is issued to them by a registered FFB shareholder and they should contact the registered FFB shareholder for assistance in issuing instructions on voting their FFB shares, or obtaining a proxy to attend, speak and, on a poll, vote at the FFB general meeting.
4. Dematerialised FFB shareholders who have not elected own name registration in the registers of Fortress through a CSDP and who wish to attend the FFB general meeting, must instruct the CSDP or broker to provide them with the necessary letter of representation to attend.
5. Dematerialised FFB shareholders who have not elected own name registration in the register of Fortress through a CSDP and who are unable to attend, but wish to vote at the FFB general meeting, must timeously provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between that FFB shareholder and the CSDP or broker.
6. An FFB shareholder may insert the name of a proxy or the names of two or more alternative proxies of the FFB shareholder's choice in the space, with or without deleting “the chairperson of the FFB general meeting of FFB shareholders”. The person whose name stands first on the form of proxy and who is present at the FFB general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
7. The completion and lodging of this form of proxy will not preclude the relevant FFB shareholder from attending the FFB general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed, should such FFB shareholder wish to do so. In addition to the foregoing, an FFB shareholder may revoke the proxy appointment by:
  - a. cancelling it in writing, or making a later inconsistent appointment of a proxy; and
  - b. delivering a copy of the revocation instrument to the proxy, and to Fortress.
8. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the FFB shareholder as of the later of the date:
  - a. stated in the revocation instrument, if any; or
  - b. upon which the revocation instrument is delivered to the proxy and Fortress as required in section 58(4)©(ii) of the Companies Act.
  - c. Should the instrument appointing a proxy or proxies have been delivered to the transfer secretaries, as long as that appointment remains in effect, any notice that is required by the Companies Act or the MOI to be delivered by the company to the FFB shareholder must be delivered to:
  - d. the FFB shareholder; or
  - e. the proxy or proxies if the FFB shareholder has in writing directed Fortress to do so and has paid any reasonable fee charged by Fortress for doing so.
9. A proxy is entitled to exercise, or abstain from exercising, any voting right of the relevant FFB shareholder without direction, except to the extent that the existing MOI or the instrument appointing the proxy provide otherwise.
10. If Fortress issues an invitation to FFB shareholders to appoint one or more persons named by Fortress as a proxy, or supplies a form of instrument appointing a proxy:
  - a. such invitation must be sent to every FFB shareholder who is entitled to receive notice of the meeting at which the proxy is intended to be exercised;
  - b. Fortress must not require that the proxy appointment be made irrevocable; and
  - c. the proxy appointment remains valid only until the end of the relevant meeting at which it was intended to be used, unless revoked as contemplated in section 58(5) of the Companies Act.
11. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies. A deletion of any printed matter and the completion of any blank space(s) need not be signed or initialled.
12. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form unless previously recorded by the transfer secretaries or waived by the chairperson of the FFB general meeting.
13. A minor must be assisted by his/her parent/guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries.
14. A company holding FFB shares that wishes to attend and participate at the FFB general meeting should ensure that a resolution authorising a representative to act is passed by its directors. Resolutions authorising representatives in terms of section 57(5) of the Companies Act must be lodged with the transfer secretaries prior to the FFB general meeting.
15. Where there are joint holders of FFB shares any one of such persons may vote at any meeting in respect of such FFB shares as if he were solely entitled thereto; but if more than one of such joint holders wishes to be present or represented at the FFB general meeting, that one of the said persons whose name appears first in the register of such FFB shares or his proxy, as the case may be, shall alone be entitled to vote in respect thereof.
16. The chairperson of the FFB general meeting may reject or accept any proxy which is completed and/or received other than in accordance with the instructions, provided that he shall not accept a proxy unless he is satisfied as to the matter in which an FFB shareholder wishes to vote.
17. A proxy may not delegate his/her authority to act on behalf of the FFB shareholder, to another person.
18. An FFB shareholder's instruction to the proxy must be indicated by the insertion of the relevant number of FFB shares to be voted on behalf of that FFB shareholder in the appropriate space provided. Failure to comply with the above will be deemed to authorise the chairperson of the FFB general meeting, if the chairperson is the authorised proxy, to vote in favour of the resolutions at the FFB general meeting or other proxy to vote or to abstain from voting at the FFB general meeting as he/she deems fit, in respect of the FFB shares concerned. An FFB shareholder or the proxy is not obliged to use all of the votes exercisable by the FFB shareholder or the proxy, but the total of votes cast in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the FFB shareholder or the proxy.
19. Forms of proxy are requested to be deposited at the transfer secretaries, JSE Investor Services Proprietary Limited, One Exchange Square, Gwen Lane, Sandown, 2196, posted to PO Box 4844, Johannesburg, 2000 or emailed to meetingservices@jseinvestorservices.co.za so as to arrive by no later than 10:00 on Wednesday, 17 January 2024. Should you require assistance, please contact JSE Investor Services by calling 086 147 2644 (call centre) or 011 713 0800 (switch board) between 08:00 and 16:30 on business days. Forms of proxy not lodged with the transfer secretaries in time may be handed to the chairperson of the FFB general meeting or to the transfer secretaries prior to the commencement of voting on any resolution at the FFB general meeting. Any FFB shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend, speak and vote in person at the FFB general meeting should the FFB shareholder decide to do so.
20. This form of proxy may be used at any adjournment or postponement of the FFB general meeting, including any postponement due to a lack of quorum, unless withdrawn by the FFB shareholder.
21. The foregoing notes include a summary of the relevant provisions of section 58 of the Companies Act, as required in terms of that section.



## FORTRESS REAL ESTATE INVESTMENTS LIMITED

*(formerly Fortress REIT Limited)*

(Incorporated in the Republic of South Africa)

(Registration number 2009/016487/06)

JSE share codes: FFA ISIN: ZAE000248498

FFB ISIN: ZAE000248506

LEI: 378900FE98E30F24D975

("Fortress" or the "company")

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### FORM OF SURRENDER AND TRANSFER IN RESPECT OF THE FFA CONVERSION ("FORM") (FOR CERTIFICATED FFA SHAREHOLDERS ONLY)

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Where appropriate and applicable, the terms defined in the circular to which this form of surrender and transfer is attached bear the same meanings in this form of surrender and transfer.

This form should be read in conjunction with the circular.

#### **Important notes concerning this form:**

- This form is only for use in respect of the FFA conversion, in terms of which, if implemented, FFA shares will be converted to FFB shares.
- Full details of the FFA conversion are contained in the circular to which this form is attached.
- **This form is attached for the convenience of certificated FFA shareholders who may wish to surrender their documents of title prior to the FFA conversion record date.**

**HOLDERS OF DEMATERIALIZED SHARES MUST NOT COMPLETE THIS FORM.**

#### **INSTRUCTIONS:**

1. This form is for use only by certificated FFA shareholders only.
2. Certificated FFA shareholders must complete this form in BLOCK CAPITALS.
3. A separate form is required for each certificated FFA shareholder who is entitled to participate in the FFA conversion.
4. **Part A** must be completed by all FFA shareholders who return this form.
5. **Part B** must be completed by all FFA shareholders who return this form.
6. **Part C and D** must be completed by FFA shareholders who are emigrants from, or non-residents of the Common Monetary Area.
7. If this form is returned with the relevant documents of title to FFA shares, it will be treated as a conditional surrender which is made subject to the terms of the circular. Should the FFA conversion not be implemented, any documents of title surrendered and held by JSE Investor Services will be returned to the relevant shareholders by JSE Investor Services, at the relevant shareholder's own risk, by registered post within 5 business days from the date of receipt of the document of title or the date on which it becomes known that the FFA conversion will not be implemented, whichever is the later.
8. Persons who have acquired FFA shares after the date of the issue of the circular to which this form is attached, may obtain copies of the form and the circular from the transfer secretaries.
9. The converted FFB shares to which an FFA shareholder's shares will be converted in terms of the FFA conversion will not be sent to FFA shareholders who hold certificated shares unless and until documents of title in respect of the FFA conversion have been surrendered to JSE Investor Services.

To: **JSE Investor Services Proprietary Limited**  
**One Exchange Square, Gwen Lane**  
**Sandown, 2196**  
**(PO Box 4844, Johannesburg, 2000)**



**PART B:**

In order to comply with section 33(2) of the Financial Markets Act, No. 19 of 2012, the converted FFB shares may only be issued in dematerialised form. However, the Companies Act does allow for Fortress shareholders to hold FFB shares in certificated form, and therefore if FFA shareholders wish to hold their converted FFB shares in certificated form, the “Rematerialise” box (i.e.: box number 3 below) must be selected. If none of the boxes below are selected, option 2 (i.e.: box number 2 below) will be deemed to be the default option, meaning that your converted FFB shares will be held with the settlement agent until such time that the details of your account with a broker or CSDP are received.

All FFA shareholders should kindly complete the section below, dealing with the settlement of the FFA conversion, in the event that the FFA shareholder becomes entitled to the converted FFB shares as a result of the FFA conversion becoming operative.

1.

Please tick this box if you have an account with a broker or CSDP and wish such account to be credited with the converted FFB shares, and insert the details of such account below:

---

Name of account holder:

---

Name of broker:

---

Name of CSDP:

---

Account number of broker:

---

Account number of CSDP:

---

Telephone number of broker/CSDP

---

SCA account number of broker/CSDP held at Strate

**Please note:** Should the account details provided by you above be incorrect or incomplete, it will not be possible to credit such account with the converted FFB shares which you are entitled to, in which case your shares will be held with the settlement agent until such time as the correct information is received.

2.

Please tick this box if you do not have an account with a broker or CSDP but wish to receive the converted FFB shares in dematerialised form and not in certificated form. It will be necessary for you to appoint a broker or CSDP before the converted FFB shares can be credited to your broker or CSDP account. In the meantime, your converted FFB shares will be held with the settlement agent until such time that the details of your account with a broker or CSDP are received.

3.

Please tick this box if you do NOT wish to receive the converted FFB shares in dematerialised form and instead wish to “rematerialise” the dematerialised FFB shares due to you and replace these with a physical document of title (share certificate). The document of title (share certificate) for the converted FFB shares will be sent to you at your risk, at the address provided by you in Part A above.

**PART C: To be completed by emigrants of the Common Monetary Area.**

Nominated authorised dealer in the case of an FFA shareholder who is an emigrant from the common monetary area (see note 1 below)

Name of dealer: \_\_\_\_\_

Account number: \_\_\_\_\_

Address: \_\_\_\_\_

**PART D: To be completed in BLOCK CAPITALS by FFA shareholders who are emigrants from the Common Monetary Area (“emigrants”) and non-residents of the Common Monetary Area (see notes 1 and 2 below).**

The FFB shares will, in terms of the FFA conversion, be forwarded to the authorised dealer in foreign exchange in South Africa controlling the emigrant’s blocked assets in terms of the Exchange Control Regulations as nominated below for its control and credited to the emigrant’s blocked assets account. Accordingly, FFA shareholders who are emigrants must provide the following information:

Name of authorised dealer:	
Account number:	
Address:	
Account number:	

**If emigrants make no nomination above, Fortress or the transfer secretaries will hold the converted FFB shares in trust. Non-residents must complete Part C if they wish the relevant converted FFB shares to be paid to an authorised dealer in South Africa.**

**Notes and instructions:**

1. Emigrants from the Common Monetary Area must complete **Part C**.
2. All other non-residents of the Common Monetary Area must complete **Part D** if they wish the relevant converted FFB shares to be paid to an authorised dealer in South Africa.
3. If **Part C** is not properly completed by emigrants, the converted FFB shares will be held in trust by the transfer secretaries pending receipt of the necessary nomination or instruction.
4. No receipts will be issued for documents lodged unless specifically requested. In compliance with the JSE Listings Requirements, lodging agents are requested to prepare special transaction receipts, if required. Signatories may be called upon for evidence of their authority or capacity to sign this form.
5. Persons who are emigrants from the Common Monetary Area should nominate the authorised dealer in foreign exchange in South Africa which has control of their blocked assets listed in **Part C** of this form. Failing such nomination, the converted FFB shares due to such FFA participants in accordance with the provisions of the FFA conversion will be held by the transfer secretaries, pending instructions from the shareholders concerned.
6. Any alteration to this form must be signed in full and not initialled.
7. If this form is signed under a power of attorney, then such power of attorney, or a notarially certified copy thereof, must be sent with this form for noting (unless it has already been noted by Fortress or the transfer secretaries). This does not apply in the event of this form bearing a JSE broker’s stamp.
8. Where a certificated FFA shareholder who is entitled to participate in the FFA conversion is a company or a close corporation, unless it has already been registered with Fortress or the transfer secretaries, a certified copy of the directors’ or members’ resolution authorising the signing of this form must be submitted if so requested by Fortress.
9. If this form is not signed by the a certificated FFA shareholder who is entitled to participate in the FFA conversion, such shareholder will be deemed to have irrevocably appointed the transfer secretaries to implement its obligations under the FFA conversion on his or her behalf.
10. Where there are any joint holders of any FFA shares, only that holder whose name stands first in the register in respect of such shares need sign this form.
11. A minor must be assisted by his or her parent or guardian, unless the relevant documents establishing his or her legal capacity are produced or have been registered by the transfer secretaries.
12. Should you require assistance in completing this form, please contact JSE Investor Services by calling 086 147 2644 (call centre) or 011 713 0800 (switch board) between 08:00 and 16:30 on business days.





## FORTRESS REAL ESTATE INVESTMENTS LIMITED

*(formerly Fortress REIT Limited)*

(Incorporated in the Republic of South Africa)

(Registration number 2009/016487/06)

JSE share codes: FFA ISIN: ZAE000248498

FFB ISIN: ZAE000248506

LEI: 378900FE98E30F24D975

("Fortress" or the "company")

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### FORM OF SURRENDER AND TRANSFER IN RESPECT OF THE SCHEME ("FORM") (FOR CERTIFICATED FFB SHAREHOLDERS ONLY)

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Where appropriate and applicable, the terms defined in the circular to which this form of surrender and transfer is attached bear the same meanings in this form of surrender and transfer.

This form should be read in conjunction with the circular.

#### **Important notes concerning this form:**

- This form is only for use in respect of the scheme of arrangement in terms of section 114 of the Companies Act (read with section 115 of the Companies Act) proposed by the Fortress board between Fortress and FFB shareholders, in terms of which, if implemented, Fortress will repurchase the scheme shares in exchange for the scheme consideration.
- Full details of the scheme are contained in the circular to which this form is attached.
- A dissenting FFB shareholder who subsequently becomes a scheme participant after the scheme record date will receive the relevant scheme consideration, as the case may be, in terms of the scheme.
- **This form is attached for the convenience of certificated FFB shareholders who may wish to surrender their documents of title prior to the scheme record date.**

#### **HOLDERS OF DEMATERIALISED SHARES MUST NOT COMPLETE THIS FORM.**

#### **INSTRUCTIONS:**

1. This form is for use only by certificated shareholders who are scheme participants.
2. Scheme participants must complete this form in BLOCK CAPITALS.
3. A separate form is required for each certificated shareholder who is a scheme participant.
4. **Part A** must be completed by all scheme participants who return this form.
5. **Part B** must be completed by all scheme participants who return this form.
6. **Part C and D** must be completed by FFB shareholders who are emigrants from, or non-residents of the Common Monetary Area.
7. If this form is returned with the relevant documents of title to scheme shares, it will be treated as a conditional surrender which is made subject to the terms of the circular and to the scheme becoming operative. Should the scheme not be implemented, any documents of title surrendered and held by JSE Investor Services will be returned to the relevant shareholders by JSE Investor Services, at the relevant shareholder's own risk, by registered post within five business days from the date of receipt of the document of title or the date on which it becomes known that the scheme will not be implemented, whichever is the later.
8. Persons who have acquired FFB shares after the date of the issue of the circular to which this form is attached, may obtain copies of the form and the circular from the transfer secretaries.
9. The scheme consideration will not be sent to scheme participants who hold certificated shares unless and until documents of title in respect of the scheme shares have been surrendered to JSE Investor Services.

To: **JSE Investor Services Proprietary Limited**  
**One Exchange Square, Gwen Lane**  
**Sandown, 2196**  
**(PO Box 4844, Johannesburg, 2000)**

Dear Sirs

**PART A: To be completed by ALL scheme participants who return this form.**

I/We hereby surrender and enclose the share certificates, certified transfer deeds and/or other documents of title, details in respect of which are set out in the table below, in respect of my/our holding of certificated shares:

Name of registered holder (separate form for each holder)	Certificate number(s) (in numerical order)	Number of FFB shares covered by each certificate(s) enclosed
<b>Total</b>		

Surname or name of corporate body

First names (in full)

Title (Mr, Mrs, Miss, Ms, etc)

Telephone number:

Cell number:

Email address:

Address

Postal code

Signature of certificated shareholder	Stamp and address of agent lodging this form of surrender (if any)
Assisted by me (if applicable)	
(State full name and capacity)	
Date	
Telephone number	
Cellphone number	

*Signatories may be called upon for evidence of their authority or capacity to sign this form.*

In compliance with the Financial Intelligence Centre Act, 38 of 2001 (as amended), the transfer secretaries will be unable to record any change of address unless the following documentation is delivered to the transfer secretaries:

- an original certified copy of your identity document;
- an original certified copy of a document issued by the South African Revenue Services to verify your tax number (if you do not have a tax number, please confirm this in writing and have the letter signed before a Commissioner of Oaths); and
- an original or an original certified copy of a service bill to verify your physical address.

Please note that copies of certified copies will not be accepted.

**PART B:**

In order to comply with section 33(2) of the Financial Markets Act, No. 19 of 2012, the consideration shares may only be issued in dematerialised form. However, the Companies Act does allow for FFB shareholders to hold consideration shares in certificated form, and therefore if FFB shareholders wish to hold their consideration shares in certificated form, the “Rematerialise” box (i.e.: box number 3 below) must be selected. If none of the boxes below are selected, option 2 (i.e.: box number 2 below) will be deemed to be the default option, meaning that your consideration shares will be held with the settlement agent until such time that the details of your account with a broker or CSDP are received.

All FFB shareholders should kindly complete the section below, dealing with the settlement of the consideration shares, in the event that the FFB shareholder becomes entitled to the consideration shares as a result of the scheme becoming operative.

1.

Please tick this box if you have an account with a broker or CSDP and wish such account to be credited with the consideration shares, and insert the details of such account below:

---

Name of account holder:

---

Name of broker:

---

Name of CSDP:

---

Account number of broker:

---

Account number of CSDP:

---

Telephone number of broker/CSDP

---

SCA account number of broker/CSDP held at Strate

**Please note:** Should the account details provided by you above be incorrect or incomplete, it will not be possible to credit such account with the consideration shares which you are entitled to, in which case your share will be held with the settlement agent until such time as the correct information is received.

2.

Please tick this box if you do not have an account with a broker or CSDP but wish to receive the consideration shares in dematerialised form and not in certificated form. It will be necessary for you to appoint a broker or CSDP before the consideration shares can be credited to your broker or CSDP account. In the meantime, your consideration shares will be held with the settlement agent until such time that the details of your account with a broker or CSDP are received.

3.

Please tick this box if you do NOT wish to receive the consideration shares in dematerialised form and instead wish to “rematerialise” the dematerialised consideration shares due to you and replace these with a physical document of title (share certificate). The document of title (share certificate) for the consideration shares will be sent to you at your risk, at the address provided by you in Part A above.

**PART C: To be completed by emigrants of the Common Monetary Area.**

Nominated authorised dealer in the case of a scheme participant who is an emigrant from the common monetary area (see note 1 below)

Name of dealer: \_\_\_\_\_

Account number: \_\_\_\_\_

Address: \_\_\_\_\_

**PART D: To be completed in BLOCK CAPITALS by scheme participants who are emigrants from the Common Monetary Area (“emigrants”) and non-residents of the Common Monetary Area (see notes 1 and 2 below).**

The scheme consideration will, in terms of the scheme, be forwarded to the authorised dealer in foreign exchange in South Africa controlling the emigrant’s blocked assets in terms of the Exchange Control Regulations as nominated below for its control and credited to the emigrant’s blocked assets account. Accordingly, scheme participants who are emigrants must provide the following information:

Name of authorised dealer:	
Account number:	
Address:	
Account number:	

**If emigrants make no nomination above, Fortress or the transfer secretaries will hold the scheme consideration in trust. Non-residents must complete Part C if they wish the relevant scheme consideration to be paid to an authorised dealer in South Africa.**

**Notes and instructions:**

1. Emigrants from the Common Monetary Area must complete **Part C**.
2. All other non-residents of the Common Monetary Area must complete **Part D** if they wish the relevant scheme consideration to be paid to an authorised dealer in South Africa.
3. If **Part C** is not properly completed by emigrants, the scheme consideration will be held in trust by the transfer secretaries pending receipt of the necessary nomination or instruction.
4. No receipts will be issued for documents lodged unless specifically requested. In compliance with the JSE Listings Requirements, lodging agents are requested to prepare special transaction receipts, if required. Signatories may be called upon for evidence of their authority or capacity to sign this form.
5. Persons who are emigrants from the Common Monetary Area should nominate the authorised dealer in foreign exchange in South Africa which has control of their blocked assets listed in **Part C** of this form. Failing such nomination, the scheme consideration due to such scheme participants in accordance with the provisions of the scheme will be held by the transfer secretaries, pending instructions from the scheme participants concerned.
6. Any alteration to this form must be signed in full and not initialled.
7. If this form is signed under a power of attorney, then such power of attorney, or a notarially certified copy thereof, must be sent with this form for noting (unless it has already been noted by Fortress or the transfer secretaries). This does not apply in the event of this form bearing a JSE broker’s stamp.
8. Where the scheme participant is a company or a close corporation, unless it has already been registered with Fortress or the transfer secretaries, a certified copy of the directors’ or members’ resolution authorising the signing of this form must be submitted if so requested by Fortress.
9. If this form is not signed by the scheme participant, such scheme participant will be deemed to have irrevocably appointed the transfer secretaries to implement the obligations of the scheme participant under the scheme on his or her behalf.
10. Where there are any joint holders of any scheme shares, only that holder whose name stands first in the register in respect of such shares need sign this form.
11. A minor must be assisted by his or her parent or guardian, unless the relevant documents establishing his or her legal capacity are produced or have been registered by the transfer secretaries.
12. Should you require assistance in completing this form, please contact JSE Investor Services by calling 086 147 2644 (call centre) or 011 713 0800 (switch board) between 08:00 and 16:30 on business days.



