



**HYPROP**  
INVESTMENTS LIMITED

25 YEARS

OF EXCELLENCE

NOTICE OF COMBINED  
ANNUAL GENERAL MEETING  
OF SHAREHOLDERS AND  
DEBENTURE HOLDERS

To be held on 5 December 2013

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Property investment excellence



# NOTICE OF COMBINED ANNUAL GENERAL MEETING OF SHAREHOLDERS AND DEBENTURE HOLDERS

Hyprop Investments Limited  
(Incorporated in the Republic of South Africa)  
(Registration number 1987/005284/06)  
JSE share code: HYP ISIN: ZAE000003430  
(Approved as a REIT by the JSE)  
("Hyprop" or "the company")

Notice is hereby given that the annual general meeting of shareholders of Hyprop ("shareholders") and debenture holders of Hyprop ("debenture holders") will be held at the offices of Hyprop, 2nd Floor, Cradock Heights, 21 Cradock Avenue, Rosebank on Thursday, 5 December 2013 at 11h00 for the purposes of:

- A. Considering and adopting the directors' report, the annual financial statements and the audit committee report, of the company for the six months ended 30 June 2013, contained in the integrated report of the company for the same period (the "integrated report"). A copy of the integrated report will be posted to shareholders together with this notice of annual general meeting on 5 November 2013. An electronic copy of the integrated report is available on the company's website, [www.hyprop.co.za](http://www.hyprop.co.za).
- B. Transacting any other business as may be transacted at an annual general meeting of shareholders of a company, including the re-appointment of the auditors and re-election of retiring directors;
- C. Considering and, if deemed fit, adopting with or without modification, the special and ordinary resolutions set out below, including, without limitation, the resolutions required to approve:
  - a) the adoption of the conditional unit plan, comprising the performance unit scheme and the retention unit scheme (the details of which are set out in Annexure 1 to this notice of annual general meeting);
  - b) the adoption of the proposed new Memorandum of Incorporation of the company (the details of which are set out in the Annexure 2 to this notice of annual general meeting); and
  - c) as a non-binding advisory approval, the remuneration policy of the company (the details of which are set out in the integrated report).

## IMPORTANT DATES TO NOTE:

	2013
Record date for receipt of notice of the annual general meeting	Friday, 25 October
Integrated report posted on	Tuesday, 5 November
Last day to trade in order to be eligible to participate in and vote at the annual general meeting	Friday, 22 November
Record date for voting purposes at the annual general meeting ("voting record date")	Friday, 29 November
Last day to lodge forms of proxy for the annual general meeting by 11h00	Tuesday, 3 December
Date of annual general meeting (at 11h00)	Thursday, 5 December
Results of annual general meeting released on SENS	Thursday, 5 December

Due to the expanded meaning of "shareholder" in section 57(l) of the Companies Act, 71 of 2008, as amended (the "Companies Act" or "Act"), the company has expanded its notice to shareholders and debenture holders for a "combined" annual general meeting. Due to Hyprop's combined unit structure (that is each Hyprop ordinary share of no par value (an "ordinary share") may only be issued indivisibly linked to one debenture issued in terms of the Hyprop Debenture Trust Deed (a "debenture") as a combined unit (a "combined unit")), its shareholders are also its debenture holders and the matters to be voted on at the annual general meeting are matters on which shareholders, and not debenture holders, are entitled to vote. As a result, a proxy form has only been included for shareholders.

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

- a shareholder who is entitled to attend and vote at the annual general 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 debenture holder who is entitled to attend the annual general meeting is entitled to appoint a proxy or two or more proxies to attend and participate (but not vote) at the meeting in the place of the debenture holder;
- a proxy need not be a shareholder of the company.

## ORDINARY RESOLUTION 1: ADOPTION OF ANNUAL FINANCIAL STATEMENTS

"Resolved that the annual financial statements of the company for the year ended 30 June 2013 be and are received and adopted."

*In order for ordinary resolution number 1 to be passed, the support of more than 50% of the total number of votes exercisable by shareholders, present in person or by proxy, is required.*

## ORDINARY RESOLUTION NUMBER 2: CONFIRMATION OF APPOINTMENT OF DIRECTOR

"Resolved that the appointment of Thabo Vincent Mokgatla as an independent non-executive director of the company be confirmed."

Thabo is a Chartered Accountant (SA) and began his career as a senior lecturer – accounting and taxation at the University of the North West. He has subsequently worked as finance manager of the North West Parks Board, centre manager in the Rustenburg office of the auditor general and finance manager of Royal Bafokeng Administration (RBA). Thabo has also been appointed to the Hyprop audit committee and is a director on the boards of a number of listed companies.

*In order for ordinary resolution number 2 to be passed, the support of more than 50% of the total number of votes exercisable by shareholders, present in person or by proxy, is required.*

# NOTICE OF COMBINED ANNUAL GENERAL MEETING OF SHAREHOLDERS AND DEBENTURE HOLDERS (CONTINUED)

## ORDINARY RESOLUTION NUMBER 3: RE-ELECTION OF DIRECTOR

“Resolved that Ethan Dube who retires by rotation in terms of the company’s Memorandum of Incorporation and who, being eligible, offers himself for re-election, be re-elected as an independent non-executive director of the company.”

An abridged *curriculum vitae* is set out on page 28 of the integrated report.

*In order for ordinary resolution number 3 to be passed, the support of more than 50% of the total number of votes exercisable by shareholders, present in person or by proxy, is required.*

## ORDINARY RESOLUTION NUMBER 4: RE-ELECTION OF DIRECTOR

“Resolved that Lindie Engelbrecht who retires by rotation in terms of the company’s Memorandum of Incorporation and who, being eligible, offers herself for re-election, be re-elected as an independent non-executive director of the company.”

An abridged *curriculum vitae* is set out on page 28 of the integrated report.

*In order for ordinary resolution number 4 to be passed, the support of more than 50% of the total number of votes exercisable by shareholders, present in person or by proxy, is required.*

## ORDINARY RESOLUTION NUMBER 5: RE-ELECTION OF DIRECTOR

“Resolved that Mike Lewin who retires by rotation in terms of the company’s Memorandum of Incorporation and who, being eligible, offers himself for re-election, be re-elected as a non-executive director of the company.”

Mike Lewin will be leaving Redefine Properties Limited (“Redefine”) in December 2013. On departure from Redefine, Mike will qualify as an independent non-executive director.

An abridged *curriculum vitae* is set out on page 29 of the integrated report.

*In order for ordinary resolution number 5 to be passed, the support of more than 50% of the total number of votes exercisable by shareholders, present in person or by proxy, is required.*

## ORDINARY RESOLUTION NUMBER 6: RE-ELECTION OF DIRECTOR

“Resolved that Pieter Prinsloo who retires by rotation in terms of the company’s Memorandum of Incorporation and who, being eligible, offers himself for re-election, be re-elected as an executive director of the company.

An abridged *curriculum vitae* is set out on page 30 of the integrated report.

*In order for ordinary resolution number 6 to be passed, the support of more than 50% of the total number of votes exercisable by shareholders, present in person or by proxy, is required.*

## ORDINARY RESOLUTION NUMBER 7: APPOINTMENT AND RE-APPOINTMENT OF MEMBERS OF THE AUDIT COMMITTEE

“Resolved that the members of the company’s audit committee set out below, being eligible, be and are hereby appointed or re-appointed, as the case may be, each by way of a separate vote, with effect from the end of this annual general meeting in terms of section 94(2) of the Companies Act, until the next annual general meeting of the company. The membership as proposed by the remuneration and nomination committee is:

- 7.1 Lindie Engelbrecht (Chairman);
- 7.2 Gavin Tipper whose dual role as chairman of the board of directors and member of the audit committee is hereby specifically approved; and
- 7.3 Thabo Mokgatla,

all of whom are independent, non-executive directors.”

A brief *curriculum vitae* of each of the above audit committee members is set out on page 28 of the integrated report and on page 1 of this notice of annual general meeting.

*In order for ordinary resolution number 7 to be passed, the support of more than 50% of the total number of votes exercisable by shareholders, present in person or by proxy, is required.*

## ORDINARY RESOLUTION NUMBER 8: RE-APPOINTMENT OF EXTERNAL AUDITORS

“Resolved that Grant Thornton be re-appointed as the auditors of the company and VR De Villiers be appointed as the individual registered auditor of the company from the conclusion of this annual general meeting until the conclusion of the next annual general meeting.”

The audit committee has nominated for appointment as auditors of the company under section 90 of the Companies Act, Grant Thornton and VR De Villiers.

*In order for ordinary resolution number 8 to be passed, the support of more than 50% of the total number of votes exercisable by shareholders, present in person or by proxy, is required.*

## ORDINARY RESOLUTION 9: UNISSUED SECURITIES

“Resolved that, subject to the Companies Act, the existing Memorandum of Incorporation of the company, as may be amended or substituted from time to time, the Listings Requirements of the JSE Limited (the “JSE”) (“Listings Requirements”) and the Hyprop Debenture Trust Deed, to the extent applicable, 5% of the authorised

but unissued securities of the company be and is hereby placed under the control of the directors of the company until the next annual general meeting, with the authority to allot and issue all or part thereof in their discretion, as combined units.”

*In order for ordinary resolution number 9 to be passed, the support of more than 50% of the total number of votes exercisable by shareholders, present in person or by proxy, is required.*

## **ORDINARY RESOLUTION 10: GENERAL AUTHORITY TO ISSUE SECURITIES FOR CASH**

“Resolved that, subject to the restrictions set out below and subject to the provisions of the Companies Act and the Listings Requirements, the directors of the company be and are hereby authorised until this authority lapses at the next annual general meeting of the company, provided that this authority shall not extend beyond 15 months, to allot and issue securities of the company for cash on the following bases:

- a) the securities which are the subject of the issue for cash must be of a class already in issue or, where this is not the case, must be limited to such securities or rights as are convertible into a class already in issue;
- b) the allotment and issue of securities for cash shall be made only to persons qualifying as “public shareholders”, as defined in the Listings Requirements, and not to “related parties”;
- c) securities which are the subject of general issues for cash shall not exceed 7 293 395 securities, being 3% of the company’s listed equity securities as at the date of this notice of annual general meeting, provided that:
  - (i) any securities issued under this authority prior to this authority lapsing shall be deducted from the 7 293 395 securities the company is authorised to issue in terms of this authority;
  - (ii) in the event of a sub-division or consolidation of securities prior to this authority lapsing, the existing authority shall be adjusted accordingly to represent the same allocation ratio;
- d) the maximum discount at which securities may be issued is 5% of the weighted average traded price of such securities measured over the 30 business days prior to the date that the price of the issue is agreed between the company and the party subscribing for the securities.”

*In accordance with the JSE Listing Requirements, in order for ordinary resolution number 10 to be passed, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required.*

## **ORDINARY RESOLUTION NUMBER 11: APPROVAL OF REMUNERATION POLICY**

“Resolved that, in accordance with the principles of the King III report on governance, and through a non-binding advisory vote, the company’s remuneration policy and its implementation, as detailed on pages 47 to 48 of the integrated report posted to shareholders together with this notice of annual general meeting, be and is hereby approved.”

*In order for ordinary resolution number 11 to be passed, the support of more than 50% of the total number of votes exercisable by shareholders, present in person or by proxy, is required.*

## **ORDINARY RESOLUTION NUMBERS 12.1 AND 12.2: ADOPTION OF THE PERFORMANCE AND RETENTION UNIT SCHEMES GOVERNED BY THE RULES OF THE CONDITIONAL UNIT PLAN**

### **Whereas**

The board of directors of the company has approved the conditional unit plan, the details of which are set out in Annexure 1 hereto (the “conditional unit plan”), which conditional unit plan records the rules governing for:

- award/s of performance units, being an award by the remuneration and nomination committee to participants of a conditional right to units comprised in that award, which performance units are subject to a vesting and performance conditions, details of which are set out in Annexure 1 to this notice of annual general meeting (the “performance unit scheme”); and
- award/s of retention units, being an award by the remuneration and nomination committee to participants of a conditional right to units comprised in that award, which retention units are subject to a vesting condition, details of which are set out in Annexure 1 to this notice of annual general meeting (the “retention unit scheme”).

The board of directors of the company has resolved to submit each of the performance unit scheme and the retention unit scheme, each of which is governed by the rules of the conditional unit plan, to shareholders for their approval by way of two separate and divisible ordinary resolutions, namely ordinary resolution number 12.1 in respect of the performance unit scheme, and ordinary resolution number 12.2 in respect of the retention unit scheme.

In the event that each of ordinary resolution numbers 12.1 and 12.2 are approved by the requisite majority of shareholders, the remuneration and nomination committee will be authorised to grant awards under both the performance unit scheme and the retention unit scheme.

In the event that ordinary resolution number 12.1 is approved by the requisite majority of shareholders, but ordinary resolution number 12.2 is not approved by the requisite majority of shareholders, the remuneration and nomination committee will only be authorised to grant awards under the performance unit scheme, and the remuneration and nomination committee will not be authorised to make awards under the retention unit scheme.

In the event that ordinary resolution number 12.2 is approved by the requisite majority of shareholders, but ordinary resolution number 12.1 is not approved by the requisite majority of shareholders, the remuneration and nomination committee will only be authorised to make awards under the retention unit scheme, and the remuneration and nomination committee will not be authorised to make awards under the performance unit scheme.

# NOTICE OF COMBINED ANNUAL GENERAL MEETING OF SHAREHOLDERS AND DEBENTURE HOLDERS (CONTINUED)

Now therefore

## ORDINARY RESOLUTION NUMBER 12.1: ADOPTION OF THE PERFORMANCE UNIT SCHEME

“Resolved that the award of performance units, being the award by the remuneration and nomination committee of the conditional right to units comprised in that award, which performance units are subject to a vesting and performance conditions, details of which are set out in Annexure 1 to this notice of annual general meeting (the “performance unit scheme”), as governed by the rules of the conditional unit plan, a copy of which rules have been tabled at this meeting and initialled by the chairman for the purposes of identification, be and is hereby approved.”

*In accordance with the JSE Listing Requirements, in order for ordinary resolution number 12.1 to be passed, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required.*

Details of the performance unit scheme are set out in Annexure 1 to this notice of annual general meeting.

The rules of the conditional unit plan which govern the performance unit scheme will be available for inspection at the offices of Hyprop, 2nd Floor, Cradock Heights, 21 Cradock Avenue, Rosebank, from the date of issue of this notice of annual general meeting to the date on which the annual general meeting is held.

## ORDINARY RESOLUTION NUMBER 12.2: ADOPTION OF THE RETENTION UNIT SCHEME

“Resolved that the award of retention units, being the award by the remuneration and nomination committee of the conditional right to units comprised in that award which are subject to a vesting condition, details of which are set out in Annexure 1 to this notice of annual general meeting (the “retention unit scheme”), as governed by the rules of the conditional unit plan, a copy of which rules have been tabled at this meeting and initialled by the chairman for the purposes of identification, be and is hereby approved.”

*In accordance with the JSE Listing Requirements, in order for ordinary resolution number 12.2 to be passed, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required.*

Details of the retention unit scheme are set out in Annexure 1 to this notice of annual general meeting.

The rules of the conditional unit plan which govern the retention unit scheme will be available for inspection at the offices of Hyprop, 2nd Floor, Cradock Heights, 21 Cradock Avenue, Rosebank, from the date of issue of this notice of annual general meeting to the date on which the annual general meeting is held.

## SPECIAL RESOLUTION NUMBER 1: SECURITY REPURCHASES

“Resolved that the company or any of its subsidiaries be and are hereby authorised by way of a general approval to acquire securities by the company, in terms of sections 46 and 48 of the Companies Act, and in terms of the Listings Requirements on the basis that:

- a) any acquisition of securities shall be implemented through the order book of the JSE and without prior arrangement;
- b) this general authority shall be valid until the company's next annual general meeting, provided that it shall not extend beyond 15 months from the date of passing this special resolution;
- c) the company (or any subsidiary) is duly authorised by its Memorandum of Incorporation to do so;
- d) acquisitions of securities in the aggregate in any one financial year may not exceed 20% (or 10% where the acquisitions are effected by a subsidiary) of the company's issued ordinary share capital as at the date of passing this special resolution;
- e) in determining the price at which securities issued by the company are acquired by it or any of its subsidiaries in terms of this general authority, the maximum premium at which such securities may be acquired will be 10% of the weighted average of the market value on the JSE over the five business days immediately preceding the repurchase of such securities;
- f) at any point in time the company (or any subsidiary) may appoint only one agent to effect repurchases on its behalf;
- g) repurchases may not take place during a prohibited period (as defined in paragraph 3.67 of the Listings Requirements) unless a repurchase programme is in place (where the dates and quantities of securities to be repurchased during the prohibited period are fixed) and full details thereof are or have been announced on SENS prior to commencement of the prohibited period;
- h) an announcement will be published, as soon as the company or any of its subsidiaries have acquired securities constituting, on a cumulative basis, 3% of the number of securities in issue prior to the acquisition pursuant to which the aforesaid threshold is reached, and for each 3% in aggregate acquired thereafter, containing full details of such acquisitions;
- i) the board of directors of the company must resolve that the repurchase is authorised, that the company and its subsidiaries have passed the solvency and liquidity test, as set out in section 4 of the Companies Act, and since that test was performed, that there have been no material changes to the financial position of the company and the group; and
- j) the company's sponsor will confirm the adequacy of the company's working capital for the purpose of undertaking the repurchase, in writing, prior to the repurchase of any securities.”



In accordance with the Listings Requirements the directors record that although there is no immediate intention to effect a repurchase of the securities of the company, the directors will utilise this general authority to repurchase securities as and when suitable opportunities present themselves, which may require expeditious and immediate action.

The directors undertake that, after considering the maximum number of securities that may be repurchased and the price at which the repurchases may take place pursuant to the buy-back general authority, for a period of 12 months after the date of notice of this annual general meeting:

- the company and the group will, in the ordinary course of business, be able to pay their debts;
- the consolidated assets of the company and the group fairly valued in accordance with International Financial Reporting Standards, will exceed the consolidated liabilities of the company and the group fairly valued in accordance with International Financial Reporting Standards; and
- the company's and the group's share capital, reserves and working capital will be adequate for ordinary business purposes.

The following additional information which appears in the integrated report (page references as below), is provided in terms of paragraph 11.26 of the Listings Requirements for the purposes of this general authority:

- Directors and management - pages 28 to 31;
- Major beneficial shareholders - page 100;
- Directors' interests in securities - page 57; and
- Capital structure of the company – page 81.

#### **Litigation statement**

In terms of section 11.26 of the Listings Requirements, the directors, whose names appear on pages 28 to 30 of the integrated report, are not aware of any legal or arbitration proceedings including proceedings that are pending or threatened, that may have or have had in the recent past (being at least the previous 12 months) a material effect on Hyprop's financial position.

#### **Directors' responsibility statement**

The directors whose names appear on pages 28 to 30 of the integrated report, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the special resolution contains all information required by the Companies Act and the Listings Requirements.

#### **Material changes**

Other than the facts and developments reported on in the integrated report, there have been no material changes to the affairs or financial position of the company and its subsidiaries since the date of signature of the audit report for the financial year ended 30 June 2013 and up to the date of this notice.

*In order for special resolution number 1 to be passed, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required.*

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

The reason for special resolution number 1 is to afford the directors of the company (or a subsidiary of the company) general authority to effect a buy-back of the company's securities on the JSE. The effect of the resolution will be that the directors will have the authority, subject to the Listings Requirements and the Companies Act, to effect acquisitions of the company's securities on the JSE.

#### **SPECIAL RESOLUTION NUMBER 2: FINANCIAL ASSISTANCE TO RELATED AND INTER-RELATED PARTIES**

"Resolved that, to the extent required by section 45 of the Companies Act, the board of directors of the company may, subject to compliance with the requirements of the company's Memorandum of Incorporation, the Companies Act and the Listings Requirements, each as presently constituted and as amended from time to time, authorise the company to provide direct or indirect financial assistance, as contemplated in section 45 of the Companies Act, by way of loans, guarantees, the provision of security or otherwise, to any of its present or future subsidiaries and/or any other company or corporation that is or becomes related or inter-related (as defined in the Companies Act) to the company for any purpose or in connection with any matter, such authority to endure until the next annual general meeting provided that such authority shall not extend beyond two years."

*In order for special resolution number 2 to be passed, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required.*

# NOTICE OF COMBINED ANNUAL GENERAL MEETING OF SHAREHOLDERS AND DEBENTURE HOLDERS (CONTINUED)

## Reason for and effect of special resolution number 2

The company would like the ability to provide financial assistance, in appropriate circumstances and if the need arises, in accordance with section 45 of the Companies Act. The financial assistance will only be provided if the board of directors of the company is satisfied that the terms under which the financial assistance is proposed to be given are fair and reasonable to the company and, immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test contemplated in the Companies Act. In the circumstances and in order to, *inter alia*, ensure that the company's subsidiaries and other related and inter-related companies and corporations have access to financing and/or financial backing from the company (as opposed to banks), it is necessary to obtain the approval of shareholders, as set out in special resolution number 2. Therefore, the reason for and effect of special resolution number 2 is to permit the company to provide direct or indirect financial assistance (within the meaning attributed to that term in section 45 of the Act) to the entities referred to in special resolution number 2 above.

## Notice in terms of section 45(5) of the Companies Act in respect of special resolution number 2

Notice is hereby given to shareholders of the company in terms of section 45(5) of the Companies Act of a resolution adopted by the board authorising the company to provide such direct or indirect financial assistance as specified in the special resolution above:

- a) by the time that this notice of annual general meeting is delivered to shareholders of the company, the board will have adopted a section 45 board resolution authorising the company to provide, at any time and from time to time during the period of two years commencing on the date on which the special resolution is adopted, any direct or indirect financial assistance as contemplated in section 45 of the Companies Act to any one or more related or inter-related companies or corporations of the company and/or to any one or more members of any such related or inter-related company, or corporation and/or to any one or more persons related to any such company or corporation;
- b) the section 45 board resolution will be effective in respect of each of the applicable resolutions only if and to the extent that the special resolution is adopted by the shareholders of the company, and the provision of any such direct or indirect financial assistance by the company, pursuant to any such resolution, will always be subject to the board being satisfied that (i) immediately after providing such financial assistance, the company will satisfy the solvency and liquidity test as referred to in section 45(3)(b)(i) of the Companies Act, and that (ii) the terms under which such financial assistance is to be given are fair and reasonable to the company as referred to in section 45(3)(b)(ii) of the Companies Act; and
- c) inasmuch as the section 45 board resolution contemplates that such financial assistance will, in the aggregate, exceed 1/10th of 1% of the company's net worth at the date of adoption of such resolution, the company hereby provides notice of the section 45 board resolution to shareholders of the company.

## SPECIAL RESOLUTION NUMBER 3: APPROVAL OF NON-EXECUTIVE DIRECTORS' FEES PROPOSED FOR THE YEAR ENDING 30 JUNE 2014

Resolved that the non-executive directors' fees as set out below (which fees are unchanged from the fees approved by shareholders for the year ending 31 December 2013), be and are hereby approved for a period of two years from the passing of this resolution or until such fees are revised by further resolution of shareholders, whichever is the earlier, as follows:

	2014	2013
Board Chairman	R285 000	R285 000
Non-executive director	R183 000	R183 000
Audit committee chairman	R136 500	R136 500
Audit committee member	R114 000	R114 000
Remuneration and nomination committee member	R40 000	R40 000
Risk committee member	R40 000	R40 000
Social and ethics committee member	R40 000	R40 000
Investment committee member per meeting	R 5 000	R 5 000

*In order for special resolution number 3 to be passed, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required.*

## Reason for and effect of special resolution number 3

The reason for and effect of special resolution number 3 is to pre-approve the remuneration and fees payable to the non-executive directors as required in terms of sections 66(8) and (9) of the Companies Act.

## SPECIAL RESOLUTION NUMBER 4: APPROVAL OF A NEW MEMORANDUM OF INCORPORATION

"Resolved as a special resolution that the company's current Memorandum of Incorporation shall be and is hereby substituted in its entirety with the new Memorandum of Incorporation tabled at this annual general meeting and initialled by the chairman for identification purposes (the "new Memorandum of Incorporation"). The new Memorandum of Incorporation will take effect from the registration of this shareholder special resolution number 4 (together with the new Memorandum of Incorporation) with the Companies and Intellectual Property Commission or such later date as may be determined by the board of directors of the company."

*In order for special resolution number 4 to be passed, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required.*



## Reason and effect of special resolution number 4

The reason for and effect of special resolution number 4 is to adopt the new Memorandum of Incorporation for the purpose of ensuring the company's Memorandum of Incorporation is in line with the Companies Act.

The salient features of the new Memorandum of Incorporation are set out in Annexure 2 to this notice of annual general meeting.

The new Memorandum of Incorporation will be available for inspection at the offices of the company, 2<sup>nd</sup> Floor, Cradock Heights, 21 Cradock Avenue, Rosebank, 2196 from the date of issue of this notice of annual general meeting to the date on which the annual general meeting is held.

## ORDINARY RESOLUTION NUMBER 13: SIGNATURE OF DOCUMENTATION

"Resolved that any director of the company or the company secretary be and is hereby authorised to sign all such documentation and do all such things as may be necessary for or incidental to the implementation of ordinary resolution numbers 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12.1 and 12.2 and special resolution numbers 1, 2, 3 and 4, which are passed by the shareholders with and subject to the terms thereof."

*In order for ordinary resolution number 13 to be passed, the support of more than 50% of the total number of votes exercisable by shareholders, present in person or by proxy, is required.*

### Quorum

A quorum for the purposes of considering the resolutions above shall consist of three shareholders of the company personally present (or if the shareholder is a body corporate, it must be represented) and entitled to vote at the annual general meeting. In addition, a quorum shall comprise 25% of all the voting rights that are entitled to be exercised by Hyprop shareholders in respect of each matter to be decided at the annual general meeting.

The date on which Hyprop shareholders must be recorded as such in the register maintained by the transfer secretaries, Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg 2001 (PO Box 61051, Marshalltown 2107), for the purposes of being entitled to attend, participate in and vote at the annual general meeting is Friday, 29 November 2013.

### Shareholders

#### General instructions

Shareholders are encouraged to attend, speak and vote at the annual general meeting.

#### Electronic participation

The company has made provision for shareholders or their proxies to participate electronically in the annual general meeting by way of telephone conferencing. Should you wish to participate in the annual general meeting by telephone conference call as aforesaid, you, or your proxy, will be required to advise the company thereof by no later than 11h00 on Tuesday, 3 December 2013 by submitting by e-mail

to the company secretary at pbs@probitysecretaries.co.za or by fax to be faxed to +27 11 327 7149, for the attention of Neville Toerien, relevant contact details, including:

- an e-mail address;
- cellular number and landline; and
- full details of the shareholder's title to securities issued by the company and proof of identity:
  - for certificated ordinary shares - copies of identity documents and share certificates; and
  - for dematerialised ordinary shares - written confirmation from the shareholder's Central Securities Depository Participant ("CSDP") confirming the shareholder's title to the dematerialised ordinary shares.

Upon receipt of the required information, the shareholder concerned will be provided with a secure code and instructions to access the electronic communication during the annual general meeting. Shareholders must note that access to the electronic communication will be at the expense of the shareholders who wish to utilise the facility. Shareholders and their appointed proxies attending by conference call will not be able to cast their votes at the annual general meeting through this medium.

#### Proxies and authority for representatives to act

A form of proxy is attached for the convenience of any shareholder holding certificated ordinary shares, who cannot attend the annual general meeting but wishes to be represented thereat.

The attached form of proxy is only to be completed by those shareholders who are:

- holding shares in certificated form; or
- recorded on the company's sub-register in dematerialised electronic form with "own name" registration.

All other beneficial owners who have dematerialised their combined units through a CSDP or broker and wish to attend the annual 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 must be deposited at the transfer secretaries, Computershare Investor Services Proprietary Limited at 70 Marshall Street, Johannesburg or by fax on +27 11 688 6238 to be received no later than 11h00 on Tuesday, 3 December 2013. Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend, speak and vote in person at the annual general meeting should the shareholder decide to do so.

A company that is a shareholder, wishing to attend and participate at the annual general meeting should ensure that a resolution authorising a representative to so attend and participate at the annual general meeting on its behalf is passed by its directors. Resolutions authorising representatives in terms of section 57(5) of the Companies Act must be lodged with the company's transfer secretaries prior to the annual general meeting.

## Debenture holders

### **General instructions**

Debenture holders are encouraged to attend and speak at the annual general meeting.

### **Electronic participation**

The company has made provision for its debenture holders or their proxies to participate electronically in the annual general meeting by way of telephone conferencing. Should you wish to participate in the annual general meeting by telephone conference call as aforesaid, you, or your proxy, will be required to advise the company thereof by no later than 11h00 on Tuesday, 3 December 2013 by submitting by e-mail to the company secretary at pbs@probitysecretaries.co.za or by fax to be faxed to +27 11 327 7149, for the attention of Neville Toerien, relevant contact details, including:

- an e-mail address;
- cellular number and landline; and
- full details of the debenture holder's title to securities issued by the company and proof of identity:
  - for materialised debentures - copies of identity documents and debenture certificates; and
  - for dematerialised debentures - written confirmation from the debenture holder's CSDP confirming the debenture holder's title to the dematerialised debentures.

Upon receipt of the required information, the debenture holder concerned will be provided with a secure code and instructions to access the electronic communication during the annual general meeting. Debenture holders must note that access to the electronic communication will be at the expense of the debenture holder who wishes to utilise the facility.

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

Due to Hyprop's combined unit structure (that is each Hyprop combined unit comprises one ordinary share indivisibly linked to one debenture), its shareholders are also its debenture holders and the matters to be voted on at the annual general meeting are matters on which shareholders and not debenture holders are entitled to vote. As a result, a proxy form has only been included for shareholders.

Debenture holders wishing to appoint a proxy or two or more proxies to attend and participate (but not vote) in the annual general meeting, may contact the company secretary on pbs@probitysecretaries.co.za or by fax on +27 11 327 7149, to obtain such form of proxy.

## Company Secretary

Probity Business Services Proprietary Limited

### **Registered office of the company**

2nd Floor Cradock Heights  
21 Cradock Avenue, Rosebank, 2196

### **Transfer secretaries**

Computershare Investor Services Proprietary Limited  
Ground Floor, 70 Marshall Street  
Johannesburg, 2001

## THE HYPROP INVESTMENTS LIMITED EMPLOYEE INCENTIVE SCHEME

In this Annexure 1 to the notice of annual general meeting, unless inconsistent with the context, an expression which denotes one gender includes the other gender, a natural person includes a juristic person and *vice versa*, the singular includes the plural and *vice versa* and the expressions set out in the first column bear the meaning assigned to them in the second column.

“Allocated”	for purposes of setting the Plan limits referred to in Rule 5 of the Plan, shall mean, at any relevant time, the number of Units which would at such time be required by the relevant Company or Employer Companies to Settle an Award, assuming the highest possible Vesting in relation to any applicable Performance Condition and Vesting Condition;
“annual general meeting”	the annual general meeting of Hyprop shareholders and Hyprop debenture holders to be held at Hyprop’s registered office at 11h00 on Thursday, 5 December 2013, convened for the purpose of considering and if deemed fit, passing, with or without modification, the resolutions (including without limitation the resolutions required for the adoption and implementation of the Plan) set out in the notice of annual general meeting to which this Annexure 1 is attached;
“Auditors”	the auditors of the Company from time to time;
“Award”	an award of a specified number of Retention Units or Performance Units, or a combination of both; made to the Participant on the basis that the Participant may forfeit the rights to the Retention Units or Performance Units in the circumstances set out in the Award Letter, and “Awarded” shall bear a similar meaning;
“Award Date”	the date, specified in the Award Letter, on which an Award is made to an Employee (being a date not earlier than the date on which the Remuneration Committee resolved to make such Award to the Employee) irrespective of the date on which the Award is actually accepted by the Employee, unless otherwise instructed or specified in the Rules;
“Award Letter”	a letter containing the information specified in Rule 6.2.1 of the Plan sent by the Company or its nominee, and on the recommendation of the Employer Company, to an Employee informing the Employee of the making of an Award to him;
“board”	the board of directors of Hyprop at the date of this notice of the annual general meeting;
“Capitalisation Issue”	a capitalisation issue as contemplated in section 47 of the Act;
“certificated shareholders”	Hyprop shareholders who hold certificated shares;
“certificated shares”	Hyprop shares which have not been dematerialised into the Strate system, title to which is represented by share certificates or other physical documents of title;
“Change of Control”	where a person (or persons acting together in concert), who did not have Control of the Company, through a transaction, or series of transactions, acquire Control of the Company;
“Change of Control Date”	the date on which the Change of Control of the Company becomes effective;
“Companies Act” or “the Act”	the Companies Act, 2008 (Act 71 of 2008), as amended;
“Control”	means: (a) the holding of Units or the aggregate of holdings of Units or other securities in the Company entitling the holder thereof to exercise, or cause to be exercised, more than 50% of the voting rights at Unitholders meetings of the Company; or (b) the holding or control, by a Unitholder or member alone or pursuant to an agreement with other Unitholders, or members of more than 50% of the voting rights in the Company; or (c) the entitlement, directly or indirectly, to appoint a majority of Directors of the board of Directors of the Company, or to appoint or remove Directors having a majority of the votes exercisable at meetings of the board of Directors of the Company;
“Co-owned Property”	any property owned by the Company where the Company owns less than 100% of the property by way of an undivided share;
“Date of Termination of Employment”	the date upon which a Participant is no longer permanently employed by, or ceases to hold salaried office in, the Company or any Employer Company; provided that, where a Participant’s employment is terminated without notice or on terms in lieu of notice, the Date of Termination of Employment shall be deemed to occur on the date on which the termination takes effect, and where such employment is terminated with notice, the Date of Termination of Employment shall be deemed to occur upon the date on which that notice expires;
“dematerialised shareholders”	Hyprop shareholders who hold dematerialised shares;

## THE HYPROP INVESTMENTS LIMITED EMPLOYEE INCENTIVE SCHEME (CONTINUED)

“dematerialised shares”	Hyprop shares which have been incorporated into the Strate system, title to which is not represented by share certificates or other physical documents of title;
“Directors”	directors of the Company from time to time;
“Employee”	any person holding permanent salaried employment or office with the Company or any Employer Company, but excluding any non-executive director of the Group;
“Employer Company”	the Company or any company (including a Co-owned Property) in the Group which employs a Participant and which will have an obligation to Settle Units to such Participant, unless otherwise provided;
“Financial Year”	the financial year of the Company, running from 1 July to 30 June of each year;
“Hyprop” or “the Company” or “the Group”	Hyprop Investments Limited (Registration number 1987/005284/06), a public company duly incorporated in South Africa and listed on the JSE;
“Hyprop debenture”	an unsecured variable rate debenture in Hyprop with a face value of 493 cents governed by the Hyprop debenture trust deed;
“Hyprop debenture holders”	the registered holders of Hyprop debentures;
“Hyprop share”	a no par value share of the Company;
“Hyprop shareholders”	the registered holders of Hyprop shares;
“Hyprop Units” or “Units”	Hyprop combined units listed on the JSE, each comprising one Hyprop share indivisibly linked to one Hyprop debenture;
“Hyprop Unitholders” or “Unitholders”	holders of Hyprop Units;
“integrated report”	the Company’s integrated annual report for the 6 months ended 30 June 2013. A copy of the integrated report is being sent to shareholders and debenture holders together with this notice of annual general meeting. An electronic copy of the integrated annual report is available on the Company’s website, <a href="http://www.hyprop.co.za">www.hyprop.co.za</a> ;
“JSE”	JSE Limited (Registration number 2005/022939/06), a company incorporated in South Africa and licensed as an exchange under the Securities Services Act, 2004 (Act 36 of 2004), as amended;
“JSE Listings Requirements”	the JSE Listings Requirements, as amended from time to time;
“Majority of Operations”	more than 50% (fifty percent) of the Company’s operations, when measured in terms of the revenue generated on an annual basis and as disclosed in the Company’s annual financial statements for the prior Financial Year;
“Memorandum of Incorporation”	the Memorandum of Incorporation of Hyprop from time to time;
“notice of annual general meeting”	the notice convening the annual general meeting of Hyprop’s shareholders and debenture holders, to which this Annexure 1 is attached;
“Participant”	an Employee who has accepted an Award made to him in terms of the Plan and includes the executor of such Employee’s deceased estate where appropriate;
“Performance Condition(s)”	a condition or conditions of Vesting of an Award of Performance Units, as set out in the Award Letter;
“Performance Period”	a period of no less than 3 Financial Years (or such other measurement period directed by the Remuneration Committee, provided it will never be less than 3 years from the Award Date) in respect of which a Performance Condition is to be satisfied, as set out in the Award Letter;
“Performance Units”	the conditional right to Units forming part of the Award that are subject to the Vesting Condition and a Performance Condition(s);
“Plan” or “CUP”	Hyprop Investments Limited Conditional Unit Plan;
“Prohibited Period”	a closed period as defined in the JSE Listings Requirements applicable to the Company from time to time; or any other period when, as determined by the board of the Company, there exists any matter, which constitutes unpublished price sensitive information in relation to the Company’s securities;
“Remuneration Committee”	the remuneration and nomination committee of the board of Directors, the members of which do not hold any executive office within the Group and who will not be eligible for participation in the Plan;
“Retention Units”	the conditional right to Units forming part of the Award that are subject to the Vesting Condition;

<b>“Retirement”</b>	in relation to a Participant’s retirement at the normal retirement age as determined by the Company, which at the time of approval of these Rules is 65 years of age, or with the approval of the Remuneration Committee, retirement prior to the normal retirement age;
<b>“Rules”</b>	the Rules of the Plan, as amended from time to time;
<b>“SENS”</b>	the Stock Exchange News Service, the news service operated by the JSE;
<b>“Settlement”</b>	registration in the name of, and delivery to, a Participant of the required number of Units to which the Participant is entitled pursuant to the Vesting of an Award, in accordance with the Settlement method stipulated in Rule 8.3 of the Plan and the words “Settle” and “Settled” shall bear a corresponding meaning;
<b>“Settlement Date”</b>	the date on which Settlement of the Performance Units and/or Retention Units shall occur;
<b>“South Africa”</b>	the Republic of South Africa;
<b>“Strate”</b>	Strate Limited (Registration number 1998/022242/06), a company 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”</b>	a company which is a subsidiary of the Company within the meaning of the Act;
<b>“transfer secretaries”</b>	Computershare Investor Services Proprietary Limited, a company incorporated in South Africa, the details of which are set out on the inside back cover of the notice of annual general meeting;
<b>“Vesting Condition”</b>	the condition of continued employment with the Group for the duration of the Vesting Period, as specified in the Award Letter;
<b>“Vest”</b>	a Participant becoming unconditionally entitled to the Units (free of any restrictions and further conditions that could result in forfeiture) on the fulfilment of the Vesting Condition as set out in the Award Letter and confirmation by the Remuneration Committee that the Performance Condition(s) (if applicable) has been fulfilled;
<b>“Vesting Date”</b>	the date on which Vesting occurs; and
<b>“Vesting Period”</b>	the period commencing on the Award Date and ending on the date as specified in the Award Letter (both dates inclusive) during which the Participant is required to fulfil the Vesting Condition. Such period may be no less than 3 years in respect of Performance Units and 5 years in respect of Retention Units.

## 1. RATIONALE FOR THE CONDITIONAL UNIT PLAN

Hyprop’s remuneration philosophy is designed to attract, motivate and retain high quality employees at all levels and to reward them with market-related remuneration. Skilled and experienced professional employees, particularly in the South African property sector, are in short supply and it is imperative that Hyprop’s remuneration is sufficiently competitive to retain the skills necessary to grow the Company.

The Company currently operates a cash settled unit appreciation right scheme (the “Phantom Scheme”) and no awards (with the exception of once-off awards to a limited number of newly appointed employees), have been made since 2008. Following approval of the CUP, the Phantom Scheme will terminate, other than for four employees who have outstanding awards under the Phantom Scheme, the last of which expires in March 2016.

The Phantom Scheme has a number of shortcomings, including the fact that regular awards are not made and pay-outs in terms of this scheme effectively amount to enhanced bonus payments, linked to Unit price performance. The scheme does

not result in employee equity ownership in the Company and therefore does not fully align employees’ interests with those of Unitholders.

To this end, the Company sought advice from independent advisors and proposes to adopt a CUP, which is an equity-settled long-term incentive plan that would assist Hyprop in its commitment to aligning the interests of employees with those of the Hyprop Unitholders.

## 2. SALIENT FEATURES OF THE CONDITIONAL UNIT PLAN

### Award components

In terms of the CUP, fully paid Awards will be made on an annual basis comprising Performance Units and Retention Units. The split between Performance Units and Retention Units will be 70%:30% for all Participants. The CUP may also be used to defer a portion of the discretionary short-term incentive bonus by way of an Award of Retention Units.

## THE HYPROP INVESTMENTS LIMITED EMPLOYEE INCENTIVE SCHEME (CONTINUED)

As permitted by King III, a retention component will be included to address the retention of Hyprop's senior Employees, given the skills shortage in the South African property sector and the current low levels of Employee equity ownership in the Company. Initially this will also address the lack of regular awards since 2008 under the existing Phantom Scheme.

### Eligibility and nature of awards

Awards will be made to executives, senior managers, operational and financial managers and to staff with specific core, critical and/or strategic skills. Approximately 13% (27 Employees) of the Company's total staff complement will be Participants in the CUP.

Under the CUP, Awards will provide the Participant with a conditional right to receive Units at the end of the Vesting Period provided that the Performance Conditions and/or the Vesting Condition have been met.

Participants will not be required to pay for the Units. Participants will however be liable for income tax on the market value of the Units that Vest.

### Settlement of units

The CUP may only be Settled by way of a market purchase of Units or by application of Units held in treasury which have been purchased in the market. As a result, the CUP will not result in any dilution to existing Unitholders.

The financial impact of the CUP will be reported in the integrated annual report on an annual basis both in terms of the CUP as a whole and for individual executive directors.

No Awards may be made during a Prohibited Period. The Company will delay the Vesting or Settlement of Awards in terms of the CUP if the Vesting or Settlement of the Units occurs during a Prohibited Period.

### Distributions

Prior to Vesting, participants in the CUP will not share in the distributions related to the Units Allocated in terms of the CUP.

### Allocation policy

Following the introduction of the CUP, the intention is that the overall remuneration strategy of the Company will comprise three primary parts:

- Guaranteed package;
- Short-term incentive – discretionary bonus;
- Long-term incentive – the CUP.

The number of Performance Units and/or Retention Units contained in an Award made to an Employee will primarily be based on the Employee's annual salary, grade, retention or recruitment requirements, and market benchmarks.

The following multiples of the guaranteed package will apply for the annual allocations but will not exceed the annual limit as set out below:

- CEO - 70%;
- Executive directors - 60%;
- Executives - 40%;
- Senior Management and Other - 25% to 30%.

In the case of executives, and under certain conditions, the Remuneration Committee will have the discretion to defer up to 30% of the discretionary short-term incentive for an Award of Retention Units. To the extent that this applies, such an Award of Retention Units will be in addition to the annual allocation above but with the condition that the total allocation in any year will not exceed the annual limit as set out overleaf.

### Plan limits

#### Company limit

The aggregate maximum number of Performance Units which may be Allocated under the CUP shall not exceed 3 402 000 Units. The aggregate maximum number of Retention Units which may be Allocated under the CUP shall not exceed 1 458 000 Units. The total aggregate maximum number of Performance Units and Retention Units which may be Allocated under the CUP shall not exceed 4 860 000 Units (representing approximately 2% of the current Units in issue).

#### Individual limit

The maximum number of Units which may be Allocated to any individual under the CUP in respect of Awards of Performance Units may not exceed 420 000 Units. The maximum number of Units which may be Allocated to any individual under the CUP in respect of Awards of Retention Units may not exceed 180 000 Units. The total maximum number of Units which may be Allocated to any individual under the CUP may not exceed 600 000 Units (representing approximately 0,25% of the current Units in issue). Awards of Performance Units or Awards of Retention Units which have been forfeited by the Participant shall be excluded from the said limits.

#### Annual limit

The aggregate number of Units which may be Allocated under the CUP in any one Financial Year shall not exceed one fifth of the Company limit and the individual limit.

The aggregate maximum number of Performance Units and Retention Units that may be allocated in terms of the CUP and the annual limit to be awarded, in any one Financial Year, for Performance Units and Retention Units are as follows:



	Split (%)	Maximum no of units	Maximum no of units – % of current shares in issue	Annual limit	Annual limit – % of current shares in issue
<b>Performance units</b>	70				
Company limit		3 402 000	1,40	680 400	0,28
Individual limit		420 000	0,17	84 000	0,03
<b>Retention units</b>	30				
Company limit		1 458 000	0,60	291 600	0,12
Individual limit		180 000	0,07	36 000	0,01
<b>Total</b>	100				
Company limit		4 860 000	2,00	972 000	0,40
Individual limit		600 000	0,25	120 000	0,05

The above are maximum Allocations, and actual Allocations are likely, on average, to be less than the above limits.

The JSE Listings Requirements do not require Units purchased in the market to be taken into account when determining the Company limit, however Units purchased in the market in Settlement of the CUP will be included in the total Company limit noted above. Units Allocated under the CUP, which are not subsequently settled to a Participant as a result of the forfeiture thereof, will be excluded in calculating the Company limit.

The Remuneration Committee must, where required, adjust the number of Units available for the Plan stated above (without the prior approval of Unitholders at a general meeting) and the number of Units subject to existing Awards, to take account of a sub-division or consolidation of the Units of the Company. The Remuneration Committee may, where required, adjust the number of Units available for the individual limit stated above (without the prior approval of Unitholders at a general meeting) and the number of Units subject to existing Awards to take account of a capitalisation issue, a special dividend, a rights issue or reduction in capital of the Company. The Auditors, or other independent advisors acceptable to the JSE, shall confirm to the JSE in writing that any such adjustment has been properly calculated on a reasonable and equitable basis, in accordance with the Rules.

### Performance periods and vesting periods

The Performance Period for the Performance Units will be 3 years which will run concurrently with the Company's Financial Year except for the first Award of Performance Units where the Performance Period will be 3 years from 1 January 2014.

The Vesting Period for the Performance Units will be 3 years from the Award Date and the Vesting Period for Retention Units will be 5 years from the Award Date.

The CUP will run for a maximum of 10 years, and no new Award will be made after 10 years from the date of approval of the CUP.

### Performance conditions

The intended Performance Conditions and related targets are set out below.

The targets will represent the levels of achievement required for each Performance Condition in order for certain portions of the Performance Units to Vest. Threshold performance will act as a 'gatekeeper' and will represent the minimum performance that is required before Performance Units will start to Vest. On-target performance relates to good, but stretching performance, and stretch performance relates truly exceptional performance in the context of the prevailing business environment. The portion of the Performance Units that will Vest at each target will be as follows:

Vesting percentage	
<b>Threshold</b>	50% of the Award of Performance Units will Vest for performance at threshold. None of the Performance Units will Vest for performance below threshold.
<b>On-target</b>	100% of the Award of Performance Units will Vest for performance at on-target.
<b>Stretch</b>	150% of the Award of Performance Units will Vest for performance at stretch.

Linear Vesting will apply for performance between threshold and on-target or between on-target and stretch performance. This means, for example, that where performance is exactly halfway between threshold and on-target, the portion of the Performance Units that will Vest will reflect a similar ratio, i.e. 75%.

The intended Performance Conditions are as follows:

Performance condition	Detail of performance condition	Weighting	Threshold	On-target	Stretch
Growth in distribution per Unit relative to the peer group	Growth in distribution per Unit will be calculated as the simple growth in the distribution per Unit at the end of the Performance Period over the distribution per Unit at the Financial Year immediately preceding the start of the Performance Period.	40%	Hyprop's growth in distribution per Unit relative to the peer group: 95%	Hyprop's growth in distribution per Unit relative to the peer group: 102.5%	Hyprop's growth in distribution per Unit relative to the peer group: 110%
Unit price performance relative to the peer group	Unit price performance will be measured as the growth in the Unit price over the Performance Period. This will comprise the difference between the Unit price at the end and at the start of the Performance Period.	40%	Hyprop's Unit price performance relative to the peer group: 95%	Hyprop's Unit price performance relative to the peer group: 105%	Hyprop's Unit price performance relative to the peer group: 120%
Strategic component	See below	20%	See below	See below	See below

The peer group will constitute the 5 (five) largest South African Real Estate Investment Trust (REIT) companies by market capitalisation listed on the JSE.

The strategic component will be determined by the Remuneration Committee in line with the prevailing circumstances and projects at the time of the Award and should be measurable over the Performance Period of 3 years, and may include project related or general business activity. Where considered appropriate, the Remuneration Committee will have the discretion not to apply the strategic component, in which event the 20% weighting afforded to the strategic component will be split equally between the other two Performance Conditions. Achievement of each of the Performance Conditions and consequent Vesting of Performance Units, will occur severally.

### Termination of employment

Termination of employment due to resignation or dismissal on grounds of misconduct, proven poor performance or proven dishonest conduct, fraudulent conduct, abscondment or for any reason other than stated below will result in employees being classified as "bad leavers" and those employees will forfeit all unvested Awards.

Employees terminating employment due to death, Retirement, retrenchment, ill-health, disability, injury or the sale of the Employer Company, and other terminations and exceptional circumstances as determined by the Remuneration Committee, will be classified as "good leavers" and a portion of the unvested Award will vest on the Date of Termination of Employment. This portion will reflect the number of months served from the Award Date to the Date of Termination of Employment over the total number of months in the Vesting Period, and the extent to which the Performance Condition(s) (if any) have been met. The remainder of the Award will lapse.

### Change of control

In the event of a Change of Control resulting in the Units ceasing to be listed on the JSE, a merger of the Majority of Operations of the Company with another entity, or the CUP being terminated, a portion of the Award will Vest. This portion will reflect the number of months served from the Award Date to the Change of Control Date over the total number of months

in the Vesting Period, and the extent to which the Performance Condition(s) (if any) have been met. The portion of the Award that does not Vest on the Change of Control Date will continue to be subject to the terms of the Award Letter relating thereto, unless the Remuneration Committee, in its absolute discretion, determines that the terms of the Award Letter relating thereto are no longer appropriate.

### Variation of unit capital

In the event of a variation in Unit capital such as a Capitalisation Issue, rights issue, subdivision of Units, consolidation of Units etc., Participants shall continue to participate in the CUP. The Remuneration Committee may make such adjustment to the number of unvested Performance Units and/or Retention Units forming part of the relevant Award or take such other action so as to ensure that Participants are placed in substantially the same position as they were in prior to the occurrence of the aforesaid event, provided that such adjustment gives a Participant an entitlement to the same proportion of equity capital as that to which he was previously entitled. The issue of Units as consideration for an acquisition, and the issue of Units for cash or a vendor consideration placing will not be regarded as a circumstance that requires any adjustment to Awards. Where the Remuneration Committee regards an adjustment as necessary, Auditors, acting as experts and not as arbitrators, and whose decision shall be final and binding on all persons affected thereby, may be requested to confirm to the Company in writing that the adjustments are calculated on a non-prejudicial basis. The Auditors shall confirm in writing to the JSE whether those adjustments were calculated in accordance with the rules of the CUP. Any adjustments made will be reported in the Company's annual financial statements in the year during which the adjustment is made.

### Change in terms

The provisions relating to:

- the category of persons who are eligible for participation in the CUP;
- the number of Units which may be utilised for the purpose of the CUP;

- the individual limit entitlements under the CUP;
- the basis upon which Awards are made;
- the amount (if any) payable upon the Award, Vesting or Settlement of an Award;
- the voting, dividend, transfer and other rights attached to the Awards, including those arising on a liquidation of the Company;
- the adjustment of Awards in the event of a Change of Control of the Company or other corporate actions; and
- the procedure to be adopted in respect of the Vesting of Awards in the event of termination of employment.

may not be amended without the prior approval of the JSE and by ordinary resolution of 75% of Unitholders of the Company present or by proxy, in general meeting, excluding all the votes attached to all Units owned by persons as a result of the Vesting of Performance Units and/or Retention Units under the Plan who are existing Participants in the Plan and who may be impacted by the changes.

The Rules of the CUP are available for inspection from 5 November 2013 to 5 December 2013 at the Company's registered office being 2nd Floor, 21 Cradock Avenue, Cradock Heights, Rosebank, 2196.

# SALIENT FEATURES OF THE NEW MEMORANDUM OF INCORPORATION

## 1. INTRODUCTION

In order to bring the company's existing Memorandum of Incorporation in line with the requirements of the Companies Act, the board proposes the adoption of a new Memorandum of Incorporation in compliance with the Companies Act and the JSE Listings Requirements.

It is proposed that the company's existing Memorandum of Incorporation be substituted in its entirety with the new Memorandum of Incorporation tabled at the annual general meeting.

The new Memorandum of Incorporation will be available for inspection during normal business hours at the offices of the company, 2nd Floor, Cradock Heights, 21 Cradock Avenue, Rosebank, 2196 from the date of issue of the notice of annual general meeting to which this Annexure 2 is attached to the date on which the annual general meeting is held.

The board has satisfied itself that the new Memorandum of Incorporation conforms to Schedule 10 of the JSE Listings Requirements and the adoption of the new Memorandum of Incorporation will have no adverse effect on the unitholders of the company.

Accordingly, shareholders will be requested to approve the special resolution necessary to adopt the new Memorandum of Incorporation tabled at the annual general meeting.

The resolution approving the new Memorandum of Incorporation is subject to at least 75% of shareholders present, in person or by proxy voting in favour of the resolution at the annual general meeting.

The new Memorandum of Incorporation will become effective from the date the special resolution regarding the adoption of the new Memorandum of Incorporation (together with the new Memorandum of Incorporation), is filed and registered with the CIPC.

## 2. SALIENT FEATURES OF THE NEW MEMORANDUM OF INCORPORATION

The salient features of the new Memorandum of Incorporation are set out below. The details below are a direct extract from the new Memorandum of Incorporation.

### 4. "Powers of the Company

Save for those restrictions, limitations and/or qualifications as contemplated in the JSE Listings Requirements (including as regards Real Estate Investment Trusts) 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."

### 8. "Authorised Share capital and amendments to Share capital

8.1. The Company is authorised to issue up to 500,000,000 no par value Ordinary Shares subject to the preferences, rights, limitations and other terms associated with such class, as set out in clause 8.2.

8.2. The following rights are applicable to the Ordinary Shares in the Company:

8.2.1. every holder of an Ordinary Share shall have one vote in respect of each Ordinary Share held and shall be entitled to vote at every general meeting or annual general meeting of the Company, whether in person or by proxy; and

8.2.2. any other rights attaching to the Ordinary Shares in terms of the Companies Act or any other law.

8.3. For so long as is required by the JSE Listings Requirements, any amendment to this Memorandum of Incorporation to:

8.3.1. increase or decrease the number of authorised Shares of any class of Shares;

8.3.2. reclassify any Shares that have been authorised but not issued;

8.3.3. classify any unclassified Shares that have been authorised but not issued;

8.3.4. vary the preferences, rights, limitations or other terms of any issued Shares other than in accordance with the remaining provisions of this Memorandum of Incorporation and the JSE Listings Requirements, if applicable;

8.3.5. create any class of Shares;

8.3.6. convert any Shares in the capital of the Company to shares of a different class, whether issued or not, and in particular (but without derogating from the generality of the foregoing) convert Ordinary Shares or preference shares to redeemable preference shares;

8.3.7. consolidate and divide all or any part of its Share capital into Shares of a larger amount than its existing Shares or consolidate and reduce the number of issued no par value Shares;

8.3.8. change the name of the Company,

must be approved by special resolution of Ordinary Shareholders, save where such an amendment is ordered by a court in terms of section 16(1)(a) and 16(4), subject to the requirements of the Act..."

### 10. "Payment of commission

10.1. 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..."

### 18. "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 of the Act, and the authority of the Board in this regard is not limited or restricted by this Memorandum of Incorporation.”

## 19. “Acquisition by the Company of its own Shares

19.1. Subject to the JSE Listings Requirements, the provisions of section 48 of the Act and the further provisions of this clause 19 –

19.1.1. the Board may determine that the Company acquire a number of its own Shares; and

19.1.2. the board of any subsidiary of the Company may determine that such subsidiary acquire Shares of the Company, but –

19.1.2.1. not more than 10%, 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

19.1.2.2. 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...”

## 21. “Shareholders' meetings

21.1. The Board, or any prescribed officer of the Company authorised by the Board, is entitled to call a Shareholders' meeting at any time.

21.2. 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, and clause 26.4 of this Memorandum of Incorporation, the Company shall hold a Shareholders' meeting –

21.2.1. at any time, that the Board is required by –

21.2.1.1. the Act, to hold a meeting;

21.2.1.2. 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; or

21.2.1.3. this Memorandum of Incorporation, to hold a meeting; or

21.2.2. whenever required in terms of the Act to fill a vacancy on the Board; or

21.2.3. when required in terms of clause 21.3 or by any other provision of this Memorandum of Incorporation.

21.3. The Board shall call a meeting of Shareholders if one or more written and signed demands by Shareholders calling for such a meeting are delivered to the Company and–

21.3.1. each such demand describes the specific purpose for which the meeting is proposed; and

21.3.2. in aggregate, demands for substantially the same purpose are made and signed by the holders, as of the earliest time specified in any of those demands, of at least 10% of the voting rights entitled to be exercised in relation to the matter proposed to be considered at the meeting.

21.4. 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...”

## 22. “Shareholders' meetings by Electronic Communication

22.1. Unless authorised by the Board for a particular meeting, no provision will be made for any Shareholders' meeting to be conducted by Electronic Communication, or provision made for one or more Shareholders, or proxies for Shareholders, to participate in any Shareholder meeting by Electronic Communication.

22.2. Accordingly, if so authorised by the Board pursuant to clause 22.1 above –

22.2.1. any Shareholders' meeting may be conducted entirely by Electronic Communication; or

22.2.2. 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.

22.3. 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.”

## 23. “Votes of Shareholders

23.1. 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 –

23.1.1. every person present and entitled to exercise voting rights shall be entitled to one vote on a show of hands, irrespective of the number of voting rights that person would otherwise be entitled to exercise;

23.1.2. on a poll any person who is present at the 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 Securities held by that Shareholder; and

23.1.3. the holders of Shares other than Ordinary Shares shall not be entitled to vote on any resolution at a meeting of Shareholders, except as provided in clause 23.2...”

## SALIENT FEATURES OF THE NEW MEMORANDUM OF INCORPORATION (CONTINUED)

### 26. “Shareholders acting other than at a meeting

26.1. In accordance with the provisions of section 60 of the Act, but subject to clause 26.4, a resolution that could be voted on at a Shareholders' meeting (other than in respect of the election of Directors) may instead be –

26.1.1. submitted by the Board for consideration to the Shareholders entitled to exercise the voting rights in relation to the resolution; and

26.1.2. voted on in writing by such Shareholders within a period of 20 business days after the resolution was submitted to them.

26.2. A resolution contemplated in clause 26.1–

26.2.1. 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

26.2.2. if adopted, will have the same effect as if it had been approved by voting at a meeting.

26.3. Within 10 business days after adopting a resolution in accordance with the procedures provided in this clause 26, 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.

26.4. For so long as is required under the JSE Listings Requirements or unless the JSE allows otherwise, the provisions of this clause 26 shall not apply to any Shareholder meetings that are called for in terms of the JSE Listings Requirements (which for the avoidance of any doubt, must be held “in person”) or the passing of any resolution in terms of clause 28.3 or to any annual general meeting of the Company.”

### 28. “Composition and powers of the Board of Directors

28.1. The Board must comprise at least four Directors (which shall include the minimum number of directors that the Company must have to satisfy any requirement in terms of the Act, to appoint an audit committee and a social and ethics committee), to be elected by the Shareholders as contemplated in section 68 of the Act. The Shareholders shall be entitled, by ordinary resolution, to determine such maximum number of directors as they from time to time shall consider appropriate.

28.2. This Memorandum of Incorporation does not provide for any Shareholder appointed or *ex officio* directors of the Company, as contemplated in section 66(4) of the Act.

28.3. Subject to clauses 28.4 and 28.15, 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 competent.

28.4. 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) of the Act, provided that such appointment must be approved by the Shareholders at the next Shareholders' meeting or annual general meeting....”

28.11. “...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(l) of the Act, and the powers of the Board in this regard are only limited and restricted as contemplated in this clause 28.”

### 30. “Directors' meetings

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

30.2. 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 minutes of the time appointed for holding the meeting, the Directors present shall choose one of their number to be chairperson of such meeting.

30.3. In addition to the provisions of section 73(l) of the Act, any Director shall at any time be entitled to call a meeting of the Directors...”

### 31. “Directors' compensation and financial assistance

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

### 32. “Chief executive officer

32.1. The Directors may from time to time appoint one or more of their number to the office of chief executive officer or to be the holder of any executive office in the company, including for the purposes of this Memorandum of Incorporation the office of chairperson and may, subject to any contract between him or them and the company, from time to time, terminate his or their appointment and appoint another or others in his or their place or places. Such Director's appointment shall terminate if he ceases for any reason to be a Director.”



### 33. "Indemnification of Directors"

33.1. The Company may –

- 33.1.1. 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) of the Act;
- 33.1.2. indemnify a Director in respect of liability as set out in section 78(5) of the Act; and/or
- 33.1.3. purchase insurance to protect the Company or a Director as set out in section 78(7) of the Act,

and the power of the Company in this regard is not limited, restricted or extended by this Memorandum of Incorporation..."

### 34. "Borrowing powers"

34.1. Subject to the Companies Act and the Listings Requirements (including without limitation those Listings Requirements that apply to Real Estate Investment Trusts) the Board may from time to time and in such manner and on such terms as they deem fit:

- 34.1.1. exercise all the powers of the Company to borrow, raise or secure the payment of money, either with or without any specific security on the undertaking or property of the Company;
- 34.1.2. secure the payment or repayment of any such borrowings or any other sum, as they think fit, whether by the creation and issue of debentures, mortgage or charge or any of the property or assets of the company;
- 34.1.3. subject to clause 34.3 below, make such regulations regarding the transfer of loan stock or debentures, the issue of certificates therefor and all such other matters incidental thereto as the directors think fit.

34.2. The borrowings of any subsidiary of the Company from time to time shall not exceed the amount authorised by the Company.

34.3. The Board may authorise the Company to issue secured or unsecured debt instruments as set out in section 43(2).

34.4. The granting of special privileges to holders of debt instruments, as defined in section 43(1) of the Companies Act, such as attending and voting at general meetings and the appointment of Directors, is prohibited."

### 36. "Annual financial statements"

36.1. 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 –

- 36.1.1. the Act;
- 36.1.2. the Regulations;
- 36.1.3. any other law with respect to the preparation of financial statements to which the Company may be subject; and
- 36.1.4. this Memorandum of Incorporation.

36.2. The Company shall each year prepare annual financial statements within 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) of the Act.

36.3. The Company shall appoint an auditor 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.

36.4. The annual financial statements of the Company must be prepared and audited in accordance with the provisions of section 30 of the Act.

36.5. A copy of the annual financial statements must be sent to Shareholders, alternatively a notice of the publication of the annual financial statements setting out the required steps to obtain a copy of the annual financial statements may be sent to Shareholders by Electronic Communication 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.

36.6. 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 –

36.6.1. satisfy, as to form and content, the financial reporting standards of IFRS; and

36.6.2. subject to and in accordance with IFRS –

- 36.6.2.1. present fairly the state of affairs and business of the Company and explain the transactions and financial position of the business of the Company;
- 36.6.2.2. show the Company's assets, liabilities and equity, as well as its income and expenses;
- 36.6.2.3. set out the date on which the statements were produced and the accounting period to which they apply; and
- 36.6.2.4. bear on the first page thereof a prominent notice indicating that the annual financial statements have been audited and the name and professional designation of the person who prepared them."

### 38. "Distributions"

38.1. Subject to the provisions of the Act, and particularly section 46, the Company may make a proposed distribution if such distribution –

- 38.1.1. is pursuant to an existing legal obligation of the Company, or a court order; or
- 38.1.2. is authorised by resolution of the Board, and in compliance with the JSE Listings Requirements.

38.2. No distribution shall bear interest against the Company, except

## SALIENT FEATURES OF THE NEW MEMORANDUM OF INCORPORATION (CONTINUED)

- as otherwise provided under the conditions of issue of the Shares in respect of which such distribution is payable.
- 38.3. 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.
- 38.4. The Directors may from time to time declare and pay to the Shareholders such interim distributions as the Directors consider to be appropriate.
- 38.5. All unclaimed monies due to Shareholders will be held by or on behalf of the Company 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 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 Board for the benefit of the Company. The Directors may at any time annul such forfeiture upon such conditions (if any) as they think fit.
- 38.6. 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 –
- 38.6.1. the holder at his registered address; or
- 38.6.2. 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
- 38.6.3. such person and at such address as the holder or joint holders may in writing direct..."
- 38.12. "...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..."

# FORM OF PROXY FOR SHAREHOLDERS

Hyprop Investments Limited  
 (Incorporated in the Republic of South Africa)  
 Registration number 1987/005284/06  
 ("Hyprop" or "the company")  
 Share code: HYP  
 ISIN code: ZAE 000003430



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

- registered shareholders who have not yet dematerialised their combined units;
- registered shareholders who have already dematerialised their combined units and which combined units are registered in their own names in the company's sub-register.

For completion by the aforesaid registered shareholders of Hyprop who are unable to attend the annual general meeting of the company to be held at the offices of the company at 2nd Floor, 21 Cradock Avenue, Cradock Heights, Rosebank, 2196 at 11h00 on Thursday, 5 December 2013 (the "annual general meeting").

I/We \_\_\_\_\_ (NAME IN BLOCK LETTERS)  
 Of \_\_\_\_\_ (ADDRESS)  
 being the registered holder of \_\_\_\_\_ shares  
 hereby appoint \_\_\_\_\_ of \_\_\_\_\_  
 or failing him/her, \_\_\_\_\_ of \_\_\_\_\_  
 or failing him/her, the chairperson of the annual general meeting as my/our proxy to vote for me/us on my/our behalf at the annual general meeting of the company.

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.

		In favour of	Against	Abstain
Ordinary resolution number 1	Adoption of annual financial statements			
Ordinary resolution number 2	Confirmation of appointment of director T Mokgatlha			
Ordinary resolution number 3	Re-election of director E Dube			
Ordinary resolution number 4	Re-election of director L Engelbrecht			
Ordinary resolution number 5	Re-election of director M Lewin			
Ordinary resolution number 6	Re-election of director P Prinsloo			
Ordinary resolution number 7	Appointment and re-appointment of members of the audit committee:			
Ordinary resolution number 7.1	Re-appointment of L Engelbrecht (Chairman)			
Ordinary resolution number 7.2	Re-appointment of G Tipper			
Ordinary resolution number 7.3	Appointment of T Mokgatlha			
Ordinary resolution number 8	Re-appointment of external auditors			
Ordinary resolution number 9	Unissued securities			
Ordinary resolution number 10	General authority to issue securities for cash			
Ordinary resolution number 11	Approval of remuneration policy			
Ordinary resolution number 12.1	Adoption of the performance unit scheme			
Ordinary resolution number 12.2	Adoption of the retention unit scheme			
Special resolution number 1	Security repurchases			
Special resolution number 2	Financial assistance to related and inter-related parties			
Special resolution number 3	Approval of non-executive directors' fees proposed for the year ending 30 June 2014			
Special resolution number 4	Approval of a new Memorandum of Incorporation			
Ordinary resolution number 13	Signature of documentation			

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013.  
 Signature \_\_\_\_\_ assisted by \_\_\_\_\_ (if applicable)

A shareholder entitled to attend and vote at the annual 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 the company. 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 annual general meeting.

Forms of proxy must be deposited at Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) to be received no later than 11h00 on Tuesday, 3 December 2013.

Please read the notes on the reverse.

## Notes to the form of proxy for shareholders

1. Only shareholders who are registered in the register of the company under their own name on the date on which shareholders must be recorded as such in the register maintained by the transfer secretaries, Computershare Investor Services Proprietary Limited, being Friday, 29 November 2013 (the "voting record date"), may complete a form of proxy or attend the annual general meeting. This includes shareholders who have not dematerialised their combined units or who have dematerialised their combined units with "own name" registration. The person whose name stands first on the form of proxy and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow. A proxy need not be a combined unitholder of the company.
2. Certificated shareholders wishing to attend the annual general meeting have to confirm with the transfer secretaries of the company (being Computershare Investor Services Proprietary Limited) before the meeting that their combined units are registered in their own name.
3. Beneficial shareholders whose combined units 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 ordinary shares, or obtaining a proxy to attend, speak and, on a poll, vote at the annual general meeting.
4. Dematerialised shareholders who have not elected "own name" registration in the register of the company through a Central Securities Depository Participant ("CSDP") and who wish to attend the annual general meeting, must instruct the CSDP or broker to provide them with the necessary authority to attend.
5. Dematerialised shareholders who have not elected "own name" registration in the register of the company through a CSDP and who are unable to attend, but wish to vote at the annual general meeting, must timeously provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between that combined unitholder 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 chairman of the annual general meeting". The person whose name stands first on the form of proxy and who is present at the annual 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 will not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed, should such shareholder wish to do so. In addition to the foregoing, a shareholder may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and (ii) delivering a copy of the revocation instrument to the proxy, and to the company.
8. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the relevant shareholder as of the later of the date:
  - 8.1. stated in the revocation instrument, if any; or
  - 8.2. upon which the revocation instrument is delivered to the proxy and the relevant company as required in section 58(4)(c)(ii) of the Companies Act, 71 of 2008, as amended ("the Companies Act").
9. Should the instrument appointing a proxy or proxies have been delivered to the company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the company's Memorandum of Incorporation to be delivered by the company to the shareholder must be delivered by the company to:
  - 9.1. the shareholder, or
  - 9.2. the proxy or proxies if the shareholder has in writing directed the company to do so and has paid any reasonable fee charged by the company for doing so.
10. 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 Memorandum of Incorporation of the company or the instrument appointing the proxy provide otherwise.
11. If the company issues an invitation to shareholders to appoint one or more persons named by the company as a proxy, or supplies a form of instrument for appointing a proxy:
  - 11.1. 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;
  - 11.2. the company must not require that the proxy appointment be made irrevocable; and
  - 11.3. 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.
12. 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.
13. 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 of the company or waived by the chairman of the annual general meeting.
14. 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.
15. A company holding ordinary shares (indivisibly linked to debentures as combined units) in the company that wishes to attend and participate at the annual 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 company's transfer secretaries prior to the annual general meeting.
16. Where there are joint holders of ordinary shares (indivisibly linked to debentures as combined units) any one of such persons may vote at any meeting in respect of such ordinary shares as if he were solely entitled thereto; but if more than one of such joint holders be present or represented at the meeting, that one of the said persons whose name appears first in the register of shareholders of such ordinary shares or his proxy, as the case may be, shall alone be entitled to vote in respect thereof.
17. On a show of hands, every shareholder of the company present in person or represented by proxy shall have one vote only. On a poll a shareholder who is present in person or represented by a proxy shall be entitled to that proportion of the total votes in the company which the aggregate amount of the nominal value of the ordinary shares (indivisibly linked to debentures as combined units) held by him bears to the aggregate amount of the nominal value of all the ordinary shares of the relevant class issued by the company.
18. The chairman of the annual 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.
19. A proxy may not delegate his/her authority to act on behalf of the shareholder to another person.
20. A shareholder's instruction to the proxy must be indicated by the insertion of the relevant number of ordinary shares (indivisibly linked to debentures as combined units) 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 annual general meeting, if the chairperson is the authorised proxy, to vote in favour of the resolutions at the annual general meeting or other proxy to vote or to abstain from voting at the annual general meeting as he/she deems fit, in respect of the ordinary shares concerned. A shareholder or the proxy is not obliged to use all 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.
21. It is requested that this form of proxy be lodged or posted or faxed to the company's registered office, 2nd Floor, 21 Cradock Avenue, Cradock Heights, Rosebank, 2196 or faxed to +27 11 447 0092 or to the Transfer Secretaries, Computershare Investor Services Proprietary Limited at 70 Marshall Street, Johannesburg or by fax on +27 11 688 6238, to be received by the company no later than 11h00 on Tuesday, 3 December 2013. A quorum for the purposes of considering the ordinary and special resolutions shall comprise 25% of all the voting rights that are entitled to be exercised by shareholders in respect of each matter to be decided at the annual general meeting. In addition, a quorum shall consist of three shareholders of the company personally present or represented by proxy (and if the shareholder is a body corporate, it must be represented) and entitled to vote at the annual general meeting.
22. This form of proxy may be used at any adjournment or postponement of the annual general meeting, including any postponement due to a lack of quorum, unless withdrawn by the shareholder.
23. The foregoing notes contain a summary of the relevant provisions of section 58 of the Companies Act, as required in terms of that section.

# COMBINED UNITHOLDERS' DIARY

Financial year-end	30 June 2013
Publication of financial results	29 August 2013
Annual general meeting	5 December 2013
Integrated report posted to combined unitholders	5 November 2013
Interim report posted to combined unitholders	February 2014

## DISTRIBUTION DETAILS

	Distribution number	2013 (cents)	2012 (cents)
Interest on debentures			
Six months ended:			
30 June 2012	50		198
31 December 2012	51		211
			409
<b>Six months ended:</b>			
<b>30 June 2013</b>	52	213	

## ADMINISTRATION

### Registered office and business address

Registration number: 1987/005284/06  
2nd Floor, Cradock Heights, 21 Cradock Avenue, Rosebank, 2196  
PO Box 52509, Saxonwold, 2132  
Tel: +27 11 447 0090  
Fax: +27 11 447 0092  
Website: www.hyprop.co.za

### Company secretary

Probity Business Services Proprietary Limited  
3rd Floor, The Mall Offices, 11 Cradock Avenue  
Rosebank, 2196  
PO Box 85392, Emmarentia, 2029

### Corporate adviser and sponsor

Java Capital  
2 Arnold Road, Rosebank, 2196  
PO Box 2087, Parklands, 2121

### Transfer secretaries

Computershare Investor Services Proprietary Limited  
Ground Floor, 70 Marshall Street  
Johannesburg, 2001  
PO Box 61051, Marshalltown, 2107

### Trustee for debenture holders

Webber Wentzel Bowens  
3rd Floor, Granger Bay Court, Beach Road  
V&A Waterfront, Cape Town  
PO Box 1820, Cape Town, 8000

### Independent auditors

Grant Thornton  
(Member firm of Grant Thornton International)  
137 Daisy Street, cnr Grayston Drive  
Sandton, 2196  
Private Bag X28, Benmore, 2010









[www.hyprop.co.za](http://www.hyprop.co.za)

