

# *Notice of annual general meeting of shareholders and debenture holders*

**HOSPITALITY PROPERTY FUND LIMITED**  
(Incorporated in the Republic of South Africa)  
(Registration number: 2005/014211/06)

Share code for A linked units: HPA  
ISIN for A linked units: ZAE000076790  
Share code of B linked units: HPB  
ISIN for B linked units: ZAE000076808  
("Hospitality" or "the company")

Notice is hereby given to shareholders and debenture holders as at the record date of 21 September 2012 that the annual general meeting ("AGM" or "the meeting") of the shareholders and debenture holders of Hospitality will be held at Crowne Plaza Jhb – The Rosebank, corner Tyrwhitt and Sturdee Avenues, Rosebank, on Tuesday, 6 November 2012 at 10:00 to (i) deal with such business as may lawfully be dealt with at the meeting and (ii) consider and, if deemed fit to pass, with or without modification, the ordinary and special resolutions set out hereunder in the manner required by the Companies Act, 71 of 2008, as amended ("the Companies Act"), as read with the Listings Requirements of the JSE Limited ("the JSE Listings Requirements"), which meeting is to be:

- (a) participated in and voted at by shareholders as at the record date of 26 October 2012; and
- (b) participated in by debenture holders as at the record date of 26 October 2012 in terms of section 62(3)(a), read with section 59, of the Companies Act.

Accordingly, the last day to trade in order to be registered in the register of members of the company and therefore eligible to participate in and vote at the AGM is 19 October 2012.

Due to the expanded meaning of "shareholder" in section 57(1) of the Companies Act, the company has expanded its notice to shareholders and debenture holders for a "combined" AGM. Due to Hospitality's linked unit structure, its shareholders are also its debenture holders and the matters to be voted on at the AGM 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.

## **SECTION 63(1) OF THE COMPANIES ACT: IDENTIFICATION OF MEETING PARTICIPANTS**

Kindly note that meeting participants (including proxies) are required to provide reasonably satisfactory identification before being entitled to attend or participate in a meeting. Forms of identification include valid identity documents, drivers' licences and passports.

### **1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS**

The annual financial statements of the company, together with the report of the directors, the independent auditors and the audit committee for the year ended 30 June 2012, have been distributed as required and will be presented to shareholders and debenture holders.

The complete annual financial statements are set out on pages 60 to 104 of the integrated report.

### **2. ORDINARY RESOLUTION NUMBER 1: RE-ELECTION OF KH ABDUL-KARRIM AS A DIRECTOR**

"Resolved that K H Abdul-Karrim, who retires by rotation in terms of the memorandum of incorporation of the company and who is eligible and available for re-election, is re-elected as a director of the company."

### **3. ORDINARY RESOLUTION NUMBER 2: RE-ELECTION OF D G BOWDEN AS A DIRECTOR**

"Resolved that DG Bowden, who retires by rotation in terms of the memorandum of incorporation of the company and who is eligible and available for re-election, is re-elected as a director of the company."

### **4. ORDINARY RESOLUTION NUMBER 3: RE-ELECTION OF MB MADUMISE AS A DIRECTOR**

"Resolved that MB Madumise, who retires by rotation in terms of the memorandum of incorporation of the company and who is eligible and available for re-election, is re-elected as a director of the company."

#### **Reason and effect of ordinary resolutions numbers 1 to 3: Re-election of directors retiring by rotation at the annual general meeting**

In accordance with the company's memorandum of incorporation, one-third of the non-executive directors are required to retire at each AGM and may offer themselves for re-election. Mrs MB Madumise and Messrs DG Bowden and KH Abdul-Karrim retire from the board in accordance with the company's memorandum of incorporation.

Abridged curriculum vitae of each of the above directors appears on page 27 of the integrated report of which this notice forms part.

The board (assisted by the Nomination committee) has reviewed its composition of the against corporate governance requirements and has recommended the re-election of the directors listed above. It is the view of the board that the re-election of the candidates referred to above would enable the company to:

- responsibly maintain a mixture of business skills and experience relevant to the company and balance the requirements of transformation, continuity and succession planning; and
- comply with corporate governance requirements in respect of matters such as the balance of executive, non-executive and independent directors on the board.

**5. ORDINARY RESOLUTION NUMBER 4: RE-APPOINTMENT OF THE EXTERNAL AUDITOR**

"Resolved that KPMG Inc. is reappointed as external auditor of the company (for the financial year ending 30 June 2013) until the conclusion of the next AGM of the company"

**Reason and effect of ordinary resolution number 4: Re-appointment of external auditor**

KPMG Inc. ("KPMG") has indicated its willingness to continue in office and ordinary resolution number 4 proposes KPMG's reappointment as the company's external auditor until the conclusion of the next AGM.

Hospitality's Audit committee has considered KPMG's independence in accordance with the Companies Act and is satisfied that KPMG Inc. is independent as contemplated by the applicable rules of the International Federation of Accountants (IFAC) and nominated the re-appointment of KPMG Inc. as registered external auditor firm and Mrs T Middlemiss as the independent registered external auditor until the next AGM, subject to shareholder approval as required in terms of section 90(1) of the Companies Act.

Furthermore, the Hospitality Audit committee has, in terms of paragraph 3.86 of the JSE Listings Requirements, considered and satisfied itself that KPMG Inc., the reporting accountant and individual auditor are accredited to appear on the JSE List of Accredited Auditors in compliance with section 22 of the JSE Listings Requirements.

**6. ORDINARY RESOLUTION NUMBER 5: ELECTION OF KH ABDUL-KARRIM AS A MEMBER OF THE AUDIT COMMITTEE**

"Resolved that KH Abdul-Karrim, being an independent, non-executive director of the company, be elected as a member of the Audit committee of the company until the date of the next AGM subject to his re-election as a director in terms of ordinary resolution number 1."

**7. ORDINARY RESOLUTION NUMBER 6: ELECTION OF DG BOWDEN AS A MEMBER OF THE AUDIT COMMITTEE**

"Resolved that DG Bowden, being an independent, non-executive director of the company, be elected as a member of the Audit committee of the company until the date of the next AGM subject to his re-election as a director in terms of ordinary resolution number 2."

**8. ORDINARY RESOLUTION NUMBER 7: ELECTION OF L DE BEER AS A MEMBER OF THE AUDIT COMMITTEE**

"Resolved that L de Beer, being an independent, non-executive director of the company, be elected as a member of the Audit committee of the company until the date of the next AGM."

**9. ORDINARY RESOLUTION NUMBER 8: ELECTION OF WC ROSS AS A MEMBER OF THE AUDIT COMMITTEE**

"Resolved that WC Ross, being an independent, non-executive director of the company, be elected as a member of the Audit committee of the company, until the date of the next AGM."

**Reason and effect of ordinary resolutions numbers 5 to 7: Election of audit committee members**

In terms of the Companies Act and The King Report on Governance for South Africa (King III) the Audit committee is elected by the shareholders at each AGM.

Hospitality's board, having satisfied itself among others, of the independence, qualifications, experience and expertise of the independent non-executive directors offering themselves for election as members of the Hospitality audit committee, recommends their re-election to shareholders.

**10. ORDINARY RESOLUTION NUMBER 9: ENDORSEMENT OF THE REMUNERATION POLICY**

"Resolved that, through a non-binding advisory vote, the remuneration policy as set out in the remuneration report on page 50 of the integrated report be and it is hereby noted and endorsed."

**Reason and effect of ordinary resolution number 9: Endorsement of remuneration policy**

In terms of King III requirements, the company's remuneration policy should be tabled annually for a non-binding advisory vote at the AGM. The essence of this vote is to enable the shareholders to express their views on the remuneration policies adopted in the remuneration of executive directors and on their implementation.

Accordingly, the shareholders are requested to endorse the company's remuneration policy as recommended by King III.

## *Notice of annual general meeting of shareholders and debenture holders (continued)*

### **11. ORDINARY RESOLUTION NUMBER 10: GENERAL AUTHORITY TO DIRECTORS TO ALLOT AND ISSUE AUTHORISED BUT UNISSUED SECURITIES**

"Resolved that, as required by and subject to the memorandum of incorporation of the company, and subject to the requirements of the debenture trust deed governing the unsecured, subordinated, variable rate "A" and "B" debentures of the company having a nominal value of R9,40 (nine rand forty cents) per debenture ("the debentures"), the Companies Act and the JSE Listings Requirements, each as presently constituted and as amended from time to time, the directors are authorised, as they in their discretion think fit, to allot and issue the authorised but unissued securities in the company to such person(s) and upon such terms and conditions as the directors may determine:

1. as the consideration for the acquisition by the company or any of its subsidiaries of immovable property or for shares in and/or loan accounts against companies owning immovable property for the purpose of acquiring such property;
2. provided that the directors are not authorised to issue more "A" shares and "B" shares than such number of "A" shares and "B" shares that constitute 10% of the number of "A" shares and "B" shares in the company's issued share capital as at the date of the passing of this resolution (the determination of which shall exclude any specific issue of shares approved by shareholders) and provided that each "A" share shall be linked to one "A" debenture and that each "B" share shall be linked to one "B" debenture, such authority to expire at the next AGM of the company;"
3. the maximum discount at which A-linked units or B-linked units, as the case may be, may be issued in terms of this authority is 5% of the weighted average trade price on the JSE of the relevant linked units over 30 business days prior to the date on which the price of the issue is determined or agreed by the directors of the company, such authority to expire at the next AGM of the company.

### **12. ORDINARY RESOLUTION NUMBER 11: GENERAL AUTHORITY TO DIRECTORS TO ISSUE SHARES FOR CASH**

"Resolved that, subject to the restrictions set out below and subject to the company's memorandum of incorporation, provisions of the Companies Act and the JSE Listings Requirements, the directors of the company are hereby authorised by way of a general authority to allot and issue any portion of the "A" shares and/or "B" shares of the company for cash on the following basis:

- a) each "A" share shall be linked to one unsecured, subordinated, variable rate "A" debenture having a nominal value of R9,40 (nine rand forty cents) per debenture, each thereby constituting an "A" linked unit, and each "B" share shall be linked to one unsecured, subordinated, variable rate "B" debenture having a nominal value of R9,40 (nine rand forty cents) per debenture, each thereby constituting a "B" linked unit;
- b) the allotment and issue of shares for cash shall be made only to persons qualifying as "public shareholders" and not to "related parties" as the terms are defined in the JSE Listings Requirements;
- c) the number of "A" shares or "B" shares, as the case may be, issued as part of linked units for cash shall not in aggregate in any one financial year of the company exceed 10% of the company's issued share capital of the relevant class. The number of "A" shares and "B" shares which may be issued for cash shall be based on the number of shares of the relevant class in issue at the date of the application, aggregated (where applicable) with any shares in the relevant class that may be issued in future arising from the conversion of option/convertible securities less any shares of the relevant class issued, or to be issued in future arising from options/convertible securities issued, by the company during the current financial year, provided that any shares of the relevant class to be issued for cash pursuant to a rights issue (which has been announced and is irrevocable and fully underwritten) or acquisition (concluded and final terms announced) may be included as though they were shares of the relevant class in issue at the date of application;
- d) the maximum discount at which A-linked units or B-linked units, as the case may be, may be issued in terms of this authority is 10% of the weighted average trade price on the JSE of the relevant linked units over 30 business days prior to the date on which the price of the issue is determined or agreed by the directors of the company;
- e) the company shall, after the company has issued shares of the relevant class as part of an issue of linked units for cash which represent, on a cumulative basis within a financial year, 5% or more of the number of shares of the relevant class in issue prior to the issue, publish an announcement containing full details of the issue (including the number of linked units issued, the average discount to the weighted average traded price of the linked units over the 30 days prior to the date that the price was determined and the effect of the issue on the net asset value, earnings per linked unit and headline earnings per linked unit, or any other announcements(s) that may be required in such regard in terms of the JSE Listings Requirements which may be applicable from time to time;
- f) the equity 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 that are convertible into a class already in issue;
- g) any such general issues are subject to exchange control regulations and approval at that point in time; and

h) this authority will only be valid until the company's next AGM (whereupon this authority shall lapse unless it is renewed at the aforementioned AGM provided that it shall not extend beyond 15 months of the date of this meeting).

**Reason and effect of ordinary resolution number 10 to 11: General authority to directors to allot and issue authorised but unissued securities and general authority to directors to issue shares for cash**

In terms of the company's memorandum of incorporation, read with the JSE Listings Requirements, the shareholders may authorise the directors to allot and issue authorised but unissued securities as the directors in their discretion think fit.

In terms of the JSE Listings Requirements, when shares are issued for cash (or the extinction of a liability, obligation or commitment, restraint, or settlement of expenses), amongst others, the shareholders have to authorise the issue.

The authorities will be subject to the Companies Act and the JSE Listings Requirements. The aggregate number of "A" shares and "B" shares able to be allotted and issued in each class in terms of these authorities are limited as set out in the respective resolutions.

The directors consider it advantageous to approve these authorities to enable the company to take advantage of any business opportunities that may arise in future. Being able to act promptly on such opportunities through the issue of shares as whole or part consideration puts Hospitality at an advantage where negotiations are concerned.

**13. ORDINARY RESOLUTION NUMBER 12: SIGNATURE OF DOCUMENTATION**

"Resolved that any director of the company or the company secretary be and is hereby authorised on behalf of the company to sign any documents and do all such things as may be necessary in order to give effect to those ordinary and special resolutions that are approved at the AGM of the company."

**14. SPECIAL RESOLUTION NUMBER 1: NON-EXECUTIVE DIRECTORS' REMUNERATION**

"Resolved that the payment of the remuneration of the non-executive directors, for their services as directors, as recommended by the remuneration committee and approved by the board for consideration by shareholders for the period 1 July 2012 to 30 June 2013 be and is hereby approved as follows:

	Chairman Rand	Member Rand
Board (per annum)	208 000	165 500
Audit committee (per annum)	53 000	42 500
Investment committee (per meeting)	9 650	7 650
Nomination committee (per meeting)	5 300	4 250
Remuneration committee (per meeting)	5 300	4 250
Social and Ethics committee (per annum)	38 600	30 600

With the exception of the Social and Ethics committee (formerly the Bee committee), the above fees represent a 6% inflationary increase to prior year.

The fees of the Social and Ethics committee have been brought in line with the annualised fees of the Investment committee. The fee increase is motivated by the enhanced scope of responsibilities of the members of the Social and Ethics committee.

The proposed non-executive directors' fees were recommended by the remuneration committee and approved by the board for consideration at the AGM.

**Reason and effect of special resolution number 1: Non-executive directors' remuneration**

The reason and effect of special resolution number 1 is to obtain shareholder approval for the remuneration of each of the non-executive directors of the company for the period 1 July 2012 to 30 June 2013 in accordance with section 66(8) and 66(9) of the Companies Act.

This resolution is recommended by the company's board of directors. Full particulars of all remuneration of non-executive directors for their services as directors, paid during the past year for their services as directors, are contained on page 93 of this integrated report.

**15. SPECIAL RESOLUTION NUMBER 2: FINANCIAL ASSISTANCE TO SUBSIDIARIES AND OTHER RELATED AND INTER-RELATED ENTITIES**

"Resolved that, to the extent required by the Companies Act, the board of directors of the company may, subject to compliance with the requirements of the company's memorandum of incorporation, the Companies Act and the JSE Listings Requirements, each as

## *Notice of annual general meeting of shareholders and debenture holders (continued)*

presently constituted and as amended from time to time, authorise the company to provide direct or indirect financial assistance by way of loan, guarantee, 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 to the company for any purpose or in connection with any matter including, but not limited to, 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 securities of the company or a related or inter-related company including any direct or indirect financial assistance as contemplated in section 45 of the Companies Act, such authority to endure until the next AGM of the company.”

### **16. SPECIAL RESOLUTION NUMBER 3: FINANCIAL ASSISTANCE TO DIRECTORS , PRESCRIBED OFFICERS AND OTHER PERSONS PARTICIPATING IN SHARE OR OTHER EMPLOYEE INCENTIVE SCHEMES**

“Resolved that, to the extent required by the Companies Act, the board of directors of the company may, subject to compliance with the requirements of the company’s memorandum of incorporation, the Companies Act and the JSE Listings Requirements, each as presently constituted and as amended from time to time, authorise the company to provide direct or indirect financial assistance by way of loan, guarantee, the provision of security or otherwise, to any of its present or future directors or prescribed officers (or any person related to any of them or to any company or corporation related or inter-related to any of them), or to any other person who is a participant in any employee incentive scheme operated within the Hospitality group, or to any trust or other entity established by the company to facilitate an incentive scheme for qualifying employees of the Hospitality group, 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 securities of the company or a related or inter-related company, where such financial assistance is provided in terms of any such scheme that does not satisfy the requirements of section 97 of the Companies Act, such authority to endure until the forthcoming AGM of the company.”

Reason and effect of special resolutions numbers 2 and 3: Authority to provide financial assistance to subsidiaries and other related and inter-related entities and to directors, prescribed officers and other persons participating in share or other employee incentive schemes.

Notwithstanding the title of section 45 of the Companies Act, being “Loans or other financial assistance to directors”, on a proper interpretation, the body of the section may also apply to financial assistance for any purpose provided by a company to related or inter-related companies or corporations, including, amongst others, its subsidiaries.

Furthermore, section 44 of the Companies Act may also apply to the financial assistance so provided by a company to related or inter-related companies, in the event that the financial assistance is provided 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 securities of the company or a related or inter-related company.

Both sections 44 and 45 of the Companies Act provide, amongst others, that the particular financial assistance must be provided only pursuant to a special resolution of the shareholders, adopted within the previous two years, which approved such assistance either for the specific recipient or generally for a category of potential recipients and the specific recipient falls within that category and the board of directors must be satisfied that –

- (a) immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test; and
- (b) the terms under which the financial assistance is proposed to be given are fair and reasonable to the company.

When the need previously arose, the company had to provide loans to and guarantees to loans or other obligations of subsidiaries and was not precluded from doing so in terms of its articles of association or in terms of the Companies Act, 1973. The company would like the ability to provide financial assistance, if necessary, also in other circumstances, in accordance with section 45 of the Companies Act. Furthermore, it may be necessary or desirous for the company to provide financial assistance to related or inter-related companies and corporations to subscribe for options or securities or purchase securities of the company or another company related or inter-related to it. Under the Companies Act, the company will however require the special resolution referred to above to be adopted. In the circumstances and in order to, amongst others, 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.

Sections 44 and 45 contain exemptions in respect of employee share schemes that satisfy the requirements of section 97 of the Act. To the extent that any Hospitality or Hospitality group incentive scheme does not satisfy such requirements, financial assistance (as contemplated in sections 44 and 45) to be provided under any such scheme will, amongst others, also require approval by special resolution. Accordingly, special resolution number 3 effectively authorises financial assistance to any of the company’s directors or prescribed officers (or any person related to any of them or to any company or corporation related or inter-related to them), or to

any other person who is a beneficiary of a Hospitality group incentive scheme, in order to facilitate their participation in any such scheme that does not satisfy the requirements of section 97 of the Companies Act.

#### 17. SPECIAL RESOLUTION NUMBER 4: GENERAL AUTHORITY TO ACQUIRE SHARES

“Resolved that the company and/or a subsidiary of the company is authorised by way of a general authority to repurchase or purchase, as the case may be, shares issued by the company, from any person, upon such terms and conditions and in such number as the directors of the company or the subsidiary may from time to time determine, subject to the applicable requirements of the company's memorandum of incorporation, the Companies Act and the JSE Listings Requirements, each as presently constituted and as amended from time to time, and subject further to the restriction that the repurchase or purchase, as the case may be, by the company and/or any of its subsidiaries, of shares in the company of any class under this authority shall not, in aggregate in any one financial year, exceed 10% of the shares in issue in such class as at the commencement of such financial year, on the following basis:

- a) each repurchase of “A” or “B” shares must be effected through the main order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counterparty (reported trades are prohibited);
- b) the number of “A” and “B” shares respectively which may be repurchased pursuant to this authority in any financial year, may in the aggregate not exceed 10% of the company's share capital of the relevant class as at the beginning of the financial year;
- c) repurchases may not be made at a price greater than 10% above the weighted average of the respective market values of the “A” and the “B”-linked units for the five business days immediately preceding the date on which the repurchase is effected (the maximum price). The JSE will be consulted for a ruling if the company's securities have not traded in such a five business-day period;
- d) repurchases may not take place during a prohibited period as defined in the JSE Listings Requirements, unless the company has in place a repurchase programme where the dates and quantities of securities to be traded are fixed (not subject to any variation) and full details of the programme have been disclosed in an announcement over SENS prior to the commencement of the prohibited period;
- e) the company shall release an announcement on SENS and in the press, as soon as it or its subsidiary has, on a cumulative basis purchased or repurchased as the case may be, “A” or “B” shares, as the case may be, which constitute 3% of the initial number of shares of such class in issue (at the time that this authority from shareholders for the repurchase was granted), and for each 3% in aggregate of the initial number of such class of shares purchased or repurchased, as the case may be, thereafter;
- f) this general authority shall be valid until the next AGM of the company, provided that it shall not extend beyond 15 months from the date of passing of this special resolution;
- g) at any point in time, the company may only appoint one agent to effect any repurchases on the company's behalf;
- h) the number of shares purchased and held by a subsidiary or subsidiaries of the company shall not exceed 10% in the aggregate of the number of issued shares in the company at the relevant times;
- i) a resolution has been passed by the board confirming that it has authorised the general repurchase, that the company has passed the solvency and liquidity test and that since the test was done there were no material changes to the financial position of the group;
- j) any such general repurchase will be subject to exchange control regulations and approval at that point in time, if applicable;
- k) authorisation thereto is given by the company's memorandum of incorporation; and
- l) if the company enters into derivative transactions that may or will result in the repurchase of shares in terms of this general authority, such transactions will be subject to the requirements in paragraphs b), d), f), g) and k) above, and the following requirements:
  - 1) the strike price of any put option written by the company less the value of the premium received by the company for that put option may not be greater than the fair value of a forward agreement based on a spot price not greater than the maximum price in paragraph c) above (“maximum price”);
  - 2) the strike price and any call option may be greater than the maximum price in paragraph c) at the time of entering into the derivative agreement, but the company may not exercise the call option if it is more than 10% “out the money”;
  - 3) the strike price of the forward agreement may be greater than the maximum price but limited to the fair value of a forward agreement calculated from a spot price not greater than the maximum price.”

The directors of the company undertake that they will not effect a general repurchase of shares as contemplated above unless the following conditions are met:

- 1) the company and the group are in a position to repay their debt in the ordinary course of business for a period of 12 months after the date of repurchase;

## *Notice of annual general meeting of shareholders and debenture holders (continued)*

- 2) the company and the group's assets will be in excess of the liabilities of the company and the group for a period of 12 months after the date of the repurchase. For this purpose, the assets and liabilities will be recognised and measured in accordance with the accounting policies used in the latest audited consolidated annual financial statements which comply with the Companies Act;
- 3) the share capital and reserves of the company and the group is adequate for a period of 12 months following the date of the repurchase;
- 4) the available working capital of the company and the Group will be adequate for ordinary business purposes for a period of 12 months after the date of the repurchase; and
- 5) upon entering the market to proceed with the repurchase, the sponsor has confirmed the adequacy of the company's working capital for purposes of under taking a repurchase of shares in writing to the JSE."

### **Statement of the board's intention:**

Although there is no immediate intention to effect a repurchase of linked units of the company, the directors will utilise the general authority to repurchase shares as and when suitable opportunities present themselves and which opportunities may require immediate action.

Other disclosure in accordance with section 11.26 of the JSE Listings Requirements:

The following additional information, some of which may appear elsewhere in the integrated report of which this notice forms part, is provided in terms of the JSE Listings Requirements for purposes of this general authority:

- Directors – page 27
- Major beneficial linked unit holders – pages 105 and 106
- Directors interests in linked units – page 64
- Share and debenture capital of the company – pages 84 to 86

### **Material change statement**

Other than the facts and developments reported in the integrated report of which this notice forms part, there have been no material changes in the affairs or the financial position of the company or that of its subsidiaries since the date of signature of the audited annual financial statements and the date of this notice.

### **Directors' responsibility statement**

The directors, whose names appear on page 27 of the integrated report collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the special resolution contains all information required by law and the JSE Listings Requirements.

### **Litigation statement**

In terms of section 11.26 of the JSE Listings Requirements, the directors whose names appear on page 27 of the integrated report of which this notice forms part, are not aware of any legal or arbitration proceedings, including any 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 the company's financial position.

### **Reason and effect special resolution number 4: General authority to acquire shares**

The board of directors of the company has considered the impact of a repurchase or purchase, as the case may be, of up to 10% of the company's shares which falls within the amount permissible under a general authority in terms of the JSE Listings Requirements and, in respect of acquisitions by a subsidiary of the company, the Companies Act.

Should the opportunity arise and should the directors deem it to be advantageous to the company, or any of its subsidiaries, to repurchase or purchase, as the case may be, such shares, it is considered appropriate that the directors (and relevant subsidiaries) be authorised to repurchase or purchase, as the case may be, the company's shares.

### **VOTING REQUIREMENTS**

Except for ordinary resolution number 11, all ordinary resolutions will, in terms of the Companies Act require support of more than 50% of the voting rights exercised thereon, to be approved. All special resolutions will, in terms of the Companies Act, require support of at least 75% of the total voting rights exercised thereon at the meeting, to be approved.

In terms of the JSE listings requirements, support of at least 75% of votes cast by all equity securities holders present or represented by proxy at the AGM must be cast in favour of ordinary resolution number 11 for it to be approved.

## SHAREHOLDERS

### General instructions

Shareholders are encouraged to attend, speak and vote at the AGM.

### Electronic participation

The company has made provision for its shareholders or their proxies to participate electronically in the AGM by way of telephone conferencing. Should you wish to participate in the AGM by telephone conference call as aforesaid, you, or your proxy, will be required to advise the company thereof by no later than 10:00 on Monday, 29 October 2012 by submitting by e-mail to the company secretary on [rosao@hpf.co.za](mailto:rosao@hpf.co.za) or by fax to +2711 994 6320 for the attention of Mrs Rosa van Onselen, relevant contact details, including an e-mail address, cellular number and landline as well as full details of the shareholder's title to securities issued by the company and proof of identity, in the form of copies of identity documents and share certificates (in the case of materialised shares) and (in the case of dematerialised shares) written confirmation from the shareholder's CSDP confirming the shareholder's title to the dematerialised 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 AGM. 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 AGM through this medium.

### PROXIES AND AUTHORITY FOR REPRESENTATIVES TO ACT

A shareholder entitled to attend, speak and vote at the AGM is entitled to appoint a proxy or proxies to attend, speak and vote in his/her stead. A proxy need not be a shareholder of the company. For the convenience of registered shareholders of the company, a form of proxy is enclosed herewith.

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

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

All other beneficial owners who have dematerialised their shares through a Central Securities Depository Participant ("CSDP") or broker and wish to attend the AGM must instruct their CSDP or broker to provide them with the necessary Letter of Representation or they must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker. These shareholders must not use a form of proxy.

It is requested that the company receives forms of proxy at its registered office by no later than 10:00 on 2 November 2012. Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend, speak and vote in person at the AGM should the shareholder decide to do so.

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

## DEBENTURE HOLDERS

### General instructions

Debenture holders are encouraged to attend and speak at the AGM.

### PROXIES AND AUTHORITY FOR REPRESENTATIVES TO ACT

Due to Hospitality's linked unit structure, its shareholders are also its debenture holders and the matters to be voted on at the AGM 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.

By order of the board



LR van Onselen  
For HPF Management (Pty) Limited  
Company Secretary

24 September 2012