

# 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 for B-linked units: HPB

ISIN for B-linked units: ZAE000076808

("Hospitality" or "the company")

Notice is hereby given to linked unitholders of the company that the annual general meeting ("AGM" or "the meeting") of the linked unitholders of Hospitality will be held at Crowne Plaza Johannesburg – The Rosebank, corner Tyrwhitt and Sturdee Avenues, Rosebank, on Friday, 8 November 2013 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").

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, the company's "A" ordinary shares are indivisibly linked to the company's "A" debentures and the company's "B" ordinary shares are indivisibly linked to the company's "B" debentures and these securities trade together as "A" linked units and "B" linked units, respectively ("linked unit"). Accordingly, the company's shareholders are also its debenture holders. Where reference in this notice would typically be made to the "shareholders" of the company, the company has rather adopted the use of the term "linked unitholders". However, voting rights in respect of the matters to be voted on at the AGM will only be exercisable by linked unitholders in their capacity as shareholders in respect of the ordinary share component of the linked units.

### 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 that will be accepted include original and valid identity documents, drivers' licences and passports.

### Record dates

In terms of sections 59(1)(a) and (b) of the Companies Act, the board of the company has set the record date for the purpose of determining which linked unitholders are entitled to:

- receive notice of the AGM (being the date on which a linked unitholder must be registered in the company's securities register as a linked unitholder in order to receive notice of the annual general meeting) as Friday, 27 September 2013; and
- participate in and vote at the AGM (being the date on which the linked unitholder must be registered in the company's securities register as a linked unitholder in order to participate in and vote at the AGM) as Friday, 1 November 2013.

### 1. Presentation of Annual Financial Statements

The audited 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 2013, have been distributed as required and will be presented to linked unitholders.

The complete annual financial statements, together with the report of the directors, the independent auditors and the audit committee, are set out on pages 68 to 118 of the integrated annual report.

### 2. Ordinary Resolution Number 1: Election of Mr SA Halliday as a Director

"Resolved that Mr SA Halliday, who was appointed by the board and whose appointment as a director terminates at the end of the AGM, is elected as a director of the company."

### 3. Ordinary Resolution Number 2: Election of Ms Z Ntwasa as a Director

"Resolved that Ms Z Ntwasa, who was appointed by the board and whose appointment as a director terminates at the end of the AGM, is elected as a director of the company."

### 4. Ordinary Resolution Number 3: Election of Mrs A Soni as a Director

"Resolved that Mrs A Soni, who was appointed by the board and whose appointment as a director terminates at the end of the AGM, is elected as a director of the company."

### Reason of Ordinary Resolutions Numbers 1 to 3: Election of directors at the Annual General Meeting

In accordance with the company's memorandum of incorporation, the directors have the power to appoint a person as a director to fill a casual vacancy. In terms of the Companies Act and the JSE Listings Requirements, any person appointed to fill a casual vacancy may only retain office until the following annual general meeting of the company, at which meeting the appointment of such person as

a director may be confirmed by the shareholders by electing such person as a director. After the annual general meeting held in 2012, Mrs A Soni, Ms Z Ntwasa and Mr SA Halliday were appointed by the board to fill casual vacancies and accordingly shall cease to hold office at the end of the AGM and may be elected as directors by the linked unitholders in accordance with the Companies Act and the JSE Listings Requirements.

Abridged *curriculum vitae* of each of the above directors appears on pages 26 and 27 of the integrated annual report of which this notice forms part.

The board (assisted by the nomination committee) has reviewed its composition against corporate governance requirements and has recommended the election of the directors listed above. It is the view of the board that the 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 re-appointed as independent external auditor of the company (to report on the financial year ending 30 June 2014) until the conclusion of the next AGM of the company."

#### **Reason 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 re-appointment as the company's independent external auditor until the conclusion of the next AGM of the company to be held in 2014.

In terms of section 90(1) of the Companies Act, each year at its AGM, the company must appoint an auditor who complies with the requirements of section 90(2) of the Companies Act. Hospitality's audit committee has considered KPMG's independence in accordance with the Companies Act and is satisfied that KPMG is independent as contemplated by the Companies Act and the applicable rules of the International Federation of Accountants (IFAC). The audit committee has therefore recommended KPMG

for re-appointment as the registered external auditor of the company until the next AGM, subject to linked unitholder 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, 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 Mr KH Abdul-Karrim as a Member of the Audit Committee**

"Resolved that Mr KH Abdul-Karrim, being an independent, non-executive director of the company, be elected as a member of the Audit Committee of the company with effect from the end of this meeting (in terms of section 94(2) of the Companies Act) until the date of the next AGM to be held in 2014."

#### **7. Ordinary Resolution Number 6: Election of Mrs L de Beer as a Member of the Audit Committee**

"Resolved that Mrs L de Beer, being an independent, non-executive director of the company, be elected as a member of the Audit Committee of the company with effect from the end of this meeting (in terms of section 94(2) of the Companies Act) until the date of the next AGM to be held in 2014."

#### **8. Ordinary Resolution Number 7: Election of Mr SA Halliday as a Member of the Audit Committee**

"Resolved that Mr SA Halliday, being an independent, non-executive director of the company, be elected as a member of the Audit Committee of the company with effect from the conclusion of this meeting (in terms of section 94(2) of the Companies Act) until the date of the next AGM to be held in 2014, subject to his election as a director in terms of ordinary resolution number 1."

#### **9. Ordinary Resolution Number 8: Election of Ms Z Ntwasa as a Member of the Audit Committee**

"Resolved that Ms Z Ntwasa, being an independent, non-executive director of the company, be elected as a member of the Audit Committee of the company with effect from the conclusion of this meeting (in terms of section 94(2) of the Companies Act) until the date of the next AGM to be held in 2014, subject to her re-election as a director in terms of ordinary resolution number 2."

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## **10. Ordinary Resolution Number 9: Election of Mr WC Ross as a Member of the Audit Committee**

"Resolved that Mr WC Ross, being an independent, non-executive director of the company, be elected as a member of the Audit Committee of the company with effect from the conclusion of this meeting (in terms of section 94(2) of the Companies Act), until the date of the next AGM to be held in 2014."

Abridged *curriculum vitae* of each of the above directors standing for election to the Audit Committee appear on pages 26 and 27 of the integrated annual report of which this notice forms part.

### **Reason of Ordinary Resolutions Numbers 5 to 9: 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 a committee of the board elected by the shareholders at each AGM. In terms of the regulations to the Companies Act, at least one-third of the members of a company's audit committee at any particular time must have academic qualifications, or experience, in economics, law, corporate governance, finance, accounting, commerce, industry, public affairs or human resource management.

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 linked unitholders.

## **11. Ordinary Resolution Number 10: General Authority to Directors to Allot and Issue Authorised but Unissued Securities**

"Resolved that, to the extent required by and subject to the memorandum of incorporation of the company, and subject to the requirements of the debenture trust deed governing the "A" debentures and "B" debentures of the company, the Companies Act and the JSE Listings Requirements, each as presently constituted and as amended from time to time, the directors are, as a general authority and approval, authorised, as they in their discretion think fit, to allot and issue the authorised but unissued linked units in the company to such person(s) and upon such terms and conditions as the directors may determine, on the following bases:

1. the directors may allot and issue the authorised but unissued linked units in the company as 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. the directors are not authorised to issue more "A" shares and "B" shares in aggregate in any one financial year 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 linked unitholders in their capacity as shareholders), and provided that each "A" share shall be indivisibly linked to one "A" debenture and that each "B" share shall be indivisibly linked to one "B" debenture;
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 measured over 30 business days prior to the date that the placing is authorised by the directors of the company;
4. this authority shall only be valid until the next AGM of the company but shall not endure beyond a period of 15 months from the date of this meeting."

### **Reason of Ordinary Resolution Number 10: General authority to directors to allot and issue authorised but unissued securities**

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.

The aggregate number of "A" shares and "B" shares able to be allotted and issued in each class are limited as set out in the above resolution.

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 the company in an advantageous position regarding negotiations.

## **12. Ordinary Resolution Number 11: 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."

### 13. Advisory Endorsement of the Remuneration Policy

To endorse, through a non-binding advisory vote, the company's remuneration policy (excluding the remuneration of the non-executive directors and the members of board and statutory committees for their service as directors and members of committees) as set out in the remuneration report on page 51 of the integrated annual report.

#### Reason of endorsement of remuneration policy

In terms of King III recommendations, 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 linked unitholders to express their views on the remuneration policies adopted in the remuneration of executive directors and on their implementation.

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

### 14. Special Resolution Number I: Non-executive Directors' Remuneration

"Resolved that, in terms of the company's memorandum of incorporation and sections 66(8) and 66(9) of the Companies Act, the payment of the remuneration of the non-executive directors of the company, for their services as directors, as recommended by the remuneration committee and approved by the board for consideration by linked unitholders for the period 1 July 2013 to 30 June 2014 be and is hereby approved, as follows:

	Chairman Rand	Member Rand
Board (per annum)	240 000	180 000
Audit and risk committee (per annum)	70 000	50 000
Investment committee (per meeting)	10 000	8 000
Nomination committee (per meeting)	6 000	5 000
Remuneration committee (per meeting)	6 000	5 000
Social and ethics committee (per annum)	40 000	32 000

With the exception of the Chairmen of the board and the Audit and Risk Committee, the above fees represent an inflationary increase to the the prior year:

The increased fees for the Chairmen of the board and the Audit and Risk Committee are motivated by their enhanced scope of responsibilities and increased time spent in meeting these responsibilities.

The proposed non-executive directors' fees were recommended by the remuneration committee, approved by the board for consideration at the AGM and are considered to be fair, reasonable and in the best interests of the company.

#### Reason of Special Resolution Number I: Non-executive directors' remuneration

The reason of special resolution number I is to obtain linked unitholder approval for the remuneration of each of the non-executive directors of the company for the period 1 July 2013 to 30 June 2014. In accordance with sections 66(8) and 66(9) of the Companies Act, remuneration may only be paid to directors for their service as directors in accordance with a special resolution approved by the shareholders of a company within the previous two years and if not prohibited by the company's memorandum of incorporation.

The above fees represent an inflationary increase to the prior year and were determined in order to ensure that the remuneration of non-executive directors of the company remains competitive so that the company may retain and attract persons of the calibre, and with the appropriate level of skill, capability and experience necessary in relation to Hospitality.

In terms of the company's memorandum of incorporation, directors shall also be paid reasonable travelling and other expenses properly and necessarily incurred by them in the execution of their duties, including attendance at meetings of the board and committees of the board.

This resolution is recommended by the company's board of directors who has considered the remuneration payable to the non-executive directors for the period 1 July 2013 to 30 June 2014 and is of the view that such remuneration is fair, reasonable and in the best interests of the company. Full particulars of all remuneration of non-executive directors for their services as directors, paid during the past year, are contained on page 107 of this integrated annual report.

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## **15. Special Resolution Number 2: Financial Assistance to Subsidiaries and other Related and Inter-related Entities in terms of sections 44 and 45 of the Companies Act**

"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 subsidiaries and/or any other company or entity 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 entity, or for the purchase of any securities of the company or a related or inter-related company or entity, including any direct or indirect financial assistance as contemplated in sections 44 and 45 of the Companies Act, on such terms and conditions as the board may determine, such authority to endure until the next AGM of the company to be held in 2014."

## **16. Special Resolution Number 3: Financial Assistance to Directors, Prescribed Officers and other Persons Participating in Employee Incentive Schemes in terms of sections 44 and 45 of the Companies Act**

"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 the present or future directors or prescribed officers of the company or of a related or inter-related company or entity (or any person related to any of them or to any company or entity related or inter-related to any of them), or to any other person who is or may be 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 entity, or for the purchase of any securities of the company or a related or inter-related company or entity, where such financial assistance is provided in terms of any such scheme that does not constitute an 'employee incentive scheme' as

defined in the Companies Act and that satisfies the requirements of section 97 of the Companies Act, on such terms and conditions as the board may determine, such authority to endure until the next AGM of the company to be held in 2014."

## **Reasons 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 employee incentive schemes**

Hospitality would like the ability to provide financial assistance to related or inter-related persons and entities, such as its subsidiaries, if necessary, in accordance with section 45 of the Companies Act. Furthermore, it may be necessary or desirable for Hospitality to provide financial assistance to related or inter-related companies and entities to subscribe for options or securities or purchase securities of Hospitality or another company related or inter-related to it. Under sections 44 and 45 of the Companies Act, Hospitality will, however, require a special resolution to be adopted before such financial assistance may be provided. In the circumstances and in order to, amongst others, ensure that Hospitality's related and inter-related companies and entities have access to financing and/or financial backing from Hospitality (as opposed to banks), it is necessary to obtain the approval of linked unitholders, as set out in special resolutions numbers 2 and 3.

## **17. Special Resolution Number 4: General Authority to Acquire Securities**

"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, securities 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 securities in the company of any class under this authority shall not, in aggregate in any one financial year, exceed 10% of the securities in issue in such class as at the commencement of such financial year, on the following bases:

- (a) each repurchase of securities must be effected through the main order book operated by the JSE Limited trading system and done without any prior understanding or arrangement between the company and the counterparty (reported trades are prohibited);

- (b) the number of securities which may be repurchased pursuant to this authority in any financial year; may in the aggregate not exceed 10% of the company's issued share capital of the relevant class from the date of the grant of this authority;
  - (c) repurchases of securities may not be made at a price greater than 10% above the weighted average of the respective market values of the "A" linked units 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 of securities by the company or its subsidiaries 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 securities of the relevant class, which constitute 3% of the initial number of securities of such class in issue (at the time that this authority from linked unitholders for the repurchase was granted), and for each 3% in aggregate of the initial number of such class of securities purchased or repurchased, as the case may be, thereafter;
  - (f) this general authority shall be valid only until the next AGM of the company to be held in 2014, 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 securities purchased and held by a subsidiary or subsidiaries of the company shall not exceed 10% in the aggregate of the number of issued securities in the company at the relevant times;
  - (i) no voting rights attached to the securities acquired by the company's subsidiaries may be exercised while the securities are held by them and they remain subsidiaries of the company;
  - (j) a resolution has been passed by the board of the company confirming that it has authorised the general repurchase, that the company and its subsidiaries will satisfy the solvency and liquidity test immediately after the repurchase of shares and that since the test was done there have been no material changes to the financial position of the group;
  - (k) any such general repurchase will be subject to Exchange Control Regulations;
  - (l) authorisation thereto is given by the company's memorandum of incorporation; and
  - (m) 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 (j) 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."
- Having considered the effect of acquisition of the company's securities up to a maximum limit, the directors of the company are of the opinion that, if such acquisitions were implemented:
- (i) 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 the notice of the meeting;
  - (ii) 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 notice of the meeting. 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 of the group for the year ended 30 June 2013 which comply with the Companies Act;

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- (iii) the share capital and reserves of the company and the group will be adequate for the ordinary business purposes of the company and the group for a period of 12 months following the date of the notice of the meeting;
- (iv) 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 notice of the meeting; and
- (v) the directors undertake that, prior to any commencement of any security repurchase in terms of special resolution number 4, the board will, through the company's sponsor, provide the JSE with the necessary report confirming the adequacy of the company's working capital for purposes of undertaking a repurchase of shares in terms of the JSE Listings Requirements."

## Statement of the board's intention

Although there is no immediate intention to effect a repurchase of linked units of the company, the board believes that it should retain flexibility so that the directors may 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:

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

- Directors and management – pages 26 and 27.
- Major linked unitholders – pages 119 and 120.
- Directors' interests in linked units – page 73.
- Share and debenture capital of the company – pages 97 to 99.

## Material change statement

Other than the facts and developments reported in the integrated annual 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 for the year ended 30 June 2013 and the date of this notice.

## Directors' responsibility statement

The directors, whose names appear on page 47 of the integrated annual 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 resolutions contain 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 47 of the integrated annual 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 other than those disclosed in the most recent financial statements.

## Reason of Special Resolution Number 4: General authority to acquire securities

The reason for special resolution number 4 is to grant the board a general authority for the acquisition of the company's linked units by the company, or by a subsidiary or subsidiaries of the company.

The existing general authority for the company and its subsidiaries to repurchase or purchase, as the case may be, securities in the company, granted by linked unitholders at the previous annual general meeting of the company on 21 September 2012, is due to expire at this AGM, unless renewed.

## Voting requirements

All ordinary resolutions will, in terms of the Companies Act, require support of more than 50% of the voting rights of linked unitholders, in their capacity as shareholders, 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 of linked unitholders, in their capacity as shareholders, exercised thereon at the meeting, to be approved.

## Electronic participation

The company has made provision for its linked unitholders or their proxies to participate electronically in the AGM by way of telephone conferencing. Should a linked unitholder wish to participate in the AGM by telephone conference call as aforesaid, the linked unitholder, or his/her/its proxy, will be required to advise the company thereof by submitting by email to the company secretary at [rosao@hpf.co.za](mailto:rosao@hpf.co.za) or by fax to +27+11 994 6301 for the attention of Mrs Rosa van Onselen, relevant contact details, including an email address, cellular number and landline number, as well as full details of the linked unitholder's title to securities issued by the company and proof of identity, in the form of certified copies of identity documents and share certificates (in the case of certificated shares) and (in the case of dematerialised shares)

written confirmation from the linked unitholder's Central Securities Depository Participant ("CSDP") confirming the linked unitholder's title to the dematerialised shares, to reach the company by no later than 10h00 on Monday, 28 October 2013. Upon receipt of the required information by the company, the linked unitholder concerned will be provided with a secure code and instructions to access the electronic communication during the AGM. Linked unitholders must note that access to the electronic communication will be at the expense of the linked unitholders who wish to utilise the facility.

Linked unitholders and their appointed proxies attending the AGM by conference call will not be able to cast their votes at the AGM through this medium. Accordingly, linked unitholders making use of the electronic participation facility are requested to submit their forms of proxy to the company, as directed in this notice,

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

Linked unitholders who are entitled to attend, participate in and vote at the AGM, are entitled to appoint a proxy (or more than one proxy in respect of different linked units held by them) to attend, speak and vote in their stead. A proxy need not be a linked unitholder of the company and shall be entitled to vote on a show of hands or a poll. For the convenience of registered linked unitholders of the company, a form of proxy is enclosed herewith to be completed by them in their capacity as shareholders.

The enclosed form of proxy is only to be completed by those linked unitholders who are:

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

It is requested that the company receives forms of proxy at its registered office by no later than 10h00 on Wednesday, 6 November 2013. If linked unitholders who have not dematerialised their linked units or who have dematerialised their linked units with 'own name' registration, and who are entitled to attend, participate in and vote at the AGM, do not deliver forms of proxy to the company by the relevant time, such linked unitholders will nevertheless be entitled to lodge the form of proxy in respect of the AGM immediately prior to the exercising of the linked unitholders' rights at the AGM, in accordance with the instructions therein, with the chairman of the AGM. Any linked unitholder who completes and lodges a form of proxy will nevertheless be entitled to attend, participate in and vote in person at the AGM should the linked unitholder decide to do so.

All other beneficial owners who have dematerialised their linked units through a CSDP or broker and wish to attend the AGM should contact their CSDP or broker:

- to provide them with the necessary letter of Representation in order to attend the AGM; or
- to furnish 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 linked unitholders must not use a form of proxy.

A company that is a linked unitholder 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.

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 form of proxy has only been included for linked unitholders in their capacity as shareholders.

Every linked unitholder present in person or represented by proxy and entitled to vote shall, in his/her/its capacity as shareholder, on a show of hands, have only one vote irrespective of the number of shares he/she/it holds or represents. On a poll, every linked unitholder present in person or represented by proxy and entitled to vote, shall, in his/her/its capacity as shareholder, be entitled to that proportion of the total votes in the company which the aggregate amount of the nominal value of all the shares held by him/her/it bears to the aggregate amount of the nominal value of all the shares issued by the company.

By order of the board



**LR van Onselen**  
**For HPF Management (Pty) Limited**  
*Company secretary*

13 September 2013

# FORM OF PROXY

## 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 for B-linked units: HPB  
ISIN for B-linked units: ZAE000076808  
("Hospitality" or "the company")

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

- registered linked unitholders of the company, in their capacity as shareholders, who have not yet dematerialised their Hospitality linked units, recorded in the company's securities register as at Friday, 25 October 2013, in the exercise of their voting rights in respect of the ordinary shares in the capital of the company;
- registered linked unitholders, in their capacity as shareholders, who have already dematerialised their Hospitality linked units and which units are registered in their own names in the company's sub-register as at Friday, 25 October 2013.

For completion by the aforesaid, registered shareholders of Hospitality who are unable to attend the annual general meeting of the company to be held at Crowne Plaza Johannesburg – The Rosebank, corner Tyrwhitt and Sturdee Avenues, Rosebank, on Friday, 8 November 2013 at 10h00 ("the AGM").

Given that the company's "A" ordinary shares are indivisibly linked to the company's "A" debentures and the company's "B" ordinary shares are indivisibly linked to the company's "B" debentures, and these securities are traded together as a linked unit, so that they are accordingly held by the same person, where references in this form of proxy would typically be made to the 'shareholders' of the company, the company has rather adopted the use of the term 'linked unitholders'. Voting rights will however only be exercisable by linked unitholders in their capacity as shareholders in respect of the ordinary share component of the linked units.

### Certificated linked unitholders

If you are a certificated linked unitholder or have dematerialised your linked units with 'own name' registration and you are unable to attend the AGM of Hospitality to be held at 10h00 on Friday, 8 November 2013 at Crowne Plaza Johannesburg – The Rosebank, corner Tyrwhitt and Sturdee Avenues, Rosebank but wish to be represented thereat, you are requested to complete and return this form of proxy in accordance with the instructions contained herein and to lodge it with, or post it to, the Transfer Secretaries, namely Computershare Investor Services (Pty) Limited, so as to be received by them by no later than 10h00 on Wednesday, 6 November 2013.

### Dematerialised linked unitholders, other than those with 'own name' registration

If you hold dematerialised linked units in the Fund through a CSDP or broker, other than with an 'own name' registration, you must timeously advise your CSDP or broker of your intention to attend and vote at the AGM or be represented by proxy thereat in order for your CSDP or broker to provide you with the necessary letter of representation to do so, or should you not wish to attend the AGM in person, you must timeously provide your CSDP or broker with your voting instructions in order for the CSDP or broker to vote in accordance with your instructions at the AGM.

I/We (name/s in BLOCK LETTERS)

of (address)

being the registered holder/s of A-linked units and/or B-linked units in Hospitality, hereby appoint:

- \_\_\_\_\_ or failing him/her;
- \_\_\_\_\_ or failing him/her;
- the chairman of the AGM, as my/our proxy to attend, speak and vote for me/us on my/our behalf or to abstain from voting at the AGM of the company and at any adjournment thereof in respect of the share component of the linked units registered in my/our name/s, as follows:

RESOLUTIONS	FOR	AGAINST	ABSTAIN
1. Ordinary Resolution Number 1: Election of Mr SA Halliday as a Director			
2. Ordinary Resolution Number 2: Election of Ms Z Ntwasa as a Director			
3. Ordinary Resolution Number 3: Election of Mrs A Soni as a Director			
4. Ordinary Resolution Number 4: Re-appointment of the External Auditor			
5. Ordinary Resolution Number 5: Election of Mr KH Abdul-Karrim as a member of the audit committee			
6. Ordinary Resolution Number 6: Election of Mrs L de Beer as a member of the audit committee			
7. Ordinary Resolution Number 7: Election of Mr SA Halliday as a member of the audit committee			
8. Ordinary Resolution Number 8: Election of Ms Z Ntwasa as a member of the audit committee			
9. Ordinary Resolution Number 9: Election of Mr WC Ross as a member of the audit committee			
10. Ordinary Resolution Number 10: General Authority to Directors to Allot and Issue Authorised but Unissued Securities			
11. Ordinary Resolution Number 11: Signature of documentation			
12. Advisory endorsement of the remuneration policy			
13. Special Resolution Number 1: Non-executive directors' remuneration			
14. Special Resolution Number 2: Financial assistance to subsidiaries and other related and inter-related entities in terms of sections 44 and 45 of the Companies Act			
15. Special Resolution Number 3: Financial assistance to directors, prescribed officers and other persons participating in employee incentive schemes in terms of sections 44 and 45 of the Companies Act			
16. Special Resolution Number 4: General authority to acquire securities			

Signed at \_\_\_\_\_ on \_\_\_\_\_ 2013

Signature(s)

Assisted by (where applicable)

Name \_\_\_\_\_ Capacity \_\_\_\_\_

Signature \_\_\_\_\_

Please read notes overleaf.

# NOTES TO THE FORM OF PROXY AND SUMMARY OF RIGHTS UNDER SECTION 58 OF THE COMPANIES ACT, 2008

1. Only linked unitholders who are registered in the register of the company under their own name may complete a form of proxy or attend the annual general meeting. This includes linked unitholders who have not dematerialised their linked units or who have dematerialised their linked units with "own name" registration. A linked unitholder entitled to attend and vote at the annual general meeting is entitled to appoint one individual as a proxy to attend, speak and, on a poll, to vote in his/her place at the annual general meeting. A proxy need not be a linked unitholder of the company. Such linked unitholder may insert the name of a proxy of the linked unitholder's choice in the space provided, with or without deleting 'the chairman of the AGM, provided that any such deletion must be signed in full by the linked unitholder. 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. Should a proxy not be specified, this will be exercised by the chairman of the class AGM.
2. The date must be filled in on this form of proxy and when it is signed.
3. The completion and lodging of this form will not preclude the relevant linked unitholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed, should such linked unitholder wish to do so.
4. The appointment of a proxy or proxies:
  - 4.1 is suspended at any time to the extent that the linked unitholder chooses to act directly and in person in the exercise of any rights as a linked unitholder;
  - 4.2 is revocable in which case the linked unitholder may revoke the proxy appointment by:
    - 4.2.1 cancelling it in writing or making a later inconsistent appointment of a proxy; and
    - 4.2.2 delivering a copy of the revocation instrument to the proxy and to the company.
5. 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:
  - 5.1 stated in the revocation instrument, if any; or
  - 5.2 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.
6. Should the instrument appointing a proxy or proxies have been delivered to the relevant company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the relevant company's memorandum of incorporation to be delivered by such company to the linked unitholder must be delivered by such company to:
  - 6.1 the linked unitholder; or
  - 6.2 the proxy or proxies if the linked unitholder has in writing directed the relevant company to do so and has paid any reasonable fee charged by the company for doing so.
7. 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.
8. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies. The completion of any blank space(s) need not be signed or initialled.
9. A power of attorney or other 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 AGM.
10. 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.
11. A company holding shares in the company that wishes to attend and participate in the AGM 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 AGM.
12. Where there are joint holders of linked units, only one of such persons need sign the form of proxy. If more than one of such joint linked unitholder votes, whether in person or by proxy, only the vote of one of the said persons whose name appears first in the securities register in respect of such linked units or his/her proxy, as the case may be, shall be counted.
13. Every linked unitholder present in person or represented by proxy and entitled to vote shall, in his/her/its capacity as shareholder; on a show of hands, have only one vote irrespective of the number of shares he/she/it holds or represents. On a poll every linked unitholder present in person or represented by a proxy and entitled to vote, shall, in his/her/its capacity as shareholder, be entitled to that proportion of the total votes in the company which the aggregate amount of the nominal value of the linked units held by him/her bears to the aggregate amount of the nominal value of all the linked units of the relevant class issued by the company.
14. The chairman of the AGM may reject or accept any proxy which is completed and/or received, other than in accordance with these notes, provided that he shall not accept a proxy unless he/she is satisfied as to the matter in which a linked unitholder wishes to vote.
15. A proxy may not delegate his/her authority to act on behalf of the linked unitholder; to another person.
16. You are not obliged either to cast all your votes or to cast all your votes in the same way. A linked unitholder's instruction to the proxy must be indicated either by:
  - 16.1 the insertion of an "X" in the appropriate box next to the resolution (i.e. in favour of and/or against and/or by way of abstention), in which event the proxy will cast all your votes in the manner so specified; or
  - 16.2 setting out the relevant number of linked units to be voted on behalf of that linked unitholder in the appropriate box provided next to the resolution, provided that, if for any resolution the aggregate number of votes to be cast would exceed the total number of linked units held, you will be deemed to have given no specific instruction as to how you wish your proxy to vote in respect of that resolution.Failure to comply with the above will be deemed to authorise the chairman of the AGM, if the chairman 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 AGM as he/she deems fit, in respect of the shares concerned. A linked unitholder or the proxy is not obliged to use all the votes exercisable by the linked unitholder 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 linked unitholder or the proxy.
17. It is requested that this form of proxy be lodged or posted or faxed to the company's registered office or faxed to +27+11 994 6301, to be received by the company not later than 10h00 on Wednesday, 6 November 2013.