

This document is important and requires your immediate attention.

If you are in any doubt as to the action you should take, please consult your stockbroker, banker, attorney, accountant or other professional adviser.

Action required:

1. If you are a participatory interest holder in the Emira Property Fund, please complete the attached ballot and return it in the enclosed postage paid envelope addressed to the auditors of the Emira Property Fund, PricewaterhouseCoopers Inc. at Private Bag X36, Sunninghill, 2157 to be received by 26 August 2010.
2. If you have disposed of your interest in the Emira Property Fund, this memorandum and ballot should be handed to the purchaser of such interest or to the stockbroker or other agent through whom you disposed of such interest.



EMIRA PROPERTY FUND

("the Fund")

a portfolio forming part of Emira Property Scheme ("the Scheme"), a collective investment scheme in property established in terms of the Collective Investment Schemes Control Act, 45 of 2002, and managed by:

STRATEGIC REAL ESTATE MANAGERS (PTY) LTD

(Registration number 1997/020911/07)

("the Manager")

Memorandum to participatory interest holders in the Fund regarding the proposed amendments to the deed which established the Scheme in terms of which:

- the ambit of the Manager's investment policy is extended so that the Fund can invest in a broader class of assets;
- the limit of borrowing by the Scheme is increased from the current limit of 30% to 40% of the value of the underlying assets comprising the relevant portfolio; and
- the Existing Service Charge Arrangement in respect of the Fund is amended,

and incorporating:

- a ballot for completion by the participatory interest holders.

Date of issue: 14 July 2010

Trustee of the Scheme



ABSA Bank Limited/Beperk, Reg No 1986/004794/06 ("Absa")

Attorneys



Auditors of the Fund



PricewaterhouseCoopers Inc
Chartered Accountants (SA)
Registered Accountants and Auditors
(Registration no 1998/012055/21)

**Independent financial adviser to
the Fund**



Corporate Information

Manager

Strategic Real Estate Managers (Pty) Ltd
3rd Floor
3 Gwen Lane
Sandton, 2196
(PO Box 786130, Sandton, 2146)

Directors:

| | |
|----------------------------------|--|
| Chairman | BJ van der Ross |
| Chief Executive Officer | JWA Templeton |
| Lead Independent Director | BH Kent |
| Non-Executive Directors | MS Aitken, V Mahlangu, NE Makiwane, W McCurrie, MSB Nesor, NL Sowazi |
| Executive Directors | WK Schultze, PJ Thurling |

Trustee

ABSA Bank Limited
11 Diagonal Street
Newtown
Johannesburg, 2001
(PO Box 42010, Fordsburg, 2033)

Auditors

PricewaterhouseCoopers Inc
Chartered Accountants (SA)
Registered Accountants and Auditors
2 Eglin Road
Sunninghill, 2157
(Private Bag X36, Sunninghill, 2157)

Attorneys

Edward Nathan Sonnenbergs Inc
1 North Wharf Square
Loop Street
Foreshore, Cape Town, 8001
(PO Box 2293, Cape Town, 8000)

Independent Adviser

KPMG Services (Proprietary) Limited
KPMG Crescent
85 Empire Road
Parktown, 2193
(PO Box 786273, Sandton, 2146)

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1. Definitions and interpretation

In this document, unless the context indicates otherwise, the words in the first column have the meanings stated alongside them in the second column, references to the singular shall include the plural and *vice versa*, words denoting one gender include the other and words and expressions denoting natural persons include juristic persons and associations of persons and *vice versa* and cognate expressions shall bear corresponding meanings:

| | |
|---------------------------------------|---|
| “Act” | the Collective Investment Schemes Control Act, 45 of 2002; |
| “Association” | the Association of Property Unit Trust Management Companies; |
| “Auditors” | PricewaterhouseCoopers Inc. |
| “ballot” | the blue ballot form enclosed with this document, to be returned to the Auditors in accordance with the instructions contained herein; |
| “Board” | the board of directors of the Manager; |
| “Cancellation Payment” | the sum of R197,400,000.00 plus VAT, comprised of the First Tranche Payment and the Second Tranche Payment; |
| “CISP” | a collective investment scheme in property; |
| “Conditions Precedent” | the conditions precedent to the Proposed Arrangement in paragraph 3.3.2.6; |
| “Deed” | the deed entered into by the Manager and the Trustee in terms of which the Scheme was established; |
| “document” | this information memorandum to PI Holders of the Fund, dated 14 July 2010, and enclosing the ballot; |
| “Existing Service Charge Arrangement” | the service charge arrangement contemplated in paragraph 3.3.1; |
| “Fifth Supplemental Deed” | the proposed fifth supplemental deed to the Deed contemplated in paragraph 2.3.3 below; |
| “First Supplemental Deed” | the supplemental deed to the Deed, entered into between the Manager and the Trustee on 25 August 2003, in terms of which the Fund was established; |
| “First Tranche Payment” | the amount of R129,150,000.00, plus VAT thereon; |
| “Fourth Supplemental Deed” | the proposed fourth supplemental deed to the Deed contemplated in paragraph 2.3.2 below; |
| “Fund” | the Emira Property Fund, a portfolio established under the Scheme in terms of the First Supplemental Deed; |
| “Further Assets” | the further assets determined by the Registrar in the Notice that may be included in a portfolio of a CISP; |
| “Implementation Date” | the first business day after the date on which the last of the Conditions Precedent has been fulfilled or waived (as the case may be); |
| “KPMG” | KPMG Services (Proprietary) Limited (Registration number 1997/020911/07); |
| “Management Relationship” | the existing relationship between the Fund and the Manager in terms of which the Manager, as an entity separate and distinct from the Fund, carries on the business of administering the Fund in exchange for a service charge, such relationship being expressly required by the Act and the Deed as at the date of this document; |
| “Manager” | Strategic Real Estate Managers (Proprietary) Limited (Registration number 1997/020911/07), a private company duly incorporated in accordance with the laws of the Republic of South Africa, and the manager of the Scheme; |
| “Material Event” | any event, in terms of the Act, which has the effect of changing or restricting the continued duration of the Management Relationship or the Fund being wound up; |

| | |
|----------------------------------|---|
| “Material Event Effective Date” | the date on which the Material Event becomes effective; |
| “New Service Charge Arrangement” | the new service charge arrangement contemplated in paragraph 3.3.2.1 that is proposed to replace the Existing Service Charge Arrangement in respect of the Fund; |
| “Notice” | Government Gazette Notice 572 published on 16 May 2008; |
| “PI” | participatory interest; |
| “PI Holder” | participatory interest holder in the Fund; |
| “Proposed Amendments” | the proposed amendments to the Deed contained in the Supplemental Deeds, summarised in paragraph 2.3 and explained in detail in the remainder of this document; |
| “Proposed Arrangement” | the proposed amendment of the Existing Service Charge Arrangement in respect of the Fund and the payment of the Cancellation Payment to the Manager; |
| “Registrar” | the Registrar of Collective Investment Schemes from time to time; |
| “REIT” | a real estate investment trust; |
| “Scheme” | the Emira Property Scheme, a CISP established in terms of the Act; |
| “Second Supplemental Deed” | the second supplemental deed to the Deed contemplated in paragraph 2.2 below; |
| “Second Tranche Payment” | the Cancellation Payment less the First Tranche Payment (adjusted in terms of paragraph 3.3.2.12 as the case may be); |
| “Supplemental Deeds” | the Third Supplemental Deed, Fourth Supplemental Deed and Fifth Supplemental Deed; |
| “Third Supplemental Deed” | the proposed third supplemental deed to the Deed contemplated in paragraph 2.3.1 below; |
| “Trust Account” | a special interest-bearing bank account to be opened in the name of and administered by the Trustee; |
| “Trustee” | ABSA Bank Limited (Registration number 1986/004794/06), a public company duly incorporated and registered as a bank in accordance with the laws of the Republic of South Africa, and the trustee of the Scheme; and |
| “VAT” | value-added tax levied in terms of the Value-Added Tax Act, 89 of 1991. |

2. Introduction

- 2.1** On 25 August 2003, the Manager and the Trustee signed and executed the Deed, establishing the Scheme in accordance with the provisions of the Act, which Deed was approved by the Registrar on 15 September 2003. The Manager and the Trustee also signed and executed the First Supplemental Deed, in order to establish the Fund, which First Supplemental Deed was approved by the Registrar on 15 September 2003.
- 2.2** On 8 July 2010, the Manager and the Trustee entered into the Second Supplemental Deed in order to amend the Deed so that the shareholders of the Manager and their associates (as that term is defined in the Listings Requirements of the JSE Limited) who are PI Holders, shall be precluded from voting in the ballot process in respect of the Proposed Arrangement (Proposed Amendment number three dealt with in paragraph 3.3 below). The Second Supplemental Deed was approved by the Registrar on 9 July 2010. In this way, only independent PI Holders shall vote in respect of the Proposed Arrangement.
- 2.3** The Manager and the Trustee have agreed to enter into the Supplemental Deeds in order to:
- 2.3.1 extend the ambit of the Manager’s investment policy so that the Fund can invest in a broader class of assets;
 - 2.3.2 increase the limit of borrowing by the Scheme, from the current limit of 30% to 40% of the value of the underlying assets comprising the relevant portfolio;
 - 2.3.3 amend the Existing Service Charge Arrangement in respect of the Fund,
- and to provide for certain matters ancillary thereto.

- 2.4 The Trustee and the Registrar have consented in principle to the proposed Supplemental Deeds, subject to obtaining the consent of PI Holders holding a majority in value of the total number of PIs held by the PI Holders, excluding the Manager, who participate in the ballot process described in paragraph 6 below.
- 2.5 The Manager is of the opinion that the Proposed Amendments to the Deed, as contained in the Supplemental Deeds, will be beneficial to PI Holders and hence recommends that PI Holders vote in favour of the proposed Supplemental Deeds.
- 2.6 Enclosed with this document is a ballot and a postage paid, self-addressed envelope. PI Holders are requested to complete the ballot in the manner indicated after considering the contents of this document, and to return the ballot to the Auditors in the enclosed postage paid, self-addressed envelope to be received by the Auditors by no later than 26 August 2010 and counted by the Auditors in accordance with the Deed.
- 2.7 This document, which is addressed to all PI Holders, contains the salient features of the Proposed Amendments and the procedure to be adopted in order to approve and implement the Proposed Amendments. The exact terms of the Proposed Amendments appear from the drafts of the Supplemental Deeds which have been submitted to and approved in principle by the Registrar (subject to obtaining the necessary consent of PI Holders) and will be made available with the Deed for inspection by PI Holders during normal business hours at the registered office of the Manager at 3 Gwen Lane, Sandton, 2196 from 14 July 2010 until 26 August 2010.
- 2.8 In the circumstances, PI Holders are called upon to consider and vote in respect of the Proposed Amendments, all of which are subject to the consent of PI Holders holding a majority in value of the total number of PIs held by all PI Holders, excluding the Manager, who reply to the ballot (subject to paragraph 4.2 below). In order for the ballot to be properly conducted, the replies of PI Holders holding not less than 25% in value of the total number of PIs in issue, excluding the PIs held by the Manager, are required to be received in writing (again, subject to paragraph 4.2 below).

3. Proposed amendments

3.1 Proposed amendment number 1: investment policy

3.1.1 *Current position:*

3.1.1.1 In terms of the Notice, the Registrar determined that the following assets may also be included in a portfolio of a CISP:

3.1.1.1.1 PIs in CISPs;

3.1.1.1.2 linked units in property loan stock companies; and

3.1.1.1.3 shares or interests in companies or concerns which derive their income solely from property related investments,

which PIs, linked units, shares and interests must be listed on an exchange in South Africa (hereinafter collectively referred to as the “**Further Assets**”). The Notice also stipulated certain limits and conditions that apply in respect of any investment in the Further Assets.

3.1.1.2 The investment policy of the Manager, as set out in the First Supplemental Deed, currently restricts the Manager to making investments, on behalf of the Fund, in properties, property company shares and cash, and does not allow the Manager to invest in the Further Assets.

3.1.2 *Proposed Amendment:*

3.1.2.1 Following the publication of the Notice, the Manager and Trustee wish to amend the First Supplemental Deed in order to extend the ambit of the Manager’s investment policy to allow the Manager to invest in the Further Assets (and in any other assets that may be determined by the Registrar in terms of section 47(2) of the Act from time to time).

3.1.2.2 As such, it is proposed that the stated investment policy of the Manager in clause 3 of the First Supplemental Deed be replaced with the following new clause 3:

“3.1 The investment policy of the manager shall be aimed at investing at a fair price in a balanced spread of assets as well as cash in order to achieve the stated objectives of the Emira Property Fund.”

- 3.2 For this purpose, investments may be made in:
- 3.2.1 immovable properties directly;
 - 3.2.2 securities of fixed property companies which will own and, if appropriate, develop quality, well-located prime industrial, commercial and retail property with the primary objective of affording investors growth in income and capital;
 - 3.2.3 securities of a holding company which has no subsidiaries other than fixed asset companies referred to in clause 3.2.2 above which are wholly-owned subsidiaries;
 - 3.2.4 other assets as determined by the Registrar in terms of section 47(2) of the Act; and
 - 3.2.5 in immovable property in a foreign country and property shares or participatory interests in a collective investment scheme in property in a foreign country, subject to the terms of section 49 of the Act and any conditions determined thereunder,
- collectively referred to hereinafter as the “**Allowable Investments**”.
- 3.3 The initial portfolio will comprise property listed in annexure “A”. The properties concerned were valued on an open market basis by The Property Partnership Majola & Boyd (Pty) Ltd, Mills Fitchet and Knight Frank, the trustees and the manager and the purchase price were found to be fair and reasonable and acceptable on the current yield and discounted cash flow basis.
- 3.4 It is the ongoing policy of Emira Property Fund to deploy any surplus funds arising from the creation of Emira Property Fund, the proceeds of any realisation of Investments, and rights issues, in:
- 3.4.1 meeting the capital expenditure requirements of the Emira Property Fund, and
 - 3.4.2 further investment in Allowable Investments if favourable investment opportunities arise.”

3.1.3 Rationale for Proposed Amendment number 1:

- 3.1.3.1 Prior to the Notice, a South African CISP could only invest in:
- 3.1.3.1.1 immovable property;
 - 3.1.3.1.2 securities of fixed property companies, which will own and, if appropriate, develop various types of immovable property; and
 - 3.1.3.1.3 other listed property funds and CISPs in other countries in the world.
- 3.1.3.2 A South African CISP was prohibited from investing in other South African CISPs, property loan stock companies and shares or interests in a company or concern which derives its income solely from property-related investments. This peculiarity was nonsensical and hence, in 2007, the Association petitioned the Registrar to determine assets, other than those referred to in the definition of a CISP, which may be included in a portfolio of a CISP in terms of subsection 47(2) of the Act.
- 3.1.3.3 In response to the Association’s petition, the Registrar published the Notice in terms of which the investment parameters of CISPs were broadened to include investments in other South African CISPs, property loan stock companies and shares or interests in a company or concern which derives its income solely from property-related investments. The Notice stipulated that the total investment exposure to Further Assets included in a portfolio may not exceed 25% of the market value of the portfolio, and all Further Assets issued by a single concern may not exceed 10% of the market value of the portfolio. Furthermore, the manager must obtain the prior consent of the trustee before investing in any Further Asset(s).
- 3.1.3.4 Independent research showed that this development was supported by the majority of South African investors. Indeed, it is common for CISPs (or REITs) around the world to be permitted to invest in REITs in their own or other countries.
- 3.1.3.5 In light of the Notice, South African CISPs are now in a position to catch up with the rest of the developed or developing economies of the world in this regard, by broadening their investment policies to include investments in other local South African CISPs, property loan stock companies and shares or interests in a company or concern which derives its income solely from property-related investments.

3.1.3.6 The Manager is of the view that improved portfolio diversification and returns can be provided to PI Holders if the investment policy of the Fund is broadened in this manner, and that if it is not so broadened, the Fund will be unable to compete with other CISPs (and other property investment companies) whose deeds currently allow for these types of investments. Naturally, a wider investment mandate will allow the Manager to invest in the most profitable investments available to the Fund.

3.2 Proposed amendment number 2: increase to the borrowing limit

3.2.1 Current position:

- 3.2.1.1 The Deed currently restricts the Fund to borrowing up to 30% of the value of the underlying assets comprising the Fund.
- 3.2.1.2 In a letter dated 16 July 2007 addressed to the chairman of the Association, the Registrar confirmed that portfolios of CISPs may increase their borrowing capacity from 30% to 60% of the value of the underlying assets comprising the portfolio, provided that the investors in the relevant portfolio approve of such increase and the relevant deed is amended accordingly.

3.2.2 Proposed Amendment:

- 3.2.2.1 The Manager and the Trustee propose increasing the borrowing capacity of a portfolio under the Scheme from the current limit of 30% of the value of the underlying assets comprising the portfolio to 40% of such value.
- 3.2.2.2 The Manager and the Trustee propose replacing the existing clauses 21.1.7.2, 21.2.1.3 and 21.3 of the Deed with the following in order to reflect the aforesaid Proposed Amendment:

“21.1.7.2 the maximum amount of the aggregate indebtedness of all fixed property companies, alternatively, the aggregate indebtedness incurred in connection with immovable properties included directly in the portfolio in respect of loans contracted in accordance with the provisions of this clause 21 shall not at any time exceed an amount equal to 40% (forty per cent) of the value of the underlying assets comprising the portfolio, determined on the last published valuation for such portfolio in the most recent audited financial statements of the portfolio adjusted for any subsequent changes in the value of such asset portfolio in accordance with generally accepted accounting principles and taking into account the value of any property to be acquired utilising a loan. However, in respect of any additional portfolio established in terms of the scheme, the amount of such borrowings shall be restricted to 40% (forty per cent) of the aggregate value of the underlying assets comprising such portfolio as at the date of approval thereof by the Registrar and confirmed by the trustee until the first published valuation of the underlying assets comprising such portfolio in the audited financial statements of such portfolio, adjusted for any subsequent changes in the value of such assets in accordance with generally accepted accounting principles and taking into account the value of any property to be acquired utilising the loan”;

“21.2.1.3 the amount by which the aggregate indebtedness in clause 21.1.7.2 would exceed the 40% (forty per cent) maximum referred to in that clause if such immovable property were not to be taken into account in determining the aggregate value of the underlying assets”;

“21.3 In the event that, for any reason whatsoever, the sale of the immovable property does not become final and unconditional, the loan procured in terms of this clause 21 shall immediately be cancelled to the extent that the amount of such loan causes the aggregate indebtedness of the fixed property companies concerned, alternatively, the aggregate indebtedness incurred in connection with immovable property included directly in the portfolio, to exceed the 40% (forty per cent) maximum referred to in clause 21.1.7.2 if such immovable property were not to be taken into account in determining the aggregate value of the underlying assets. Any powers or competencies conferred upon a fixed property company in terms of this deed, including but not limited to those contained in clause 21, shall, insofar as it is applicable, be construed as conferring the same competencies and powers upon a trust.”

3.2.3 Rationale for Proposed Amendment number 2:

- 3.2.3.1 As an asset class, property is conducive to debt financing. The permanent nature of the physical asset, as well as the long-term, escalating leases are ideal for long-term debt financing, especially where the debt costs can be fixed for extended periods. Through such prudent financing, returns to investors can be significantly enhanced without incurring unnecessary risk.
- 3.2.3.2 In 2007, the Association petitioned the Registrar to increase the permissible level of gearing in a scheme to market related levels. Prior to this, the debt financing capacity of South African CISPs was restricted to 30% of the fair market value of the underlying assets in the CISP.
- 3.2.3.3 Research at the time showed that the gearing limitation of 30% debt to assets for South African CISPs was one of the lowest in the world. The research also showed that South African CISPs had, on average, the second lowest level of debt of all countries surveyed at 16.7%. An independent local survey conducted at the time also indicated that investors in listed property funds believed that the 30% limitation on CISPs should be raised.
- 3.2.3.4 All of these factors resulted in the Registrar agreeing to allow South African CISPs to increase their level of gearing to up to a maximum of 60% of the fair market value of the underlying assets in the CISP, provided that the PI holders of the relevant portfolios of the CISP consent to such increase.
- 3.2.3.5 An increased gearing ability will benefit PI Holders in that the Manager will have greater flexibility to ensure that the Fund can obtain increased levels of funding to take advantage of opportunities as and when they arise, which will assist in increasing the return on investments to PI Holders. The increase from 30% to 40% will therefore provide greater flexibility to the Manager in raising finance, improve the potential growth in distributions and yet still keep the Fund's gearing within prudent limits.
- 3.2.3.6 The interests of the PI Holders will continue to be protected in that the Trustee will still be required to approve all borrowings in terms of the Deed. Both the Trustee and the Manager will furthermore remain obliged, at all times, to act in the best interests of the PI Holders.

3.3 Proposed amendment number 3: change to service charge

3.3.1 Current position:

Clause 2 of the master schedule to the Deed currently provides that the Trustee shall pay to the Manager, as remuneration for the services rendered by the Manager to the Fund, a monthly service charge, plus VAT thereon, of 1/12th of a per annum percentage, to be determined by the Manager from time to time (currently 0.5%), of the monthly aggregate of the average daily closing price of the PIs of the Fund as quoted on the exchange on which the PIs are listed for the relevant month, multiplied by the number of PIs in issue, plus the aggregate amount of the loans contracted by each of the fixed property companies forming part of the Fund from time to time (i.e. the enterprise value of the Fund) ("**Existing Service Charge Arrangement**").

3.3.2 Proposed Amendment:

- 3.3.2.1 The Manager proposes to amend the Deed in order to amend the Existing Service Charge Arrangement in respect of the Fund. In terms of the New Service Charge Arrangement, the Trustee shall pay to the Manager a monthly service charge, plus VAT thereon, that is equal to the actual operating costs incurred by the Manager in administering the Fund ("**New Service Charge Arrangement**"). The monthly service charge in respect of the administration of the Fund will therefore no longer be calculated with reference to the daily closing price of the PIs, but rather with reference to the actual operating costs of the Manager.
- 3.3.2.2 Consequently, the Manager will no longer be capable of making a profit from administering the Fund, but will merely recover its actual costs and expenses incurred in doing so.
- 3.3.2.3 The New Service Charge Arrangement shall endure in perpetuity (unless otherwise determined by the PI Holders by way of a ballot in accordance with the relevant provisions of the Deed).
- 3.3.2.4 In return for agreeing to the amendment of the Existing Service Charge Arrangement with the New Service Charge Arrangement, the Fund will pay the Manager the Cancellation Payment in two tranches.

- 3.3.2.5 The Cancellation Payment will be paid to the Manager for the loss of a capital asset (that is, the Manager's right to earn a profit from the administration of the Fund), which represents the sole foundation of the Manager's business.
- 3.3.2.6 The implementation of the New Service Charge Arrangement and the payment of the Cancellation Payment, is subject to the following Conditions Precedent:
- 3.3.2.6.1 the approval of the Registrar of the Second Supplemental Deed (this approval has already been obtained as at the date of this document);
- 3.3.2.6.2 the approval of the Registrar of the Fifth Supplemental Deed (this approval has already been obtained in principle, subject to obtaining the consent of PI Holders holding a majority in value of the total number of PIs held by the PI Holders, excluding the Manager, who participate in the ballot process described in paragraph 6 below);
- 3.3.2.6.3 the consent of the PI Holders to the New Service Charge Arrangement in terms of the Fifth Supplemental Deed;
- 3.3.2.6.4 the conclusion and implementation of the Fifth Supplemental Deed, and such deed becoming unconditional in all respects; and
- 3.3.2.6.5 the Fund raising finance in the sum of R197,400,000.00 in order to fund the payment of the Cancellation Payment, which shall be done by way of issuing further PIs in the Fund to investors.
- 3.3.2.7 The Conditions Precedent in 3.3.2.6 must be fulfilled (or where appropriate, waived in writing) by not later than 30 September 2010, or such later date as agreed to between the parties.
- 3.3.2.8 If the Conditions Precedent are fulfilled, then the Cancellation Payment will be paid to the Manager in two tranches as follows:
- 3.3.2.8.1 the First Tranche Payment on the Implementation Date; and
- 3.3.2.8.2 the Second Tranche Payment (plus any interest accrued thereon) paid from the Trust Account to the Manager in accordance with paragraphs 3.3.2.10 to 3.3.2.12 below.
- 3.3.2.9 Pending the payment contemplated in paragraph 3.3.2.8.2 above, the Second Tranche Payment shall be held in the Trust Account.
- 3.3.2.10 The Manager shall not become entitled to or have any claim in respect of the Second Tranche Payment (plus any interest accrued thereon) before 1 October 2011 or the occurrence of the Material Event Effective Date (whichever is the earlier).
- 3.3.2.11 If, by 1 October 2011, the Material Event Effective Date has not occurred, then the Second Tranche Payment (plus VAT and all interest accrued thereon) shall be paid from the Trust Account to the Manager within 5 business days after 1 October 2011.
- 3.3.2.12 If, before 1 October 2011, the Material Event Effective Date occurs, then:
- 3.3.2.12.1 the Cancellation Payment will be adjusted on a *pro rata* basis in accordance with the following formula:
- $$\mathbf{A} = [(\mathbf{B} + \mathbf{C} + \mathbf{D})/\mathbf{E}] \times \mathbf{F}$$
- where:
- A** = the Adjusted Cancellation Payment;
- B** = the number of months (or part thereof) between 1 January 2009 (being the original effective date of the Proposed Arrangement agreed to by the Fund and the Manager in December 2008) and the Implementation Date;
- C** = the number of months (or part thereof) between the Implementation Date and the Material Event Effective Date;
- D** = the number of months (or part thereof) that the Management Relationship is allowed to endure after the Material Event Effective Date (which number, for purposes of this formula, may not be less than 60 months, that is, 5 years);
- E** = 120 months (that is, 10 years);
- F** = the Cancellation Payment, and
- for the purposes of this formula, **(B + C + D)** cannot exceed 120 months.

- 3.3.2.12.2 an amount equal to the Adjusted Cancellation Payment (“A” in the above formula) less an amount equal to the First Tranche Payment, plus all interest accrued on such amount in the Trust Account, shall be paid from the Trust Account to the Manager within 5 business days after the Material Event Effective Date (and, for the avoidance of doubt, no further payment shall be made to the Manager on 1 October 2011 and no portion of the First Tranche Payment will be refundable); and
- 3.3.2.12.3 the balance of the monies held in the Trust Account (if any) (plus all interest accrued thereon) shall be released to the Fund.
- 3.3.2.13 In order to reflect the New Service Charge Arrangement in respect of the Fund, the Trustee and the Manager propose that clause 2 of the master schedule to the Deed in respect of the Fund be amended so that it reads as follows:

“2. The trustee shall pay to the manager:

2.1 in return for the manager agreeing to the amendment of the original service charge arrangement in respect of the Emira Property Fund, an amount of R197,400,000.00 (one hundred and ninety seven million four hundred thousand Rand), plus value-added tax (“VAT”) thereon, in two tranches, as follows:

2.1.1 an initial upfront amount of R129,150,000.00 (one hundred and twenty nine million one hundred and fifty thousand Rand) plus VAT thereon; and;

2.1.2 the balance of R68,250,000.00 (sixty eight million two hundred and fifty thousand Rand) (plus VAT and any interest accrued thereon) within 5 (five) business days after 1 October 2011, unless adjusted downwards in terms of 2(B) below, in which case such adjusted amount shall be paid within 5 (five) business days after the date on which the material event contemplated in 2(B) below takes effect; and

2.2 a monthly service charge, plus VAT thereon, that is equal to the actual and reasonable operating costs incurred by the manager in administering the Emira Property Fund, which monthly service charge arrangement shall endure in perpetuity, unless otherwise determined by investors by way of a ballot in accordance with the relevant provisions of the deed.

2(A) The operating costs referred to in 2.2 above comprise the actual and reasonable operating expenses and overheads incurred by the manager in administering the Emira Property Fund, which costs vary from month to month and comprise, inter alia, directors’ fees, directors’ insurance, office rental, entertainment, office expenses, machine and other leasing charges, printing and stationery, staff costs, staff functions, subscriptions, telephones, postages, training and travelling, regulatory and all costs imposed by law (including association levies, accounting and secretarial fees, audit fees and Financial Services Board levies/fees paid by the manager or paid on behalf of the Emira Property Fund by the manager and which are not deductible from the Emira Property Fund in terms of section 93 of the Act), bank, finance charges and/or the costs of funding, and any other costs associated with the operation of the manager.”

2(B) The amount contemplated in 2.1.2 above shall be held in the trust account of the trustee (“Trust Account”), pending payment thereof to the manager. If any event, in terms of the Act, occurs before 1 October 2011, which has the effect of changing or restricting the continued duration of the management relationship or the Emira Property Fund being wound up (“Material Event”), then:

2(B)(1) the amount contemplated in 2.1 above, being R197,400,000.00 (plus VAT thereon), will be adjusted on a pro rata basis in accordance with the following formula:

$$\mathbf{A} = [(\mathbf{B} + \mathbf{C} + \mathbf{D})/\mathbf{E}] \times \mathbf{F}$$

where:

***A** = the adjusted cancellation payment;*

***B** = the number of months (or part thereof) between 1 January 2009 and the first business day after the date on which the new service charge arrangement is implemented;*

C = the number of months (or part thereof) between the first business day after the date on which the new service charge arrangement is implemented and the date on which the Material Event occurs;

D = the number of months (or part thereof) that the current relationship between the manager and the scheme is allowed to endure after the date on which the Material Event occurs (which number, for purposes of this formula, may not be less than 60 months, that is, 5 years);

E = 120 months (that is, 10 years);

F = R197,400,000.00 (plus VAT thereon), and

for the purposes of this formula, **(B + C + D)** cannot exceed 120 months;

2(B)(2) an amount equal to the adjusted cancellation payment (“A” in the above formula) less the amount contemplated in 2.1.1 above, plus all interest accrued on such amount in the Trust Account, shall constitute the adjusted amount payable to the manager in accordance with 2.1.2 above”.

3.3.3 Rationale for Proposed Amendment number 3:

- 3.3.3.1 Currently, the standard annual service charge charged to a portfolio by the manager of a CISP is 0.5% of the enterprise value of the portfolio. This is also the fee which is currently being paid by the Fund to the Manager under the Existing Service Charge Arrangement. The standard annual service charge has historically been justified because of the relatively small enterprise value of the portfolios created under CISPs. As the market capitalisation of a portfolio increases incrementally through the acquisition of properties, however, the profitability of the manager also grows sharply, such that once the portfolio has increased beyond a certain size, the fee payable to the manager is well beyond the actual cost of administering the portfolio. It is therefore in the best interests of PI holders to sterilise the service charge before the portfolio becomes sizeable, through the once-off payment of a cancellation fee, as proposed in paragraph 3.3.2.4 of this document.
- 3.3.3.2 In recent years there has also been criticism lodged against the existing relationship between the manager of a CISP and the portfolios forming part of the CISP, insofar as it is perceived as creating a conflict of interest between the interests of a manager and the interests of investors, where the manager focuses on its own profitability, and the investors are interested in long-term sustainable growth in income from their investment.
- 3.3.3.3 The New Service Charge Arrangement would remove this perceived conflict of interest as the Manager would, after receipt of the Cancellation Payment, merely be receiving a fee calculated with reference to the actual operating costs of administering the Fund, and not with reference to the enterprise value of the Fund. In this way, the Manager’s objectives can be effectively aligned with the PI Holders’ objectives of creating long-term sustainable growth in the Fund. The Proposed Amendments would therefore also be in line with principles of good corporate governance.
- 3.3.3.4 The existing relationship between the manager of a CISP and the portfolios forming part of the CISP also results in:
 - 3.3.3.4.1 the portfolios being uncompetitive in acquiring properties and shares in property companies (when compared to other internally managed property funds) due to their incurring an effective administration fee of 0.5% on the acquisition of every property each year as a result of the manner in which the service charge is currently calculated; and
 - 3.3.3.4.2 the portfolios’ distributions to PI holders being negatively impacted by a rising PI price, since an increasing price increases the amount that is payable to the manager as a fee.
- 3.3.3.5 These criticisms would be removed by the implementation of the New Service Charge Arrangement.

- 3.3.3.6 Since the Cancellation Payment is to be financed by the issuing of new PIs, the New Service Charge Arrangement is expected to be earnings enhancing for PI Holders, as the estimated cost savings for the Fund are expected to more than offset the cost of servicing the new PIs. The table below illustrates the estimated impact on distributions and net asset value of the Fund for the six months ended 31 December 2009, had the New Service Charge Arrangement been effective from 1 July 2009:

| | Existing Service Charge Arrangement | New Service Charge Arrangement | % Change |
|--|--|---|-----------------|
| Distributions per PI (cents) for the six months ended 31 December 2009 | 51.84 | 52.10 | 0.5 |
| Net Asset Value per PI (cents) as at 31 December 2009 | 1117 | 1079 | (3.4) |
| PIs in Issue as at 31 December 2009 | 487,827,654 | 504,992,871 | 3.5 |

Notes and assumptions:

- It is assumed that the Proposed Arrangement was effective on 1 July 2009.
 - It is assumed that the capital needed to pay the Cancellation Payment of R197,400,000.00 was raised by the issue of new PIs issued at the closing PI price, as at 31 December 2009, being 1150 cents per PI.
 - It is assumed that the asset service charge expense for the period (being R17.5 million) was not paid to the Manager, with the Fund instead reimbursing the expenses of the Manager for the period, which expenses amounted to R7.25 million.
- 3.3.3.7 Furthermore, the New Service Charge Arrangement is in line with the trend in the South African and international listed property sectors. In recent years most of the listed South African property funds have internalised their management structures, such that by market capitalisation, the largest proportion of the FTSE/JSE SA Listed Property Index is internally managed, with the listed CISPs being the exception. This trend has also been evident in the Australian REIT sector, with a number of the managers of listed property trusts being stapled to the underlying property owning trusts in order to effectively internalise their management structures.
- 3.3.3.8 The view of the Manager is that if the New Service Charge Arrangement is not implemented, it will place the Fund at a competitive disadvantage to property funds and other international CISPs which have in place similar fee structures to the New Service Charge Arrangement. The Manager's service charges will continue to rise as the Fund grows in value, whereas internally managed property vehicles will be able to utilise economies of scale in order to increase income distributions to PI Holders without increasing the costs of management.
- 3.3.3.9 If the New Service Charge Arrangement is approved and implemented, the Manager and the Trustee have agreed the following in order to protect the interests of PI Holders:
- 3.3.3.9.1 the Manager shall at all times have a chief executive officer, a chief financial officer, a fund manager and at least three asset managers (this right shall be incorporated in the Manager's articles of association); and
- 3.3.3.9.2 to the extent that such restrictions are not already in place, the Manager shall amend its memorandum of association so as to incorporate further restrictions to its powers so that without the prior written approval of the Registrar, the Manager shall not be able to undertake any transactions of any nature whatsoever other than complying with its statutory obligations and its obligations as manager arising from the Deed.
- 3.3.3.10 The Manager has appointed KPMG, as an independent adviser, to consider the terms of the Proposed Arrangement, and to advise the Board and, through the Board, the PI Holders, as to whether the Proposed Arrangement is fair and reasonable.
- 3.3.3.11 KPMG has advised the Board that it has considered the terms and conditions of the Proposed Arrangement and is of the opinion that these terms and conditions are fair and reasonable to PI Holders. The text of the letter from KPMG is included as **Annexure 1** to this document and the letter has not been withdrawn prior to the publication of this document.

3.3.3.12 The Board, having considered, *inter alia*, the independent advice of KPMG and the terms and conditions of the Proposed Arrangement, is of the opinion that these terms and conditions are fair and reasonable to PI Holders and it recommends that the PI Holders vote in favour of the Proposed Arrangement.

4. Implementation date of the proposed amendments

- 4.1** Subject to the consent of PI Holders holding a majority in value of the total number of PIs held by all PI Holders, excluding the Manager, who reply to the ballot, in which ballot the replies of PI Holders (excluding the Manager and those referred to in paragraph 4.2 below) holding not less than 25% in value of the total number of PIs in issue have been received in writing, the Proposed Amendments to the Deed will be implemented by way of the adoption of the Supplemental Deeds, with effect from the first business day following the Registrar's final approval thereof.
- 4.2** The shareholders of the Manager are in favour of the Proposed Arrangement but have agreed, to the extent that they and any of their associates (as that term is defined in the JSE Limited Listings Requirements) are also PI Holders, that their votes shall not be included in respect of the Proposed Arrangement (Proposed Amendment number three dealt with in paragraph 3.3 above). Furthermore, the Second Supplemental Deed precludes such PI Holders from voting in respect of the Proposed Arrangement (see paragraph 2.2 above). In this way, only independent PI Holders shall vote in respect of the Proposed Arrangement.

5. Terms of the proposed amendments

The wording of the Proposed Amendments and a reference to the clauses of the Deed which they seek to amend appear from the Supplemental Deeds, which are available for inspection during normal business hours at the registered office of the Manager, 3rd Floor, 3 Gwen Lane, Sandton, 2196.

6. Ballot

- 6.1** Enclosed is a ballot for completion by PI Holders. PI Holders should complete, sign and return the ballot in the enclosed postage paid, self-addressed envelope to reach the Auditors by not later than 26 August 2010.
- 6.2** The Auditors shall count the ballot papers received and their findings shall be conveyed in writing to the Manager as soon as reasonably possible after 26 August 2010. The report of the Auditors shall be final and binding on all parties concerned.

7. Recommendation

The Manager recommends, and has been authorised by the Trustee to state that the Trustee supports such recommendation, that PI Holders vote in favour of the Proposed Amendments. As regards the Proposed Arrangement (Proposed Amendment number three dealt with in paragraph 3.3 above), KPMG, in its capacity as independent adviser to the Board, has confirmed that in its opinion, the terms and conditions of the Proposed Arrangement are fair and reasonable to PI Holders (see paragraphs 3.3.3.10 to 3.3.3.12 above).

By order of the board

JAMES TEMPLETON
Chief Executive Officer

Emira Property Fund
14 July 2010

Independent opinion from KPMG Services (Proprietary) Limited



KPMG Services (Proprietary) Limited
 KPMG Crescent
 85 Empire Road, Parktown, 2193
 Private Bag 9, Parkview, 2122, South Africa

Telephone +27 (11) 647 7111
 Fax +27 (11) 647 8000
 DoceX 472 Johannesburg
 Internet <http://www.kpmg.co.za/>

Emira Property Fund
 c/o Strategic Real Estate Managers (Pty) Ltd
 3 Gwen Lane
 Sandton Central
 Johannesburg
 2196

Our ref SAN4779338193

Contact Neeraj Shah
 (011) 647 7825

5 July 2010

Dear Sirs

Independent fairness opinion on the proposed amendment in respect of the change to the service charge by Strategic Real Estate Managers (Proprietary) Limited for the administration of the Emira Property Fund

Introduction

In terms of the deed entered into by Strategic Real Estate Managers (Proprietary) Limited (“STREM” or “the Manager”) and ABSA Bank Limited (“ABSA” or “the Trustee”) to establish the Emira Property Scheme, i.e. “the Deed”, STREM is remunerated monthly for the administration of the Emira Property Fund (“Emira” or “the Fund”) based on one-twelfth of a fixed per annum percentage (currently 0.5%) of the enterprise value of the Fund.

STREM proposes to amend the Existing Service Charge Arrangement in respect of the Fund, which is set out in the Deed. In terms of the proposed amendment, ABSA, on behalf of the Fund, shall pay to the Manager a monthly service charge that is equal to the actual operating costs incurred by the Manager in administering the Fund. Consequently, the Manager will no longer be able to make a profit from administering the Fund, but will recover only the actual costs and expenses it incurs in administering the Fund (“the New Service Charge Arrangement”).

As compensation for agreeing to amend the Existing Service Charge Arrangement, the Fund will pay the Manager the Cancellation Payment of R197.4 million in two tranches (“the Proposed Arrangement”).

Full details of the Proposed Arrangement are contained in the Memorandum to the Fund’s PI holders (“the Memorandum”) to be dated on or about 12 July 2010, in which a copy of this letter will be included.

KPMG Services (Proprietary) Limited is a company incorporated under the South African Companies Act and a member firm of the KPMG network of independent member firms affiliated with KPMG International, a Swiss cooperative.

KPMG Services (Proprietary) Limited is not a Registered Auditor in terms of the Auditing Profession Act, 26 of 2005 and does not provide audit services as defined in Section 1 of this Act.
 Registration number 1999/012876/07

Policy Board:
 Chief Executive: RM Kgosana
 Executive Directors: TH Bashall*, DC Duffield, A Hari, TH Hoole, FB Leith, JS McIntosh, AM Mkgabudi, D van Heerden
 Other Directors: LP Fourie, A Jaffer, E Magondo, PJ Marais, CM Read, T Rossouw, Y Suieman (Chairman of the Board), A Thunström, JM Vice

The company’s principal place of business is at KPMG Crescent, 85 Empire Road, Parktown, where a list of the directors’ names is available for inspection.

* British:



Unless stated otherwise all the terms contained herein have the same meaning ascribed to them in the definitions and interpretation section of the Memorandum.

Scope

An independent fairness opinion has been requested by Emira. KPMG Services (Proprietary) Limited (“KPMG”) has been appointed by Emira as the independent professional expert to advise on whether the terms and conditions of the Proposed Arrangement are fair to Emira PI holders.

This independent fairness opinion is not required in terms of the JSE Listings Requirements and is not necessarily in accordance thereof.

Responsibility

Compliance with requirements of any relevant regulatory bodies is the responsibility of Emira and STREAM. Our responsibility is to report on the terms and conditions of the Proposed Arrangement.

Definition of the term “fair”

A transaction will generally be considered fair to a company’s shareholders if the benefits received by the shareholders as a result of the transaction are equal to, or greater than, the costs thereof.

The assessment of fairness is primarily based on quantitative issues. In this case, the Proposed Arrangement may be considered fair if the quantifiable benefits to Emira from the cost savings resulting from the Proposed Arrangement are considered to be equal to, or greater than, the Cancellation Payment.

Information utilised and procedures performed

In arriving at our opinion we have undertaken the following procedures in evaluating the fairness of the Proposed Arrangement:

- obtained an understanding of the rationale for the Proposed Arrangement based on discussions with the management of STREAM, the lead independent non-executive director of STREAM and the Trustee;
- obtained an understanding of the structure, terms and conditions of the Proposed Arrangement. In particular we considered the following:
 - discussions held amongst stakeholders in agreeing on the Cancellation Payment and terms and conditions of the Proposed Arrangement; and
 - the Memorandum and the legal agreements drafted in respect of the Proposed Arrangement;



- considered the Deed in respect of the Existing Service Charge Arrangement via discussion with the Trustee, evaluation of the existing CISP legislation in South Africa and review of the correspondence between STREM and the Financial Services Board. In this regard, our understanding is that:
 - such arrangements (i.e. the Deed) are essentially “evergreen” in nature;
 - a service fee for STREM of 0.5% of the enterprise value of the Fund is in line with market norms; and
 - trends in the property market in South Africa and globally indicate a shift towards the internalisation of management companies and the adoption of real estate investment trust (“REIT”) structures.
- held discussions with the management of STREM to establish the strategy and business outlook of the Fund including assessing the prevailing economic, regulatory and market conditions;
- reviewed the forecasts prepared by management in respect of the Fund and STREM. In this regard we also:
 - assessed the recent historical performance of the Fund and STREM;
 - considered the overall forecast growth of the Fund’s portfolio and hence, the enterprise value of the Fund; and
 - enquired as to the governance structure and other mechanisms in place to ensure that the costs of STREM are efficiently controlled post the Proposed Arrangement.
- based on the above, performed a valuation of the cost savings expected to accrue to Emira, i.e. the profit to be forfeited by STREM. The discounted cash flow methodology was the primary valuation methodology employed. In addition:
 - sensitivity analyses were performed considering key assumptions in arriving at a valuation range. Key value drivers included the growth of the Fund and the operating costs incurred by STREM over the forecast period and the discount rate applicable to STREM. In this regard, we are of the view that STREM would attract a higher discount rate than Emira due to its relatively higher risk profile;
 - in arriving at our valuation we also considered the “clawback” mechanism proposed. On the basis that any Material Event is unlikely to occur before 1 October 2011, we are of the view that this mechanism offers very limited protection to EMIRA and we have therefore ignored the benefit to EMIRA for valuation purposes;



- in addition, we have assumed that the Proposed Arrangement will not have any adverse tax consequences for STREM and EMIRA. EMIRA does not pay CGT, STC or income tax, other than on the disposal of properties by a subsidiary loan stock company.
- we have also considered the pricing of transactions where property loan stock companies have internalised their management companies.

Opinion

KPMG has considered the terms and conditions of the Proposed Arrangement and, based upon and subject to the conditions set out herein, is of the opinion that the terms and conditions of the Proposed Arrangement are fair to EMIRA PI holders.

Our opinion is necessarily based upon the information available to us up to 2 July 2010, including in respect of the financial, regulatory, securities market and other conditions and circumstances existing and disclosed to us at the date thereof. We have furthermore assumed that all suspensive conditions, including any material regulatory, other approvals and consents required in connection with the proposed transaction have been or will be timeously fulfilled and/or obtained.

Accordingly, it should be understood that subsequent developments may affect this opinion, which we are under no obligation to update, revise or re-affirm.

Limiting conditions

This opinion is provided to Emira in connection with and for the purposes of the Proposed Arrangement. This opinion is prepared solely for Emira and therefore should not be regarded as suitable for use by any other party or give rise to third party rights. This opinion does not purport to cater for each individual PI holder's perspective, but rather that of the general body of Emira PI holders. Should a PI holder be in doubt as to what action to take, he or she should consult an independent adviser.

An individual Emira PI holder's decision as to whether to vote in favour of any arrangement may be influenced by his particular circumstances. The assessment as to whether or not Emira decides to recommend the Proposed Arrangement is a decision that can only be taken by Emira.

We have relied upon and assumed the accuracy of the information used by us in deriving our opinion. Where practical, we have corroborated the reasonability of the information provided to us for the purpose of our opinion, whether in writing or obtained in discussion with management of Emira, by reference to publicly available or independently obtained information. While our work has involved an analysis of, *inter alia*, the annual financial statements, and other information provided to us, our engagement does not constitute, nor does it include, an audit conducted in accordance with generally accepted auditing standards.



Where relevant, the forecasts of Emira and STREM relate to future events and are based on assumptions that may or may not remain valid for the whole of the forecast period. Consequently, such information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods. We express no opinion as to how closely the actual future results of Emira and STREM will correspond to those projected. Where practicable, we compared the forecast financial information to past trends and third party estimates as well as discussing the assumptions inherent therein with the management of Emira and STREM. On the basis of these enquiries and such other procedures we consider appropriate to the circumstances, we believe that the forecasts have been prepared with due care and consideration.

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

Independence

In terms of schedule 5.1 (a) of the JSE Listings Requirements, we confirm that we have no direct or indirect interest in Emira PIs or the Proposed Arrangement.

Furthermore, we confirm that our professional fees, payable in cash, are not contingent upon the success of the Proposed Arrangement.

Consent

We consent to the availability of this letter, in the form and context in which it appears, for inspection at Emira's registered office.

Yours faithfully

Neeraj Shah
Director - Corporate Finance
KPMG Services (Proprietary) Limited
KPMG Crescent
85 Empire Road
Parktown
2193



EMIRA PROPERTY FUND

("the Fund")

a portfolio forming part of Emira Property Scheme ("the Scheme"), a collective investment scheme in property established in terms of the Collective Investment Schemes Control Act, 45 of 2002, and managed by:

STRATEGIC REAL ESTATE MANAGERS (PTY) LTD

(Registration number 1997/020911/07)

("the Manager")

Fund ballot form

Please return this ballot in the enclosed postage paid, self-addressed envelope to be received by PricewaterhouseCoopers Inc. by 26 August 2010.

I/We

(Please print full names)

of

(Please print address)

Vote as follows (see notes 1 to 3 overleaf):

| | Number of votes participatory interest holder is entitled to exercise: | Number of votes for: | Number of votes against: |
|--|---|-----------------------------|---------------------------------|
| Proposed Amendment number 1 (Extension of investment policy to enable investment in broader class of assets) | | | |
| Proposed Amendment number 2 (Increase borrowing limit from 30% to 40%) | | | |
| Proposed Amendment number 3 (Amendment of the Existing Service Charge Arrangement in respect of the Fund) | | | |

(Insert number of votes in the blocks provided)

Signed at

on

2010

Signature

Capacity (see note 4 below)

Assisted by me (where applicable)

Please read the notes below.

Notes:

1. Every PI Holder shall have one vote for every PI held in the Fund by such PI Holder.
2. A PI Holder's instructions to the Manager in respect of the ballot must be indicated by inserting the number of votes the PI Holder is entitled to exercise and the number of votes cast for and/or against each of the Proposed Amendments in the relevant box(es) provided above.
3. Where a PI Holder is holding PIs as a nominee or person duly appointed to act on behalf of the beneficial owner of the PIs, the PI Holder must obtain written instructions from such beneficial owners as to how to respond to the Proposed Amendments. If some of the beneficial owners are in favour of any particular Proposed Amendment and others are against it, the PI Holder must respond by indicating the number of votes for and against the Proposed Amendment in the relevant box(es) provided above.
4. If you are signing this ballot in a representative capacity, please insert your own name and the name of the person, trust, deceased estate, company, close corporation or institution on whose behalf you are signing.
5. Documentary evidence establishing the authority of a person signing this ballot in a representative or other legal capacity must be attached to this ballot. For example, where this ballot is submitted on behalf of a company, pension fund or other institution, it must be supported by a resolution of its board of directors, trustees or other governing body. By way of further example, where this ballot is submitted on behalf of a natural person, a power of attorney indicating the authority of the party completing the ballot on behalf of such natural person must be attached to the ballot.
6. Any alteration or correction made to this ballot must be initialed by the signatory/ies.
7. Ballots must be posted in the enclosed postage paid, self-addressed envelope to PricewaterhouseCoopers Inc. at Private Bag X36, Sunninghill, 2157 to reach PricewaterhouseCoopers Inc. by not later than 26 August 2010.
8. Where there are joint PI Holders:
 - (a) any one holder may sign the ballot; and
 - (b) the vote of the senior holder who tenders a vote by ballot will be accepted to the exclusion of the vote(s) of the other joint PI Holders and, for the purpose of the ballot, seniority will be given to the PI Holder whose name stands first in the Fund's register of PI Holders.