

heartwood®

PROPERTIES

HEARTWOOD PROPERTIES LIMITED
(Incorporated in the Republic of South Africa)
Registration Number: 2017/654253/06
ISIN: ZAE400000044
4AX Share Code: 4AHWP

(“Heartwood Properties” or “the Company”)

NOTIFICATION IN TERMS OF SECTION 45(5) OF THE COMPANIES ACT, NO 71 OF 2008

1. Shareholders of Heartwood Properties (“**Shareholders**”) are reminded that, at the annual general meeting of Shareholders of the Company held on 30 June 2020 (“the **AGM**”), special resolution numbers 1 and 2 (being the general authorising resolutions for the Company to provide financial assistance to related and/or inter-related persons as contemplated in terms of sections 44 and 45 of the Companies Act, No 71 of 2008, as amended (“**Companies Act**”)), was duly passed by the requisite majority of votes exercised by Shareholders present in person or represented by proxy at the AGM (“**Inter-company Financial Assistance Authority**”).
2. Pursuant to the granting of the Inter-company Financial Assistance Authority and in accordance with section 45(5)(a) of the Companies Act, notice is hereby given to Shareholders that the board of directors of the Company (“the **Board**”) has formally resolved on 18 August 2020 (“**Board Resolution**”), for the Company to provide financial assistance to Velvet Moon Properties 93 Proprietary Limited (“**Velvet Moon**”), a wholly-owned subsidiary, through the provision of additional security (in the form of a pledge and cession (in security) of loans and claims) in accordance with the agreement entered into between the Company and Nedbank Limited. Shareholders should note that the aforementioned financial assistance will, in aggregate, exceed one-tenth of one percent of the Company’s net worth at the date of adoption of the Board Resolution. Furthermore, the Company does not have any employees represented by a trade union.
3. In accordance with section 45(3)(b) of the Companies Act, the Board is satisfied that:
 - immediately after providing the financial assistance referred to in paragraph 2 above, the Company would satisfy the solvency and liquidity test as set out in section 4 of the Companies Act; and
 - the terms under which the financial assistance is proposed to be given under the Board Resolution are fair and reasonable to the Company.

07 September 2020

4AX EXTERNAL ISSUER AGENT:

Pallidus
THE REAL DEAL