

heartwood®

PROPERTIES

HEARTWOOD PROPERTIES LIMITED
Incorporated in the Republic of South Africa
Registration Number: 2017/654253/06
CTSE Share Code: 4AHWP
ISIN: ZAE40000044

(“Heartwood Properties” or “the Company”)

NOTICE OF ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF THE COMPANY

Notice is hereby given that the 7th annual general meeting of the shareholders of the Company will be held entirely by electronic communication on **Friday, 28 June 2024**, at **12:00** (hereinafter referred to as the “**Annual General Meeting**” or the “**AGM**”).

1 PURPOSE OF THE ANNUAL GENERAL MEETING:

- 1.1. The purpose of the Annual General Meeting is to transact the formal business as set out in this notice of AGM, as is required in terms of the Companies Act, No 71 of 2008, as amended (“**Companies Act**”), the Cape Town Stock Exchange Proprietary Limited Listing Requirements (“**CTSE Listing Requirements**”) and the provisions of the memorandum of incorporation of the Company (“**MOI**”).
- 1.2. In terms of section 62(3)(e) of the Companies Act:
 - 1.2.1. A shareholder who is entitled to attend and vote at the AGM is entitled to appoint one or more proxy(ies) to attend, participate in and vote at the AGM in the place of the appointing shareholder, by completing the form of proxy attached hereto as per the instructions provided therein. A proxy need not also be a shareholder of the Company.
 - 1.2.2. AGM participants (including proxies) are required to provide reasonably satisfactory proof of their identification before being entitled to attend or participate in the AGM. All shareholders recorded in the securities register of the Company on Friday, 21 June 2024, being the voting record date (“**Voting Record Date**”), will be required to provide proof of identification satisfactory to the chairperson of the AGM.
 - 1.2.3. Examples of satisfactory proof of identification will include a valid South African green barcoded identity document, driver’s license or passport. If shareholders and/or proxies are in any doubt as to whether a document will be regarded as satisfactory proof of identification, such shareholders and/or proxies should contact the Company for guidance.

2 ANNUAL GENERAL MEETING AGENDA

2.1. Presentation of the annual financial statements

Presentation of the audited annual financial statements of the Company, including the reports of the directors and the audit and risk committee for the year ended 29 February 2024. This notice of AGM and the consolidated annual financial statements will be made available for download on the Company’s website at www.heartwoodproperties.co.za.

2.2. SHAREHOLDER RESOLUTIONS:

Ordinary Resolutions:

To consider and if deemed fit approve, with or without modification, the ordinary resolutions set out below:

2.2.1. RETIREMENT AND RE-ELECTION OF DIRECTORS WHO RETIRE BY ROTATION

ORDINARY RESOLUTION NUMBER 1: Re-election of Mr Peter Gent as independent, non-executive director of the Company, who retires by rotation

“RESOLVED THAT, Mr Peter Gent, being an independent, non-executive director of the Company, who retires by rotation in accordance with the provisions of the Company’s MOI, being eligible and making himself available for re-election, be and is hereby re-elected as independent, non-executive director of the Company.”

Summary curriculum vitae:

Mr Gent holds a B.Sc Engineering (Mining) degree from the University of the Witwatersrand, Johannesburg, an MBA degree from the University of Michigan in the USA, and he has attended an Advanced Management Programme at INSEAD, Fontainebleau, France. Mr Gent is currently an independent management consultant whose clients have included the FirstRand Empowerment Foundation, AEE Power Ventures and the Columba Leadership Trust. Prior to becoming an independent consultant, Mr Gent was the Chief Operating Officer and a member of the management board of Rand Merchant Bank for 7 years. Other positions he held at Rand Merchant Bank were Head of Project, Structured Trade and Commodity Finance and Head of Project and Infrastructure Finance. Mr Gent was also a director (Corporate and Investment Banking Group) for First National Bank.

The reason for ordinary resolution number 1 is that the Company’s MOI requires that directors of the Company cannot be appointed for a term longer than 3 years, however that it would not preclude them from being re-elected for subsequent terms. Furthermore, the Company’s corporate governance policy requires that at least one third of the non-executive directors retire every year at the Company’s annual general meeting and that such retiring directors may offer themselves for re-election by shareholders.

For ordinary resolution number 1 to be adopted, the support of more than 50% of the total number of votes exercisable by shareholders, present in person or by proxy, is required.

2.2.2. RETIREMENT AND RE-ELECTION OF DIRECTORS WHO RETIRE BY ROTATION

ORDINARY RESOLUTION NUMBER 2: Re-election of Mr Julian Scher as independent, non-executive director of the Company, who retires by rotation

“RESOLVED THAT, Mr Julian Scher, being an independent, non-executive director of the Company, who retires by rotation in accordance with the provisions of the Company’s MOI, being eligible and making himself available for re-election, be and is hereby re-elected as independent, non-executive director of the Company.”

Summary curriculum vitae:

Mr Scher as a legal specialist has, over the past 30 years, been involved in all aspects of real estate, in particular focusing on property development. Mr Scher’s focus is predominantly on the commercial aspects of property development, sectional title, property litigation, town planning work and conveyancing. After graduating from Wits University in 1986, Mr Scher joined Webber Wentzel Attorneys, during which time he completed his articles and was admitted as an attorney and conveyancer. In 1992 he moved to Time Property Developments as a development manager and from 1993 to 1994 he was appointed as manager in the Property Asset Management Division at UAL Merchant Bank (now Nedbank Corporate). He co-founded the law firm Strauss Scher Attorneys in 1994, which over its 30 year history has acted for a number of successful property developers (both large and small), commercial banks (including property development divisions of those banks), estate agents as well as for purchasers and sellers of immovable property. Mr Scher hosted the legal show on Radio 702 for many years and remains one of their regular contributing experts.

The reason for ordinary resolution number 2 is that the MOI of the Company requires that directors of the Company cannot be appointed for a term longer than 3 years, however that it would not preclude them from being re-elected for subsequent terms. Furthermore, the Company’s corporate governance policy requires that

at least one third of the non-executive directors retire every year at the Company's annual general meeting and that such retiring directors may offer themselves for re-election by shareholders.

For ordinary resolution number 2 to be adopted, the support of more than 50% of the total number of votes exercisable by shareholders, present in person or by proxy, is required.

2.2.3. **APPOINTMENT / RE-APPOINTMENT OF THE MEMBERS OF THE AUDIT AND RISK COMMITTEE OF THE COMPANY**

ORDINARY RESOLUTION NUMBER 3: Appointment / Re-appointment of Mr Peter Gent as member of the audit and risk committee

"RESOLVED THAT, Mr Peter Gent, being a member of the Company's audit and risk committee and being eligible, be and is hereby appointed and/or re-appointed as member of the audit and risk committee, as recommended by the board of directors ("**Heartwood Properties Board**"), subject to the approval of ordinary resolution number 1.

Summary curricula vitae:

Mr Gent holds a B.Sc Engineering (Mining) degree from the University of the Witwatersrand, Johannesburg, an MBA degree from the University of Michigan in the USA, and he has attended an Advanced Management Programme at INSEAD, Fontainebleau, France. Mr Gent is currently an independent management consultant whose clients have included the FirstRand Empowerment Foundation, AEE Power Ventures and the Columba Leadership Trust. Prior to becoming an independent consultant, Mr Gent was the Chief Operating Officer and a member of the management board of Rand Merchant Bank for 7 years. Other positions he held at Rand Merchant Bank were Head of Project, Structured Trade and Commodity Finance and Head of Project and Infrastructure Finance. Mr Gent was also a director (Corporate and Investment Banking Group) for First National Bank.

The reason for ordinary resolution number 3 is that the Company, being a public company, must appoint an audit committee and the Companies Act requires that the members of such audit committee be appointed, or re-appointed, as the case may be, at each AGM of a company.

For ordinary resolution number 3 to be adopted, the support of more than 50% of the total number of votes exercisable by shareholders, present in person or by proxy, is required.

Note:

For avoidance of doubt, all references to the audit and risk committee of the Company is a reference to the audit committee as contemplated in the Companies Act.

2.2.4. **APPOINTMENT / RE-APPOINTMENT OF THE MEMBERS OF THE AUDIT AND RISK COMMITTEE OF THE COMPANY**

ORDINARY RESOLUTION NUMBER 4: Appointment / Re-appointment of Mr Julian Scher as member of the audit and risk committee

"RESOLVED THAT, Mr Julian Scher, being a member of the Company's audit and risk committee and being eligible, be and is hereby appointed and/or re-appointed as member of the audit and risk committee, as recommended by Heartwood Properties Board, subject to the approval of ordinary resolution number 2."

Summary curricula vitae:

Mr Scher as a legal specialist has, over the past 30 years, been involved in all aspects of real estate, in particular focusing on property development. Mr Scher's focus is predominantly on the commercial aspects of property development, sectional title, property litigation, town planning work and conveyancing. After graduating from Wits University in 1986, Mr Scher joined Webber Wentzel Attorneys, during which time he completed his articles and was admitted as an attorney and conveyancer. In 1992 he moved to Time Property Developments as a development manager and from 1993 to 1994 he was appointed as manager in the Property Asset Management Division at UAL Merchant Bank (now Nedbank Corporate). He co-founded the law firm Strauss Scher Attorneys in 1994, which over its 30 year history has acted for a number of successful property developers (both large and small), commercial banks (including property development divisions of those banks), estate agents as well as for purchasers and sellers of immovable property. Mr Scher hosted the legal show on Radio 702 for many years and remains one of their regular contributing experts.

The reason for ordinary resolution number 4 is that the Company, being a public company, must appoint an audit committee and the Companies Act requires that the members of such audit committee be appointed, or re-appointed, as the case may be, at each AGM of a company.

For ordinary resolution number 4 to be adopted, the support of more than 50% of the total number of votes exercisable by shareholders, present in person or by proxy, is required.

Note:

For avoidance of doubt, all references to the audit and risk committee of the Company is a reference to the audit committee as contemplated in the Companies Act.

2.2.5. **APPOINTMENT / RE-APPOINTMENT OF THE MEMBERS OF THE AUDIT AND RISK COMMITTEE OF THE COMPANY**

ORDINARY RESOLUTION NUMBER 5: Appointment / Re-appointment of Mr Bernard Seeff as member of the audit and risk committee

“RESOLVED THAT, Mr Bernard Seeff, being member of the Company’s audit and risk committee and being eligible, be and is hereby appointed and/or re-appointed as member of the audit and risk committee, as recommended by Heartwood Properties Board.”

Summary curricula vitae:

Mr Seeff holds a master’s degree in Industrial Engineering and a Higher Diploma in Computer Science from the University of the Witwatersrand, Johannesburg, as well as an MBA degree from University of California in Los Angeles (UCLA). After working for a Fortune 500 corporation in the United States, Mr Seeff returned to South Africa in 1981 and has served as director on numerous company boards, including managing director of Symo Corporation (being manufacturers of steel shelving and other fabricated steel products) and currently Managing Director of Sydmore Holdings, specializing in property ownership and management. He specialises in financial planning and manages the financial and administrative side of the company. He also serves as chairman of a number of retirement funds. Mr Seeff was the 2012-13 International Chair for the Young Presidents’ Organization (YPO), which is part of the Young Presidents’ Organization international network of 30 000 company Presidents and still serves as a member today.

The reason for ordinary resolution number 5 is that the Company, being a public company, must appoint an audit committee and the Companies Act requires that the members of such audit committee be appointed, or re-appointed, as the case may be, at each AGM of a company.

For ordinary resolution number 5 to be adopted, the support of more than 50% of the total number of votes exercisable by shareholders, present in person or by proxy, is required.

Note:

For avoidance of doubt, all references to the audit and risk committee of the Company is a reference to the audit committee as contemplated in the Companies Act.

2.2.6. **ORDINARY RESOLUTION NUMBER 6: RE-APPOINTMENT OF AUDITOR**

“RESOLVED THAT, Nolands Incorporated, be and is hereby re-appointed as the auditors of the Company for the ensuing year on the recommendation of the audit and risk committee of the Company, under section 90 of the Companies Act.”

The reason for ordinary resolution number 6 is that the Company, being a public company, must have its financial results audited and such auditor must be appointed or re-appointed each year at the annual general meeting of the Company as required by the Companies Act.

For ordinary resolution number 6 to be adopted, the support of more than 50% of the total number of votes exercisable by shareholders, present in person or by proxy, is required.

2.2.7. **ORDINARY RESOLUTION NUMBER 7: GENERAL AUTHORITY TO ISSUE ORDINARY SHARES FOR CASH OR OTHERWISE**

“**RESOLVED THAT**, the directors of the Company be and are hereby authorised, by way of a general authority, to allot and issue any of the Company’s unissued shares for cash or otherwise, as they in their discretion may deem fit, without restriction, subject to the provisions of the Company’s MOI, the Companies Act and the CTSE Listing Requirements, provided that:

- the approval shall be valid until the date of the next AGM of the Company, provided it shall not extend beyond fifteen months from the date of this resolution;
- the general issues of shares for cash or otherwise under this authority in conjunction with the general authority in ordinary resolution number 8 (if approved) may not exceed, in the aggregate, 29.99% of the Company’s issued share capital, being 41,271,296 ordinary shares as at the date of this notice of AGM;
- in determining the price at which the securities will be issued under this general authority, the maximum discount permitted on any such issue will be 10% to the net asset value per share (per the latest published interim or annual financial information); and
- any such issue will only be comprised of securities of a class already in issue or, if this is not the case, will be limited to such securities or rights that are convertible into a class already in issue.

For listed entities wishing to issue shares for cash or otherwise (other than issues by way of rights offers or pro rata offers), it is necessary for the board to obtain the prior authority of the shareholders in accordance with the CTSE Listing Requirements and the MOI of the Company.

The reason for ordinary resolution number 7 is accordingly to obtain a general authority from shareholders to issue shares for cash or otherwise in compliance with the CTSE Listing Requirements and the MOI of the Company.

For ordinary resolution number 7 to be adopted, the support of at least 50% of the total number of votes exercisable by shareholders, present in person or by proxy, is required.

2.2.8. **ORDINARY RESOLUTION NUMBER 8: GENERAL AUTHORITY TO ISSUE ORDINARY SHARES IN TERMS OF THE HEARTWOOD LONG-TERM INCENTIVE SCHEME**

“**RESOLVED THAT**, the directors of the Company be and are hereby authorised, by way of a general authority, to allot and issue any of the Company’s unissued shares in terms of the Heartwood Long-Term Incentive Scheme (“**Heartwood LTI**”), as they in their discretion may deem fit, without restriction, subject to the provisions of the Company’s MOI, the Companies Act, the CTSE Listing Requirements and the Heartwood LTI scheme provided that:

- the approval shall be valid until the date of the next AGM of the Company, provided it shall not extend beyond fifteen months from the date of this resolution;
- the general issues of shares under this authority in conjunction with the general authority in ordinary resolution number 7 (if approved) may not exceed, in the aggregate, 29.99% of the Company’s issued share capital, being 41,271,296 ordinary shares as at the date of this notice of AGM;
- in determining the price at which the securities will be issued under this general authority, the maximum discount permitted on any such issue will be 10% to the net asset value per share (per the latest published interim or annual financial information); and
- any such issue will only be comprised of securities of a class already in issue or, if this is not the case, will be limited to such securities or rights that are convertible into a class already in issue.

Pursuant to the terms of the Heartwood LTI, the settlement of the award units (which includes performance and retention units) to participants (“LTI Participants”) will be either cash or shares in Heartwood Properties or a combination of both as contemplated in note 20 of the annual financial statements of the Company for the year ended 28 February 2024.

This general authority by shareholders is required by the board, in accordance with the CTSE Listing Requirements and the MOI of the Company, to issue shares in terms of the Heartwood LTI to LTI Participants if LTI Participants elect to receive shares in Heartwood Properties instead of cash.

The reason for ordinary resolution number 8 is accordingly to obtain a general authority from shareholders to issue shares in terms of the Heartwood LTI in compliance with the CTSE Listing Requirements and the MOI of the Company.

For ordinary resolution number 8 to be adopted, the support of at least 50% of the total number of votes exercisable by shareholders, present in person or by proxy, is required. To the extent that LTI Participants are shareholders, the LTI Participants will be taken into account when determining a quorum at the AGM, but their votes will not be taken into account in determining the voting on this ordinary resolution number 8.

2.2.9. **ORDINARY RESOLUTION NUMBER 9: WAIVER OF THE REQUIREMENT FOR THE INTERIM FINANCIAL INFORMATION OF THE COMPANY TO BE REVIEWED BY THE COMPANY'S EXTERNAL AUDITOR**

"RESOLVED THAT, in accordance with paragraph 12.17.3 of the CTSE Listing Requirements, shareholders hereby specifically waive and ratify the requirement for the interim financial information of the Company for the six months ended 31 August 2024, to be reviewed by the Company's external auditor, it being recorded that the approval by the Heartwood Properties Board in respect of the aforementioned interim financial information shall be sufficient."

In terms of the CTSE Listing Requirements, issuers listed on Cape Town Stock Exchange ("CTSE") are required to have their interim financial information reviewed by their auditors, unless shareholders specifically waive this requirement through passing an ordinary resolution at the Annual General Meeting.

For ordinary resolution number 9 to be adopted, the support of at least 50% of the total number of votes exercisable by shareholders, present in person or by proxy, is required.

2.2.10. **ORDINARY RESOLUTION NUMBER 10: SPECIFIC AUTHORITY TO REPURCHASE SHARES IN SETTLEMENT OF AN OBLIGATION**

"RESOLVED THAT, in accordance with the MOI of the Company and paragraph 14.3 of the CTSE Listing Requirements, Heartwood Properties Board [or a subsidiary of the Company] be and are hereby authorised, by way of specific authority, to repurchase [231 649] ordinary shares ("Shares"), at a price of [R1.02] per Share from Zencor Properties (Pty) Ltd ("Zencor"), for a total consideration of R236 281 in settlement of an obligation due by Zencor to the Company or a subsidiary of the Company."

The reason and effect of ordinary resolution number 10 is to obtain a specific authority from shareholders for the repurchase of the Shares from Zencor, in settlement of an obligation due by Zencor to the Company or a subsidiary of the Company and on the basis reflected in ordinary resolution number 10, in compliance with CTSE Listing Requirements and the MOI of the Company.

Pursuant to the CTSE Listing Requirements the Heartwood Properties Board confirm that the above-mentioned repurchase will meet the requirements as set out in sections 46 and 48 of the Companies Act and that the Company will continue to comply with paragraph 6.26 of the CTSE Listing Requirements, in that at least 10% of its securities will be in the hands of no less than 100 members of the public. Following the repurchase of the Shares, the Shares will be cancelled, delisted and reinstated as authorised but unissued shares.

For ordinary resolution number 10 to be adopted, the support of at least 50% of the total number of votes exercisable by shareholders, present in person or by proxy, is required. Zencor will be taken into account in determining the quorum at the AGM, but its votes will not be taken into account in determining the results of the voting on this ordinary resolution number 10.

The lowest and highest price at which the ordinary shares in the Company have traded on the CTSE in the 12 months ended 24 May 2024 is 70 cents and 110 cents respectively.

Special Resolutions

To consider and if deemed fit approve, with or without modification, the special resolutions set out below:

2.2.11. **SPECIAL RESOLUTION NUMBER 1: FINANCIAL ASSISTANCE TO RELATED AND INTER-RELATED PARTIES**

"RESOLVED THAT, in terms of section 45(3)(a)(ii) of the Companies Act, as a general approval, the Heartwood

Properties Board may, subject to compliance with the requirements of the Company's MOI, the Companies Act and the CTSE Listing Requirements, authorise the Company to provide direct or indirect financial assistance, as contemplated in section 45(1) of the Companies Act, that the Heartwood Properties Board may deem fit to any company or corporation that is or becomes related or inter-related (as defined in the Companies Act) to the Company, on the terms and conditions and for amounts that the Heartwood Properties Board may determine, provided that the aforementioned approval shall be valid until the date of the next annual general meeting of the Company."

The reason for and effect of special resolution number 1 is to grant the directors of the Company the authority, until the next annual general meeting of the Company, to provide direct or indirect financial assistance to any company or corporation which is related or inter-related to the Company. This means that the Company is, inter alia, authorised to grant loans to its subsidiaries and to guarantee the debt of its subsidiaries.

For special resolution number 1 to be adopted, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required.

2.2.12. **SPECIAL RESOLUTION NUMBER 2: FINANCIAL ASSISTANCE FOR THE SUBSCRIPTION AND/OR PURCHASE OF SHARES IN THE COMPANY OR A RELATED OR INTER-RELATED COMPANY**

"RESOLVED THAT, in terms of section 44(3)(a)(ii) of the Companies Act, as a general approval, the Heartwood Properties Board may, subject to compliance with the requirements of the Company's MOI, the Companies Act and the CTSE Listing Requirements, authorise the Company to provide direct or indirect financial assistance, as contemplated in sections 44(1) and 44(2) of the Companies Act, that the Heartwood Properties Board may deem fit to any person (as defined in the Companies Act) and/or to any financier who provides funding by subscribing for preference shares or other securities in the Company or a related or inter-related company or corporation, on the terms and conditions and for amounts that the Heartwood Properties Board may determine, for the purpose of, or in connection with the subscription of any option, or any shares or other securities, issued or to be issued by the Company or a related or inter-related company or corporation, or for the purchase of any shares or securities of the Company or a related or inter-related company or corporation, provided that the aforementioned approval shall be valid until the date of the next annual general meeting of the Company."

The reason for and effect of special resolution number 2 is to grant the directors of the Company authority, until the next annual general meeting of the Company, to provide financial assistance to any person and/or any financier for the purpose of or in connection with, the subscription or purchase of options, shares or other securities in the Company or any related or inter-related company or corporation.

This means that the Company is authorised, inter alia, to grant loans to its subsidiaries and to guarantee and furnish security for the debt of its subsidiaries where any such financial assistance is directly or indirectly related to a party subscribing for options, shares or securities in the Company or its subsidiaries.

A typical example of where the Company may rely on this authority is where a subsidiary raised funds by way of issuing preference shares and the third-party funder requires the Company to furnish security, by way of a guarantee or otherwise, for the obligations of its subsidiary to the third-party funder arising from the issue of the preference shares. The Company has no immediate plans to use this authority and is simply obtaining same in the interests of prudence and good corporate governance should the unforeseen need arise to use the authority.

In terms of and pursuant to the provisions of sections 44 and 45 of the Companies Act, the directors of the Company confirm that the Heartwood Properties Board will satisfy itself, after considering all reasonably foreseeable financial circumstances of the Company, that immediately after providing any financial assistance as contemplated in special resolution numbers 1 and 2 above:

- the assets of the Company (fairly valued) will equal or exceed the liabilities of the Company (fairly valued) (taking into consideration the reasonably foreseeable contingent assets and liabilities of the Company);
- the Company will be able to pay its debts as they become due in the ordinary course of business for a period of 12 months;

- the terms under which any financial assistance is proposed to be provided, will be fair and reasonable to the Company; and
- all relevant conditions and restrictions (if any) relating to the granting of financial assistance by the Company as contained in the Company's MOI will have been met.

For special resolution number 2 to be adopted, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required.

2.2.13. **SPECIAL RESOLUTION NUMBER 3: SHARE REPURCHASES BY HEARTWOOD PROPERTIES AND ITS SUBSIDIARIES**

“RESOLVED THAT, the Company or any of its subsidiaries, be and are hereby authorised, by way of a general authority, to repurchase any of the shares issued by the Company, upon such terms and conditions and in such amounts as the Heartwood Properties Board may from time to time determine, but subject to the provisions of sections 46 and 48 of the Companies Act, the MOI of the Company and the CTSE Listing Requirements, including, *inter alia*, that:

- the general repurchase of the shares may only be implemented through the open market;
- this general authority shall only be valid until the next annual general meeting of the Company, provided that it shall not extend beyond fifteen months from the date of passing this resolution;
- a resolution has been passed by the board of directors approving the repurchase, that the Company and its subsidiaries have satisfied the solvency and liquidity test as defined in section 4 of the Companies Act, and since the solvency and liquidity test was applied there have been no material changes to the financial position of the Company and its subsidiaries (hereinafter referred to as “the **Group**”);
- the general repurchase is authorised by the Company's MOI;
- the general repurchase of shares is limited to a maximum of 20% or 27 523 372 of the Company's ordinary shares in issue, in the aggregate, as at the date of this notice of AGM;
- repurchases will not be done at a price more than a 10% premium to the net asset value per share (as per the latest published interim or annual financial information); and
- following the repurchase the Company will still comply with the spread requirements of the CTSE.”

The reason for and effect of special resolution number 3 is to grant the directors a general authority in terms of its MOI and the CTSE Listing Requirements for the acquisition by the Company or by a subsidiary of the Company of shares issued by the Company on the basis reflected in special resolution number 3.

In terms of section 48(2)(b)(i) of the Companies Act, subsidiaries may not hold more than 10%, in aggregate, of the number of the issued shares of a company. For the avoidance of doubt, a pro rata repurchase by the Company from all its shareholders will not require shareholder approval, save to the extent as may be required by the Companies Act.

For special resolution number 3 to be adopted, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required.

The lowest and highest price at which the ordinary shares in the Company have traded on the CTSE in the 12 months ended 24 May 2024 is as set out in ordinary resolution number 10.

2.2.14. **SPECIAL RESOLUTION NUMBER 4: AUTHORITY TO ISSUE SHARES TO DIRECTORS IN TERMS OF THE HEARTWOOD LTI**

“RESOLVED THAT, in addition to ordinary resolution number 8 and in accordance with the MOI of the Company and section 41(1) of the Companies Act the Heartwood Properties Board be and are hereby authorised to allot and issue any of the Company's unissued shares to the directors of the Company, in order to settle the obligations of the Company in terms of the provisions of the Heartwood LTI.”

The reason for special resolution number 4 is to obtain an authority from shareholders to issue shares to the directors of the Company who are LTI Participants in terms of the Heartwood LTI, in compliance with the MOI of the Company and the Companies Act.

In terms of section 41(1) of the Companies Act, an issue of shares (including securities convertible into shares and/or options over shares) to a director, future director, prescribed officer, future prescribed officer, persons

related or inter-related to the Company, or to a director or a prescribed officer of the Company and/or a nominee of any of the aforementioned persons must be approved by a special resolution of shareholders of the Company.

For special resolution number 4 to be adopted, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required. To the extent that LTI Participants are shareholders, the LTI Participants will be taken into account when determining a quorum at the AGM, but their votes will not be taken into account in determining the voting on this special resolution 4.

2.2.15. OTHER BUSINESS

To transact such other business as may be transacted at an AGM or raised by shareholders with or without advance notice to the Company.

3 ADDITIONAL INFORMATION

3.1 Record Dates

3.1.1 Notice Record Date

The record date in terms of section 59 of the Companies Act for shareholders to be recorded on the securities' register of the Company in order to receive notice of the Annual General Meeting is **Friday, 24 May 2024**.

3.1.2 Voting Record Date

The record date in terms of section 59 of the Companies Act for shareholders to be recorded on the securities' register of the Company in order to be able to attend, participate and vote at the Annual General Meeting is **Friday, 21 June 2024**.

3.2 Information relating to the special resolutions

The directors of the Company or its subsidiaries will only utilise the general authority to repurchase shares of the Company as set out in special resolution number 3 to the extent that the directors, after considering the maximum number of shares to be repurchased, are of the opinion that the position of the Group would not be compromised as to the following:

- the Group's ability in the ordinary course of business to pay its debts for a period of 12 months after the date of this Annual General Meeting and for a period of 12 months after the purchase;
- the consolidated assets of the Group will, at the time of the Annual General Meeting and at the time of making such determination, be in excess of the consolidated liabilities of the Group. The assets and liabilities should be recognised and measured in accordance with the accounting policies used in the latest audited annual financial statements of the Group;
- the ordinary capital and reserves of the Group after the purchase will remain adequate for the purpose of the business of the Group for a period of 12 months after the Annual General Meeting and after the date of the share purchase; and
- the working capital available to the Group after the purchase will be sufficient for the Group's requirements for a period of 12 months after the date of the notice of the Annual General Meeting.

3.3 Quorum Requirements:

3.3.1 The AGM cannot begin until sufficient persons (being not less than three in number who are entitled) are present at the AGM to exercise, in aggregate, at least 25% of all voting rights that are entitled to be exercised in respect of at least one matter to be decided at the AGM.

3.3.2 The chairperson of the AGM cannot put a resolution or matter to the vote of shareholders unless sufficient persons (being not less than three in number who are entitled) are present at the AGM to exercise, in aggregate, at least 25% of all voting rights that are entitled to be exercised in respect of at least one matter to be decided at the AGM.

3.4 Voting and Proxies

3.4.1 A shareholder of the Company entitled to attend and vote at the AGM is entitled to appoint a proxy (who need not be a shareholder of the Company) to attend, vote and speak in his/her stead.

- 3.4.2 A form of proxy is attached for the convenience of any shareholder holding shares who cannot attend the AGM but who wishes to be represented thereat.
- 3.4.3 It is recommended that the proxy forms be completed and forwarded to reach the company secretary or transfer secretary at least 24 hours prior to the AGM, being no later than **12:00 on Thursday, 27 June 2024**.
- 3.4.4 **Electronic Voting Online**
- 3.4.4.1 Shareholders who are recorded in the securities register of Heartwood Properties will be entitled to electronically cast their votes on the CTSE Registry Voting Portal, from the date of the notice of AGM until the AGM, being Friday, 28 June 2024. Voting will close once the last resolution to be voted on has been proposed at the AGM. Votes cast by shareholders who have submitted their votes prior to the Voting Record Date and who subsequently disposed of their securities held in Heartwood Properties, will be disregarded or amended to their new voting rights as on Voting Record Date.
- 3.4.4.2 All shareholders will be able to register to attend the Annual General Meeting and/or vote by accessing the CTSE Registry Voting Portal via the following link: <https://ctseregistry.co.za> and following the steps in paragraph 3.4.4.4 below.
- 3.4.4.3 Shareholders who cast their votes on the CTSE Registry Voting Portal and who do not attend the electronic Annual General Meeting, would be regarded as voting by proxy, and as a result authorise the chairman of the AGM to attend, speak and vote for each respective shareholder at the AGM for purposes of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at each adjournment or postponement thereof, and to vote in accordance with each respective shareholder's votes as exercised on the CTSE Registry Voting Portal in respect of the Heartwood Properties shares registered in each shareholder's name.
- 3.4.4.4 **Steps to register to attend the electronic Annual General Meeting and voting online:**
- Access the CTSE Registry Voting Portal via the following link: <https://ctseregistry.co.za>;
 - Capture the shareholders' Registry Account Number or Company Name/Registration Number or Name/Identity Number and click on search;
 - The shareholder details will be displayed on the next screen and you will be required to capture your Registration Number/Identity Number if not provided on the first screen, your email address and your cellphone number. Once captured, click submit;
 - An OTP will be sent to the cellphone number you have entered on the previous screen which must be captured and submitted on the next screen;
 - The next screen will contain a link to download the meeting attendance information as well as a link to the Voting Screen that can be opened at the AGM should you wish to vote at the meeting. The screen also contains a "Vote Now" button should you choose to capture your vote on Registration for the AGM or choose to submit your Vote without attending the AGM;
 - A screen containing the AGM resolutions on which you need to vote will open;
 - You will be able to vote "in Favour", "Against" or "Abstain" for each resolution;
 - Make your choice and click "Submit Resolutions";
 - You will now be able to attend the electronic AGM and capture your vote at the AGM (or any time before) should you not have done so already.
- 3.4.4.5 In the event shareholders would like to change or cancel their votes cast via the CTSE Registry Voting Portal, shareholders must do so at any time prior to the AGM resolutions being voted on at the AGM by updating their vote following the same process as set out in 3.4.4.4 above. Should you require any assistance with voting online or changing or cancellation of votes, please contact the CTSE Registry, being the transfer secretary on 011 100 8352 or by email at admin@ctseregistry.co.za. The transfer secretary must be informed prior to the commencement of the AGM, if a shareholder intends to change or cancel his/her votes at the AGM. For the avoidance of doubt, votes which are changed or cancelled by shareholders at the AGM will prevail and all previous votes submitted on the CTSE Registry Voting Portal will be deemed null and void.
- 3.4.4.6 Shareholders who experience any difficulty with registration for the electronic AGM or online voting must please

contact CTSE Registry, being the transfer secretary, on 011 100 8352 or by email at admin@ctseregistry.co.za for assistance to ensure that they are able to vote and access the meeting.

3.5 Electronic attendance and participation

- 3.5.1 Heartwood Properties will conduct the AGM by way of electronic participation only, as permitted by CTSE and the provisions of the Companies Act, and the Company's MOI.
- 3.5.2 CTSE Registry will assist shareholders with all the requirements for electronic participation and is obliged to validate the information of each shareholder's entitlement to participate in and/or vote at the AGM before providing it with the necessary means to access the AGM electronically and/or the electronic voting platform.
- 3.5.3 Aside from the costs incurred by Heartwood Properties as a result of the hosting by CTSE Registry of the AGM by way of a remote interactive electronic platform, which shareholders can choose to access, shareholders will be liable for their own network charges in relation to electronic participation in and/or voting at the AGM. Any such charges will not be for the account of CTSE, Heartwood Properties and/or CTSE Registry. None of the CTSE, Heartwood Properties and/or CTSE Registry can be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevents any such shareholder from participating in and/or voting at the AGM.
- 3.5.4 Notwithstanding the availability of the electronic voting platform, shareholders may still submit forms of proxy to CTSE Registry by no later than **12:00 on Thursday, 27 June 2024** or the time and date stipulated by CTSE Registry.

30 May 2024
Somerset West
Western Cape