
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")

NOTICE TO SHAREHOLDERS IN TERMS OF SECTION 45(5) OF THE COMPANIES ACT, NO 71 OF 2008, AS AMENDED OF RESOLUTIONS ADOPTED BY THE BOARD OF DIRECTORS AUTHORISING THE COMPANY TO PROVIDE FINANCIAL ASSISTANCE TO RELATED COMPANIES AND ENTITIES

1. Shareholders of Heartwood Properties ("**Shareholders**") are reminded that, at the annual general meeting of Shareholders of the Company held on 25 June 2019 ("**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 07 August 2019 ("**Board Resolution**"), for the Company to refinance the Nedbank Limited ("**Nedbank**") loan facility to its subsidiary, Nicokaybee Proprietary Limited ("**Nictokaybee**"), by way of a written guarantee incorporating a pledge and cession of loans and claims between the Company and Nedbank. 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.

21 August 2019

Issuer Agent:

Pallidus Capital Proprietary Limited