



ACCELERATE

PROPERTY FUND

2019

NOTICE OF ANNUAL  
GENERAL *Meeting*

for the year ended 31 March 2019

# Contents

<b>LETTER TO SHAREHOLDERS</b>	1
<b>NOTICE OF ANNUAL GENERAL MEETING</b>	2
Purpose of the meeting	2
Attendance, voting and proxies	2
Telephonic participation	3
Proof of identification required	3
Important dates and times	4
Ordinary business	4
Ordinary resolutions	5
Special resolutions	9
Directors' responsibility statement	14
Material changes	14
Intentions	14
Voting and proxies	15
<b>ANNEXURE 1: CONSOLIDATED FINANCIAL STATEMENTS</b>	16
<b>ANNEXURE 2: BOARD OF DIRECTORS</b>	32
<b>ANNEXURE 3: EXECUTIVE MANAGEMENT</b>	34
<b>ANNEXURE 4: SHAREHOLDER ANALYSIS</b>	35
<b>ANNEXURE 5: REMUNERATION REVIEW</b>	36
<b>ANNEXURE 6: MATERIAL CHANGES STATEMENT</b>	44
<b>ANNEXURE 7: BREAKDOWN OF NON-PUBLIC HOLDINGS</b>	44
<b>ANNEXURE 8: SHARE CAPITAL</b>	45
<b>CORPORATE INFORMATION</b>	IBC
<b>FORM OF PROXY</b>	Insert
Notes to the form of proxy and summary of applicable rights established by section 58 of the Companies Act, 71 of 2008, as amended (the Companies Act)	

# LETTER TO *Shareholders*

Dear shareholder,

On behalf of the board of directors (board), you are invited and encouraged to attend the sixth (6th) annual general meeting (AGM) of Accelerate Property Fund Limited (Accelerate) which will be held at Cedar Square Shopping Centre, Management Office, 1st Floor, Cnr Willow Avenue and Cedar Road, Fourways, Johannesburg on Wednesday, 24 July 2019 at 10:00.

The detailed notice of the AGM and supporting documentation accompanies this letter. Explanatory notes setting out the reasons for the notice and the effects of all the proposed ordinary and special resolutions are contained in the notice of AGM. The full integrated report is available on the company's website at [www.acceleratepf.co.za](http://www.acceleratepf.co.za).

If you are not able to attend the AGM, you may vote by proxy. All the information you need to make informed decisions and how to vote by proxy are included in this booklet containing the notice of the AGM, proxy form and notes thereto, the condensed consolidated annual financial statements and other supporting documentation.

Yours sincerely



**Mr Timothy Fearnhead**  
**Accelerate Property Fund Limited Chairman**  
**26 June 2019**

# NOTICE OF ANNUAL GENERAL *Meeting*

## **ACCELERATE PROPERTY FUND LIMITED**

(Incorporated in the Republic of South Africa)

(Registration No 2005/015057/06)

JSE code: APF ISIN code: ZAE000185815

Notice is hereby given that the sixth annual general meeting (AGM) of shareholders of Accelerate Property Fund Limited (Accelerate or the company) will be held at Accelerate's registered office, in the main boardroom, Cedar Square Shopping Centre, Management Office, 1st Floor, Cnr Willow Avenue and Cedar Road, Fourways, Johannesburg on Wednesday, 24 July 2019 at 10:00 (AGM notice).

## **PURPOSE OF THE MEETING**

The purpose of the meeting is to:

- Present the consolidated audited annual financial statements and integrated report of Accelerate group for the year ended 31 March 2019, including the directors' report, the report of the audit and risk committee and the report of the independent auditors, in terms of section 30(3) of the Companies Act No 71 of 2008 (as amended) (the Companies Act);
- Provide a verbal report to shareholders from the social, ethics and transformation committee of the company for the year ended 31 March 2019 on matters within its mandate in terms of regulation 43(5)(c) of the Companies Act Regulations;
- Consider, and if deemed fit, pass with or without modification, the ordinary and special resolutions which form part of this notice of AGM; and
- Consider any matters raised by shareholders.

## **ATTENDANCE, VOTING AND PROXIES**

### **Dematerialised shares in "own name" or certificated shareholder**

If you are a registered shareholder who has not dematerialised your shares or has dematerialised your shares with "own name" registration as at the record date to attend and vote at the AGM, you may attend the meeting in person.

Alternatively, you may appoint one or more proxies, who need not be a shareholder/s of the company, to represent you at the AGM. If you want to appoint a proxy, please complete the attached form of proxy and deliver it in accordance with the instructions contained therein. Alternatively, you may hand the proxy to the chairman of the AGM or to the transfer secretaries in attendance at the AGM, at any time prior to the commencement of the AGM, or prior to voting on any resolutions proposed at the AGM.

Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend and vote in person at the AGM should the shareholder subsequently decide to do so.

## Dematerialised shares without “own name”

If you are a beneficial shareholder and not a registered shareholder (ie a shareholder who has dematerialised your shares without “own name” registration) as at the record date and you wish to attend and vote at the AGM of the company you have the following options:

- *Attend the AGM:* You are required to obtain a letter of representation from your CSDP or broker to represent the registered holder in respect of your shares.
- *Vote but not attend the AGM:* Contact the registered holder in respect of your shares through your CSDP or broker and provide them with your voting instructions and complete the attached form of proxy.

If you are in any doubt as to the action you should take, please consult your Central Securities Depository Participant (CSDP), broker, banker, legal advisor, accountant or other professional advisor immediately.

## TELEPHONIC PARTICIPATION

Accelerate shareholders are advised that they or their proxies may participate in (but not vote at) this AGM by way of telephone conference and, if they wish to do so, they:

- must contact the company secretary, **Joanne Matisonn** by email: joannem@acceleratepf.co.za before 10:00 on Tuesday, 23 July 2019 to receive dial-in instructions for the conference call;
- will be required to provide reasonable satisfactory identification, as described below; and
- will be billed separately by their own telephone service providers for their telephone call to participate in the AGM.

Please note that, while it is possible to participate in the AGM through this medium, there is no facility for electronic voting and, accordingly, Accelerate’s shareholders are required to submit their forms of proxy to the transfer secretaries, as described above.

## PROOF OF IDENTIFICATION REQUIRED

Please note that in terms of section 63(1) of the Companies Act, any shareholder or proxy who intends to attend or participate at the AGM is required to provide reasonably satisfactory identification before or at the meeting (including participants via telephone conference). A green bar-coded identification document or smart ID card issued by the South African Department of Home Affairs, a driver’s licence or a valid passport will be accepted at the AGM as sufficient identification.

## NOTICE OF ANNUAL GENERAL MEETING (continued)

### QUORUM

The quorum for the AGM and for considering the resolutions to be proposed at the AGM is three shareholders of the company, personally present or represented by proxy (if the shareholder is a body corporate, the representative of the body corporate), and entitled to vote at the meeting. In addition, a quorum comprises 25% of all voting rights entitled to be exercised by shareholders in respect of the resolutions to be proposed at the meeting.

### IMPORTANT DATES AND TIMES

<b>Important dates to note:</b>	<b>Date</b>
Record date for receipt of notice of AGM	Friday, 21 June 2019
Integrated report posted on <a href="http://www.acceleratepf.co.za">www.acceleratepf.co.za</a>	Thursday, 20 June 2019
Post AGM notice and summarised annual financial statements 2019	Wednesday, 26 June 2019 (this is the last possible day on which the AGM Notice can be posted in order to have the AGM on Wednesday, 24 July 2019)
Last day to trade in order to be eligible to participate in and vote at the AGM	Tuesday, 16 July 2019
Record date to determine which Accelerate shareholders are entitled to participate in and vote at the AGM	Friday, 19 July 2019
Last day to lodge forms of proxy for the AGM at 10:00	Tuesday, 23 July 2019
AGM to be held at 10:00	Wednesday, 24 July 2019
Results of AGM released on SENS	Wednesday, 24 July 2019

### ORDINARY BUSINESS

#### Consolidated annual financial statements

Simultaneously with the posting of this notice of the AGM, the full consolidated annual financial statements (AFS) and integrated report of Accelerate have been published on the company's website at [www.acceleratepf.co.za](http://www.acceleratepf.co.za) and are also available from the company secretary at the registered office of Accelerate on request.

Presentation of the audited AFS of the company, as approved by the board of directors of the company, including the directors' report, the independent external auditor's report and the report of the audit and risk committee of the company for the year ended 31 March 2019 as required in terms of section 30(3)(d) of the Companies Act.

## **Social, ethics and transformation committee**

In accordance with Regulation 43(5)(c) of the Regulations for the Companies Act, the chairman of the social, ethics and transformation committee, or in her absence, any member of the social, ethics and transformation committee, will verbally report to shareholders at the AGM on matters within its mandate.

## **ORDINARY RESOLUTIONS**

Ordinary resolutions 1 to 4 and 6 and 7 require the support of more than 50% of the voting rights exercised on the resolution. Ordinary resolution number 5 requires 75% approval of the voting rights exercised to be adopted.

### **Ordinary resolutions number 1.1 – 1.5: Election of directors**

In accordance with the company's memorandum of incorporation (MOI), one third of the non-executive directors must retire from office at each AGM and may, if eligible and willing, offer themselves for re-election. Dr G Cruywagen and Ass. Prof F Viruly retire at the upcoming AGM. Both directors are eligible for re-election and have confirmed their willingness to continue to serve as directors on the board.

On the recommendation of the nominations committee, the board appointed three independent non-executive directors to the board on 1 May 2019. In terms of the company's MOI and the JSE Listings Requirements, they are also required to retire at the first AGM following their appointment but if eligible and available may stand for re-election. The new directors, Mr George Cavaleros, Mr Abel M Mawela and Mr Dawid J Wandrag are eligible and have indicated that are available to stand for re-election.

The board recommends that shareholders approve the re-election of Dr Cruywagen, Ass. Prof Viruly and Messrs Cavaleros, Mawela and Wandrag as independent non-executive directors by way of separate resolutions.

Brief résumés of directors and the remaining members of the board are detailed on pages 32 and 33 of this AGM notice.

#### **Ordinary resolution number 1.1**

"Resolved that Dr Gert Cruywagen be and is hereby re-elected as an independent non-executive director of the company."

#### **Ordinary resolution number 1.2**

"Resolved that Ass. Prof Francois M Viruly be and is hereby re-elected as an independent non-executive director of the company."

## NOTICE OF ANNUAL GENERAL MEETING (continued)

### Ordinary resolution number 1.3

“Resolved that Mr George Cavaleros be and is hereby re-elected as an independent non-executive director of the company.”

### Ordinary resolution number 1.4

“Resolved that Mr Abel M Mawela be and is hereby re-elected as an independent non-executive director of the company.”

### Ordinary resolution number 1.5

“Resolved that Mr Dawid J Wandrag be and is hereby re-elected as an independent non-executive director of the company.”

## **Ordinary resolutions number 2.1 to 2.4: Election of the audit and risk committee members**

In terms of section 94(2) of the Companies Act, a public company must elect an audit committee comprising at least three members who are independent non-executive directors and who meet the criteria of section 94(4) of the Companies Act at each AGM. Regulation 42 to the Companies Act specifies that one third of the members of the audit committee must have appropriate academic qualifications or experience in the areas listed in this Regulation.

Based on the recommendations of the nominations committee, the board of directors of the company is satisfied that the proposed members of the audit and risk committee meet all relevant statutory requirements, including being independent non-executive directors as defined in paragraph 28 of the Report on Corporate Governance for South Africa, 2016 (King IV).

Brief résumés of these independent non-executive directors offering themselves for election as members of the audit and risk committee of the company are detailed on page 32 and 33 of this AGM notice.

The resolutions pertaining to the election of the members of the audit and risk committee are to be voted on individually.

### Ordinary resolution number 2

“Resolved that subject to the passing of ordinary resolutions 1.3 and 1.4 above, an audit and risk committee comprising independent non-executive directors in terms of section 94(4) of the Companies Act, as set out below, be and are hereby elected by way of separate resolutions to hold office until the conclusion of the next annual general meeting:

- 2.1 Dr Gert C Cruywagen (chairman)
- 2.2 Mr George Cavaleros
- 2.3 Ms Kolosa Madikizela
- 2.4 Mr Abel M Mawela”



### **Ordinary resolution number 3: Appointment of independent external auditor**

The company's audit and risk committee has nominated the re-appointment of Ernst & Young Inc. as the company's independent auditors, represented by Mr Rohan Baboolal, to hold office until the conclusion of the next annual general meeting. In addition, the company's audit and risk committee has considered the suitability of Ernst & Young Inc. as independent auditors and Mr Rohan Baboolal as the designated audit partner, following receipt of the information detailed in paragraph 22.15(h) of the JSE Listings Requirements. Furthermore, in terms of paragraph 3.86 of the JSE Listings Requirements, the audit and risk committee has considered and satisfied itself that Ernst & Young Inc. and the reporting accountant are accredited on the JSE list of Auditors and Accounting Specialists and the aforementioned designated audit partner does not appear on the JSE list of disqualified individual auditors.

It is noted that the 2020 audit will be the fifth consecutive financial year that Mr Rohan Baboolal serves as the designated audit partner for the company and will accordingly be rotated off the audit thereafter.

"Resolved that, as nominated by the company's audit and risk committee, Ernst & Young Inc. represented by Mr Rohan Baboolal as the audit partner, be and is hereby appointed as the independent registered auditor to perform the functions of an auditor and to report on the outcome of the audit for the financial year ending 31 March 2020, meeting the requirements of section 90(2) of the Companies Act, until the conclusion of the next AGM."

### **Ordinary resolution number 4: Non-binding advisory vote on the company's remuneration philosophy, policy and implementation report**

The JSE Listings Requirements require the company to submit its remuneration, philosophy, policy and implementation report every year to shareholders for consideration to provide shareholders with an opportunity to express their views on the remuneration policy adopted by the company and the manner in which it has been implemented. Ordinary resolutions 4.1 and 4.2 are advisory votes and accordingly, failure to pass these resolutions will not have any legal consequences relating to existing remuneration arrangements. However, the board will take the outcomes of these votes into consideration when considering amendments to the company's remuneration policy.

Shareholders are referred to the remuneration review as set out on pages 36 to 43 of this AGM notice.

If either the remuneration policy or the implementation thereof or both are voted against by 25% or more of the votes exercised at the AGM, the company will, in its voting results announcement, as required by the JSE Listings Requirements, extend an invitation to dissenting shareholders to engage with the company. The company will provide a report back on the outcome thereof in the 2020 integrated report, if applicable.

## NOTICE OF ANNUAL GENERAL MEETING (continued)

### Ordinary resolution 4.1

“Resolved that the remuneration philosophy, included on pages 38 to 42 of this notice of the AGM, is hereby endorsed by way of a non-binding advisory vote, as required by 3.84(k) of the JSE Listings Requirements.”

### Ordinary resolution 4.2

“Resolved that the remuneration implementation report, included on pages 42 and 43 of this notice of the AGM, be and is hereby endorsed, by way of a non-binding advisory vote, as required by 3.84(k) of the JSE Listings Requirements.”

### **Ordinary resolution number 5: To place the unissued authorised ordinary shares of the company under the control of the directors**

In terms of the company’s MOI, shareholders of Accelerate must approve the placement of the unissued authorised ordinary shares under the control of the directors.

**Note:** no issue will be made that could effectively transfer control of the company without the prior approval of shareholders at a general meeting.

“Resolved that the unissued authorised ordinary shares of no par value in the company be and are hereby placed under the control and authority of the directors of the company who are authorised (subject to the relevant provisions of the Companies Act, the company’s MOI and the JSE Listings Requirements) until the next AGM, provided that it shall not extend beyond 15 months from the date of passing this resolution, to issue and allot any such shares at their discretion, provided that in all instances (save in respect of an offer of unissued shares to existing shareholders pro rata to their shareholdings), the following requirements are complied with:

- The number of shares that may be issued and allotted in aggregate, is limited to 10% (representing 99 431 012 shares) of the company’s issued shares at the date of posting the notice of AGM.
- The maximum discount permitted will be 5% of the weighted average traded price of the shares in question, measured over the three business days prior to the date of each issue of new shares or the three business days prior to the date the directors resolve to issue such new shares or the 30 business days prior to the date the directors resolve to issue such new shares.”

### **Ordinary resolution number 6: Specific authority to issue shares to afford shareholders distribution re-investment alternatives**

“Resolved that, subject to the provisions of the Companies Act and the JSE Listings Requirements, the directors be and are hereby authorised, by way of a specific standing authority, to issue ordinary shares of no par value (ordinary shares) as and when they deem appropriate, for the exclusive purpose of affording shareholders of Accelerate opportunities, from time to time, to elect to re-invest their distributions in new ordinary shares of the company.”

## Ordinary resolution number 7: Signing authority

"Resolved that any director of the company be and is hereby authorised to sign all such documents and do all such things as may be necessary for or incidental to the implementation of the ordinary and special resolutions proposed and duly passed at this AGM."

## SPECIAL RESOLUTIONS

Special resolutions 1 to 4 require approval from at least 75% of the voting rights exercised on each resolution to be adopted at this annual general meeting.

### Special resolution number 1: Non-executive directors' fees

In terms of sections 66(8) and 66(9) of the Companies Act, companies may pay remuneration to directors for their services as directors unless otherwise provided by the MOI and on approval of a special resolution of shareholders. Executive directors are not specifically remunerated for their services as directors, but as employees of the company and as such, the resolution as included in the AGM notice requests approval of the remuneration paid to non-executive directors for their services as directors of the company.

#### Special resolution number 11

"Resolved that in terms of section 66(9) of the Companies Act and on the recommendation of the remuneration committee, the company be and is hereby authorised to remunerate its non-executive directors for their services as directors each by way of a separate vote to take effect from the conclusion of this AGM until the conclusion of the 2020 AGM on the basis set out below:

Name	Proposed 2019/ 2020 retainer	2018 retainer
Dr Gert C Cruywagen	540	412 000
Mr Timothy J Fearnhead	730	424 000
Ms Kolosa Madikizela	450	358 000
Ass. Prof Francois M Viruly	450	358 000

## NOTICE OF ANNUAL GENERAL MEETING (continued)

### Special resolution number 1.2

“Resolved that in terms of section 66(9) of the Companies Act and on the recommendation of the remuneration committee, the company be and is hereby authorised to remunerate the new non-executive directors for their services as directors each by way of a separate vote with effect from 1 May 2019 until the conclusion of the 2020 annual general meeting on the basis set out below:

Name	Proposed 2019/ 2020 retainer
Mr George Cavaleros	465
Mr Abel M Mawela	440
Mr Dawid J Wandrag	430

**Reason for and effect of this special resolution:** The reason for special resolution number 1.1 and special resolution 1.2 is to comply with 66(8) of the Companies Act which permits payment to non-executive directors for their services as directors in terms of a special resolution approved by shareholders within the previous two years. The effect of special resolution 1.1 and special resolution 1.2 is that the company will be able to pay its non-executive directors for the services they render as directors to the company in accordance with section 66(9) without requiring further shareholder approval at least until the next annual general meeting.

### **Special resolution number 2: Financial assistance to purchase or subscribe for securities and financial assistance to a related or inter-related company or corporation**

“Resolved that:

- (i) for purposes of section 44 of the Companies Act, the directors of the company, at any time and from time to time during the period of 2 (two) years commencing on the date of this special resolution, be and are hereby authorised (subject to compliance with the requirements of the company’s constitutional documents and the Companies Act, each as presently constituted and as amended from time to time) to grant direct or indirect financial assistance, as contemplated in section 44 of the Companies Act, to any person or entity for the purpose of, or in connection with, the subscription of any securities issued or to be issued by the company or a related or inter-related company, or for the purchase of any securities of the company or a related or inter-related company, on such terms and conditions as the directors of the company deem fit; and

- (ii) for the purposes of section 45 of the Companies Act, the directors of the company, at any time and from time to time during the period of 2 (two) years commencing on the date of this special resolution, be and are hereby authorised (subject to compliance with the requirements of the company's constitutional documents and the Companies Act, each as presently constituted and as amended from time to time) to grant direct or indirect financial assistance, as contemplated in section 45 of the Companies Act, to a director or a prescribed officer of the company or of a related or inter-related company (as defined in section 1 of the Companies Act), or to a related or inter-related (as defined in section 1 of the Companies Act) company or corporation or to a member of a related or inter-related corporation or to a person related to any such company or corporation on such terms and conditions as the directors of the company deem fit."

**Reason for and effect of this special resolution:** To the extent necessary under sections 44 and 45 of the Companies Act, to authorise the directors of the company to provide financial assistance as contemplated under section 44 of the Companies Act in connection with the issuance of any securities issued or to be issued by the company or any related or inter-related company and to authorise the directors of the company to provide financial assistance as contemplated under section 45 of the Companies Act to a related or inter-related (as defined in section 1 of the Companies Act) company or corporation or to a member of a related or inter-related corporation or to a person related to any such company or corporation.

The board will not authorise any financial assistance in terms of sections 44 or 45 above unless it has considered all reasonably foreseeable financial circumstances of the company at that time and is satisfied that:

- (i) the company will, immediately after providing the financial assistance to related or inter-related companies, satisfy the solvency and liquidity test as required in terms of the Companies Act; and that:
  - a. the assets of the company (fairly valued) would equal or exceed the liabilities of the company (fairly valued); and
  - b. it appears that the company will be able to pay its debts as they become due in the ordinary course of business for a period of 12 (twelve) months after the date of granting the financial assistance as contemplated in sections 44 and 45 of the Companies Act.
- (ii) in terms of sections 44(3)(b)(ii) and 45(3)(b)(ii) of the Companies Act, the terms under which any financial assistance is proposed to be given are fair and reasonable to the company; and
- (iii) any conditions or restrictions in respect of the granting of any financial assistance as set out in the company's MOI have been met.

### **Special resolution number 3: Authority to repurchase ordinary shares**

“Resolved that, the company be and is hereby authorised, by way of a general approval, to acquire ordinary shares issued by the company, in terms of the Companies Act, the company’s MOI and the JSE Listings Requirements, being that:

- any such acquisition of ordinary shares shall be implemented through the order book operated by the JSE and without any prior understanding or arrangement;
- this general authority shall be valid until the company’s next AGM, provided that it shall not extend beyond 15 months from the date of this special resolution;
- an announcement will be published as soon as the company or any of its subsidiaries has acquired ordinary shares constituting, on a cumulative basis, 3% of the number of ordinary shares in issue prior to the acquisition, pursuant to which the aforesaid 3% threshold is reached, and for each 3% in aggregate acquired thereafter, containing full details of such acquisitions;
- acquisitions of ordinary shares in aggregate in any one financial year may not exceed 20% of the company’s ordinary shares in issue as at the date of passing of this special resolution or 10% of the company’s ordinary shares in issue in the case of an acquisition of ordinary shares in the company by a subsidiary of the company;
- in determining the price at which ordinary shares issued by the company are acquired by it or any of its subsidiaries in terms of this general authority, the maximum premium at which such ordinary shares may be acquired will be 10% of the weighted average of the market value at which such ordinary shares are traded on the JSE over the five business days immediately preceding the date of repurchase of such ordinary shares;
- the company is duly authorised by its MOI to acquire ordinary shares it has issued;
- at any point in time, the company may only appoint one agent to affect any repurchase of ordinary shares on the company’s behalf;
- the board authorises the acquisition, the company passes the solvency and liquidity test and that, from the time that test is done, there are no material changes to the financial position of the company and the group;
- the company shall remain in compliance with the minimum shareholder spread requirements of the JSE; and

- the company and/or its subsidiaries do not repurchase any shares during a prohibited period in accordance with the JSE Listings Requirements, unless the company has in place a repurchase programme where the dates and quantities of the securities to be traded during the relevant period are fixed (not subject to any variation) and have been submitted to the JSE in writing prior to the commencement of the prohibited period. The company must instruct an independent third party, which makes its investment decisions in relation to the company's securities independently of, and uninfluenced by, the issuer, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE."

**Reason for and effect of this special resolution:** To permit the company or any of its subsidiaries, by way of a general approval, to acquire ordinary shares in the company as and when suitable opportunities to do so arise.

**Note:** An acquisition of ordinary shares is contemplated at the time of this notice, the directors, having considered the effects of an acquisition of the maximum number of ordinary shares in terms of the foregoing general authority and the current share price and yield, are of the opinion that for a period of 12 (twelve) months after the date of this notice of AGM:

- the company and the group will be able, in the ordinary course of business, to pay its debts;
- the assets of the company and the group, fairly valued in accordance with IFRS, will exceed the liabilities of the company; and
- the company and the group's ordinary share capital, reserves and working capital will be adequate for ordinary business purposes.

The following additional information, which appears in this AGM notice, is provided in terms of section 11.26 of the JSE Listings Requirements of the JSE, for purposes of the general authority:

- Major shareholders – page 35.
- Share capital of the company – page 45.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

The directors, whose names appear on pages 32 and 33 of this AGM notice, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the special resolution contains all information required by the JSE Listings Requirements.

## **MATERIAL CHANGES**

Other than the facts and developments reported on in the AFS, there have been no material changes in the financial or trading position of the company and its subsidiaries since the financial period ended 31 March 2019 and up to the date of this notice of the AGM.

## **INTENTIONS**

The directors have no specific intention, at present, for the company to acquire any of its ordinary shares, but consider that such a general authority should be put in place should an opportunity present itself to do so during the year which is in the best interests of the company and its shareholders.

### **Special resolution number 4: Issue of shares to directors**

"Resolved that, subject to the approval of ordinary resolution number 5, in terms of section 41(1)(a) of the Companies Act, the issue and allotment of ordinary shares to directors of the company (in terms of the general authority granted to the directors of the company by ordinary resolution number 5 to issue and allot ordinary shares in terms of a vendor consideration placement), be and is hereby authorised, to the extent that this approval is required."

The reason and effect of the special resolution is to approve the issue of ordinary shares to a director of the company, in terms of section 41(1)(b) of the Companies Act. Subject to certain exceptions, section 41(1)(a) requires the approval by way of a special resolution of share issues to directors of the company and to persons related to directors of the company in the event that directors choose to participate in a vendor consideration placement.



## VOTING AND PROXIES:

1. A shareholder entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and vote in his/her stead. A proxy need not be a shareholder of the company.
2. Notwithstanding the appointment of a proxy by a shareholder who is a natural person, such member may attend the AGM in person and vote thereat, to the exclusion of the appointed proxy.
3. A form of proxy is attached to this AGM notice. Additional forms of proxy may be obtained from the company's share transfer secretaries, Computershare Investor Services (Pty) Ltd, or may be reproduced by photocopying the form of proxy provided.
4. The record date for the meeting in terms of section 62(3)(a) of the Companies Act, shall be on Friday, 19 July 2019.
5. If you are a certificated Accelerate shareholder or an own-name dematerialised Accelerate shareholder and are unable to attend the AGM of Accelerate shareholders to be held at Accelerate's registered offices, in the main boardroom, Cedar Square Shopping Centre, Management Office, 1st Floor, Cnr Willow Avenue and Cedar Road, Fourways, Johannesburg on Wednesday, 24 July 2019 at 10:00, but wish to be represented thereat, you are required to complete the form of proxy attached hereto in accordance with the instructions therein and return it to the transfer secretaries, Computershare Investor Services (Pty) Ltd, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (PO Box 61051, Marshalltown, 2107) so as to be received by no later than 10:00 on Tuesday, 23 July 2019 for administrative purposes or thereafter to the company by no later than the commencement of the meeting, being 10:00 on Wednesday, 24 July 2019.
6. If you are a beneficial owner of dematerialised Accelerate ordinary shares and are not an own-name dematerialised Accelerate shareholder, then you may instruct your CSDP or broker as to how you wish to cast your vote at the AGM in order for them to vote in accordance with your instructions.
7. If you are a beneficial owner of dematerialised Accelerate ordinary shares and wish to attend the Accelerate AGM in person, please request your CSDP or broker to issue the necessary letter of representation to you. This must be done in terms of the agreement entered into between the dematerialised Accelerate shareholder (who is not an own-name dematerialised Accelerate shareholder) and the CSDP or broker.

By order of the board



**JR Matisonn**  
Company secretary  
26 June 2019

**Computershare Investor Services (Pty) Ltd**  
Transfer secretaries

# ANNEXURE 1: CONSOLIDATED FINANCIAL *Statements*

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note(s)	31 March 2019 (R'000)	31 March 2018 (R'000)
<b>ASSETS</b>			
<b>Non-current assets</b>		<b>12 205 878</b>	<b>12 533 952</b>
Investment property		12 203 592	12 515 562
Derivatives	1	1 598	17 371
Property, plant and equipment		688	1 019
<b>Current assets</b>		<b>679 224</b>	<b>649 579</b>
Current tax receivable		5 534	5 534
Derivatives		-	1 887
Trade and other receivables	1	589 559	565 237
Cash and cash equivalents	1	84 131	76 921
<b>Investment property held for sale</b>		<b>789 707</b>	<b>27 000</b>
Non-current assets held for sale		789 707	27 000
<b>Total assets</b>		<b>13 674 809</b>	<b>13 210 531</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>		<b>7 965 297</b>	<b>7 861 866</b>
Ordinary share capital		5 115 671	5 103 067
Other reserves		77 887	25 923
Non-controlling interest		19 032	14 519
Retained income		2 752 707	2 718 357
<b>Total equity</b>		<b>7 965 297</b>	<b>7 861 866</b>
<b>Non-current liabilities</b>		<b>4 278 103</b>	<b>3 682 224</b>
Borrowings	1	4 259 323	3 654 607
Derivatives		18 780	27 617
<b>Current liabilities</b>		<b>1 431 409</b>	<b>1 666 441</b>
Trade and other payables	1	297 231	173 526
Derivatives		23 128	385
Borrowings	1	1 111 050	1 492 530
<b>Total equity and liabilities</b>		<b>13 674 809</b>	<b>13 210 531</b>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note(s)	31 March 2019 (R'000)	31 March 2018 (R'000)
Revenue, excluding straight-line rental revenue adjustment		1190 524	1 160 620
Straight-line rental revenue adjustment		43 802	45 819
<b>Revenue</b>		<b>1 234 326</b>	<b>1 206 439</b>
Property expenses		(374 658)	(306 516)
<b>Net property income</b>		<b>859 668</b>	<b>899 923</b>
Operating expenses		(46 677)	(77 334)
<b>Operating profit</b>		<b>812 991</b>	<b>822 589</b>
Fair value adjustments	5	73 405	542 984
Unrealised (losses)/gains		(21 909)	8 612
Expected credit loss provision		(7 686)	-
Other income		12 933	6 552
Finance income		37 880	37 228
<b>Profit before long-term debt interest and taxation</b>		<b>907 614</b>	<b>1 417 965</b>
Finance costs		(341 781)	(334 768)
<b>Profit before taxation</b>		<b>565 833</b>	<b>1 083 197</b>
Taxation		-	4 549
<b>Profit for the year</b>		<b>565 833</b>	<b>1 087 746</b>
<b>Other comprehensive income that may be reclassified to profit and loss in subsequent periods</b>			
Exchange differences on translation of foreign operations		52 031	6 127
<b>Total comprehensive income</b>		<b>617 864</b>	<b>1 093 873</b>
<b>Profit attributable to:</b>			
Shareholders of the parent		563 356	1 085 816
Non-controlling interest		2 477	1 930
		<b>565 833</b>	<b>1 087 746</b>
<b>Total comprehensive income:</b>			
Shareholders of the parent		613 351	1 091 775
Non-controlling interest		4 513	2 098
		<b>617 864</b>	<b>1 093 873</b>
<b>EARNINGS PER SHARE</b>			
Basic earnings per share (cents)		56,77	110,81
Diluted earnings per share (cents)		55,79	109,13
<b>DISTRIBUTABLE EARNINGS</b>			
<b>Profit after taxation attributable to equity holders</b>		<b>563 356</b>	<b>1 085 816</b>
Straight-line rental revenue adjustment		(43 802)	(45 819)
Fair value adjustments (excluding non-controlling interest)		(72 244)	(542 316)
Unrealised losses		21 909	28 532
Gains on sale of investment property		(6 000)	-
Amortised lease cost		12 515	7 000
<b>Distributable earnings</b>		<b>475 734</b>	<b>533 213</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Other reserves (R'000)	Foreign currency translation reserve (R'000)	Share capital (R'000)	Retained income (R'000)	Non-controlling interest (R'000)	Total equity (R'000)
<b>Balance at 1 April 2017</b>	54 383	(1 439)	5 156 011	2 131 616	12 421	7 352 992
Profit for the year	-	-	-	1 085 816	1 930	1 087 746
Other comprehensive income	-	5 959	-	-	168	6 127
<b>Total comprehensive income</b>	-	5 959	-	1 085 816	2 098	1 093 873
Issue of shares	-	-	2 850	-	-	2 850
Repurchase of shares	-	-	(63 150)	-	-	(63 150)
Issue of treasury shares to directors (in terms of the conditional share plan)	-	-	7 356	-	-	7 356
Distribution paid	(36 999)	-	-	(499 075)	-	(536 074)
Conditional share plan reserve	4 019	-	-	-	-	4 019
<b>Total contributions by and distributions to owners of company recognised directly in equity</b>	(32 980)	-	(52 944)	(499 075)	-	(584 999)
<b>Balance at 31 March 2018</b>	21 403	4 520	5 103 067	2 718 357	14 519	7 861 866
<b>IFRS 9 opening balance adjustment</b>	-	-	-	(7 082)	-	(7 082)
	21 403	4 520	5 103 067	2 711 275	14 519	7 854 784
<b>Profit for the year</b>	-	-	-	563 356	2 477	565 833
Other comprehensive income	-	49 995	-	-	2 036	52 031
<b>Total comprehensive income</b>	-	49 995	-	563 356	4 513	617 864
Issue of shares	(12 604)	-	12 604	-	-	-
Distribution paid	-	-	-	(521 924)	-	(521 924)
Conditional share plan reserve	14 573	-	-	-	-	14 573
<b>Total contributions by and distributions to owners of company recognised directly in equity</b>	1 969	-	12 604	(521 924)	-	(507 351)
<b>Balance at 31 March 2019</b>	23 372	54 515	5 115 671	2 752 707	19 032	7 965 297

## STATEMENT OF CASH FLOWS

	31 March 2019 (R'000)	31 March 2018 (R'000)
<b>Cash flows from operating activities</b>		
Cash generated from operations	836 836	594 840
Finance income	37 880	37 228
Distribution paid	(521 924)	(499 075)
Tax received/(paid)	-	8 896
<b>Net cash from operating activities</b>	<b>352 792</b>	<b>141 889</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(51)	(214)
Sale of property, plant and equipment	46	-
Purchase of investment property	(380 589)	(267 844)
Proceeds from disposal of investment property	230 132	253 337
<b>Net cash from investing activities</b>	<b>(150 462)</b>	<b>(14 721)</b>
<b>Cash flows from financing activities</b>		
Shares repurchased	-	(63 150)
Long-term borrowings raised	1 785 380	1 332 925
Long-term borrowings repaid	(1 643 623)	(1 078 910)
Finance cost	(341 781)	(334 768)
Antecedent distribution	-	(36 999)
<b>Net cash from financing activities</b>	<b>(200 024)</b>	<b>(180 902)</b>
<b>Total cash movement for the year</b>	<b>2 306</b>	<b>(53 734)</b>
<b>Cash at the beginning of the year</b>	<b>76 921</b>	<b>133 618</b>
<b>Effect of exchange rate movements on cash balances</b>	<b>4 904</b>	<b>(2 963)</b>
<b>Total cash at end of the year</b>	<b>84 131</b>	<b>76 921</b>

## DISTRIBUTION ANALYSIS

	Year ended 31 March 2019 (R'000)	Year ended 31 March 2018 (R'000)
<b>Distributable earnings</b>	<b>475 734</b>	533 213
Less: Interim distribution from profits (excludes interim distribution from reserves)	<b>254 352</b>	266 037
<b>Final distribution</b>	<b>221 382</b>	267 176
<b>Shares qualifying for distribution</b>		
Number of shares at year-end	<b>994 310 123</b>	989 364 344
Less: Bulk ceded shares to Accelerate <sup>#</sup>	<b>(51 070 184)</b>	(51 070 184)
Add: Shares repurchased	<b>(9 567 404)</b>	(9 567 404)
<b>Shares qualifying for distribution</b>	<b>933 672 535</b>	928 726 756
<b>Distribution per share</b>		
Final distribution per share (cents)	<b>23,71088</b>	28,76799
Interim distribution per share made (cents)	<b>27,26021</b>	28,77713
<b>Total distribution per share for the year (cents)</b>	<b>50,97109</b>	57,54512

<sup>#</sup> The cession on these shares relate to bulk in the Fourways area acquired by Accelerate at listing. These shares will only be eligible for distributions at the earlier of the development of the bulk or December 2021.

## EARNINGS PER SHARE

	Year ended 31 March 2019 (R'000)	Year ended 31 March 2018 (R'000)
Basic earnings per share (EPS) amounts are calculated by dividing profit for the year attributable to ordinary equity holders of Accelerate by the weighted average number of ordinary shares outstanding during the year.		
<b>Reconciliation of basic/diluted earnings to headline earnings</b>		
Profit attributable to shareholders of the parent	563 356	1 085 816
Fair value adjustment	(103 811)	(589 861)
Capital gains on sale of non-current assets held for sale	(10 460)	(4 846)
<b>Headline profit attributable to shareholders of the parent</b>	<b>449 085</b>	<b>491 109</b>
Basic earnings per share (cents)	56,77	110,81
Diluted earnings per share (cents)	55,79	109,13
Headline earnings per share (cents)	45,26	49,36
Diluted headline earnings per share (cents)	44,47	50,12
Shares in issue at the end of the year	994 310 123	979 796 940
Weighted average number of shares	992 285 018	979 876 156
Shares subject to the deferred acquisition costs		-
Shares subject to the conditional share plan	17 480 830	15 115 467
Weighted average number of deferred shares	17 480 830	15 115 467
<b>Total diluted weighted average number of shares in issue</b>	<b>1 009 765 848</b>	<b>994 991 623</b>

## SEGMENTAL ANALYSIS

The individual properties are aggregated into segments with similar economic characteristics such as nature of the property and the occupier market it serves. Management considers that this is best achieved by aggregating properties into office, industrial and retail and European retail.

Consequently, the company is considered to have four reportable operating segments, as follows:

- Office segment: acquires, develops, leases and sells offices
- Industrial segment: acquires, develops, leases and sells warehouses and factories
- Retail segment: acquires, develops, leases and sells shopping malls, community centres as well as retail centres
- European single-tenant segment: acquires, develops, leases and sells single-tenant space backed by long term leases

Group administrative costs, profit/loss on disposal of investment property, finance revenue, finance costs, income taxes and segment liabilities are reported on a total basis as it is considered that the segmental split would add no value to reporting.

There are no sales between segments.

### For the year ended 31 March 2018

(R'000)	Office	Industrial	Retail	European - single- tenant	Total
<b>Statement of comprehensive income 2018</b>					
Revenue, excluding straight-line rental revenue adjustment	317 984	69 841	672 700	100 095	1 160 620
Straight-line rental adjustment	31 095	991	13 733	-	45 819
Property expenses	(69 021)	(11 803)	(190 335)	(35 357)	(306 516)
<b>Segment operating profit</b>	<b>280 058</b>	<b>59 029</b>	<b>496 098</b>	<b>64 738</b>	<b>899 923</b>
Fair value adjustments on investment property	158 497	(116 567)	529 387	18 544	589 861
<b>Segment profit</b>	<b>438 555</b>	<b>(57 538)</b>	<b>1 025 485</b>	<b>83 282</b>	<b>1 489 784</b>
Other operating expenses					(77 334)
Other income					6 552
Fair value loss on financial instruments					(46 877)
Unrealised gains					8 612
Finance income					37 228
Long-term debt interest					(334 768)
<b>Profit before tax</b>					<b>1 083 197</b>



For the year ended 31 March 2019

(R'000)	Office	Industrial	Retail	European - single- tenant	Total
<b>Statement of comprehensive income 2019</b>					
Revenue, excluding straight-line rental revenue adjustment	297 411	76 660	710 132	106 321	1 190 524
Straight-line rental adjustment	29 867	1 797	12 138	-	43 802
Property expenses	(76 377)	(17 551)	(251 751)	(36 665)	(382 344)
<b>Segment operating profit</b>	<b>250 901</b>	<b>60 906</b>	<b>470 519</b>	<b>69 656</b>	<b>851 982</b>
Fair value adjustments on investment property	(62 172)	47 001	87 893	32 250	104 972
<b>Segment profit</b>	<b>188 729</b>	<b>107 907</b>	<b>558 412</b>	<b>101 906</b>	<b>956 954</b>
Other operating expenses					(46 677)
Other income					12 933
Fair value loss on financial instruments					(31 567)
Unrealised losses					(21 909)
Finance income					37 880
Long-term debt interest					(341 781)
<b>Profit before tax</b>					<b>565 833</b>

## SEGMENTAL ANALYSIS (continued)

### For the year ended 31 March 2018

(R'000)	Office	Industrial	Retail	European - single- tenant	Total
<b>Statement of financial position extracts at 31 March 2018</b>					
<b>Assets</b>					
Investment property balance 1 April 2017	3 276 550	650 541	6 681 888	1 251 710	11 860 689
Acquisitions	48 000	-	-	-	48 000
Capitalised costs	12 314	1 775	205 755	-	219 844
Disposals	(81 945)	-	(194 462)	-	(276 407)
Investment property held for sale	-	-	27 000	-	27 000
Straight-line rental revenue adjustment	31 095	991	13 733	-	45 819
Foreign exchange gains/(losses)	-	-	-	27 756	27 756
Fair value adjustments	158 497	(116 567)	529 387	18 544	589 861
<b>Segment assets at 31 March 2018</b>	<b>3 444 511</b>	<b>536 740</b>	<b>7 263 301</b>	<b>1 298 010</b>	<b>12 542 562</b>
<b>Other assets not managed on a segmental basis</b>					
Derivative financial instruments					17 371
Equipment					1 019
Current assets					649 579
<b>Total assets</b>					<b>13 210 531</b>

### For the year ended 31 March 2019

(R'000)	Office	Industrial	Retail	European - single- tenant	Total
<b>Statement of financial position extracts at 31 March 2019</b>					
<b>Assets</b>					
Investment property balance 1 April 2018	3 444 511	536 740	7 263 301	1 298 010	12 542 562
Acquisitions	-	-	74 995	-	74 995
Capitalised costs	62 180	727	238 126	4 561	305 594
Disposals/classified as held for sale	(701 486)	-	(331 948)	-	(1 033 434)
Investment property held for sale	628 307	-	161 400	-	789 707
Straight-line rental revenue adjustment	29 867	1 797	12 138	-	43 802
Foreign exchange gains/(losses)	-	-	-	165 101	165 101
Fair value adjustments	(62 172)	47 001	87 893	32 250	104 972
<b>Segment assets at 31 March 2019</b>	<b>3 401 207</b>	<b>586 265</b>	<b>7 505 905</b>	<b>1 499 922</b>	<b>12 993 299</b>
<b>Other assets not managed on a segmental basis</b>					
Derivative financial instruments					1 598
Equipment					688
Current assets					679 224
<b>Total assets</b>					<b>13 674 809</b>

**For the year ended 31 March 2018**

(R'000)	South Africa	Austria	Slovakia	Total
<b>Statement of comprehensive income 2018</b>				
Revenue, excluding straight-line rental revenue adjustment	1 060 525	75 071	25 024	1 160 620
Straight-line rental adjustment	45 819	-	-	45 819
Property expenses	(271 159)	(26 517)	(8 840)	(306 516)
Segment operating profit	835 185	48 554	16 184	899 923
Fair value adjustments on investment property	571 317	13 908	4 636	589 861
<b>Segment profit</b>	<b>1 406 502</b>	<b>62 462</b>	<b>20 820</b>	<b>1 489 784</b>
Other operating expenses				(77 334)
Other income				6 552
Fair value loss on financial instruments				(46 877)
Unrealised gains				8 612
Finance income				37 228
Long-term debt interest				(334 768)
<b>Profit before tax</b>				<b>1 083 197</b>

**For the year ended 31 March 2019**

(R'000)	South Africa	Austria	Slovakia	Total
<b>Statement of comprehensive income 2019</b>				
Revenue, excluding straight-line rental revenue adjustment	1 084 203	79 741	26 580	1 190 524
Straight-line rental adjustment	43 802	-	-	43 802
Property expenses	(345 679)	(27 499)	(9 166)	(382 344)
<b>Segment operating profit</b>	<b>782 326</b>	<b>52 242</b>	<b>17 414</b>	<b>851 982</b>
Fair value adjustments on investment property	72 722	24 188	8 062	104 972
<b>Segment profit</b>	<b>855 048</b>	<b>76 430</b>	<b>25 476</b>	<b>956 954</b>
Other operating expenses				(46 677)
Other income				12 933
Fair value loss on financial instruments				(31 567)
Unrealised losses				(21 909)
Finance income				37 880
Long-term debt interest				(341 781)
<b>Profit before tax</b>				<b>565 833</b>

## SEGMENTAL ANALYSIS (continued)

### For the year ended 31 March 2018

(R'000)	South Africa	Austria	Slovakia	Total
<b>Statement of financial position extracts at 31 March 2018</b>				
Investment property balance 1 April 2017	10 608 979	938 782	312 928	11 860 689
Acquisitions	48 000	-	-	48 000
Capitalised costs	219 844	-	-	219 844
Disposals/classified as held for sale	(276 407)	-	-	(209 395)
Investment property held for sale	27 000	-	-	27 000
<b>Straight-line rental revenue adjustment</b>	45 819	-	-	45 819
Foreign exchange gains/(losses)	-	20 817	6 939	27 756
Fair value adjustments	571 317	13 908	4 636	522 849
<b>Investment property at 31 March 2018</b>	<b>11 244 552</b>	<b>973 507</b>	<b>324 503</b>	<b>12 542 562</b>
<b>Other assets not managed on a segmental basis</b>				
Derivative financial instruments				17 371
Equipment				1 019
Current assets				649 579
<b>Total assets</b>				<b>13 210 531</b>

### For the year ended 31 March 2019

(R'000)	South Africa	Austria	Slovakia	Total
<b>Statement of financial position extracts at 31 March 2019</b>				
Investment property balance 1 April 2018	11 244 552	973 507	324 503	12 542 562
Acquisitions	74 995	-	-	74 995
Capitalised costs	305 596	-	-	305 594
Disposals/ classified as held for sale	(1 033 434)	-	-	(1 033 434)
Investment property held for sale	789 707	-	-	789 707
<b>Straight-line rental revenue adjustment</b>	43 802	-	-	43 802
Foreign exchange gains/(losses)	-	123 826	41 275	165 101
Fair value adjustments	72 722	24 188	8 062	104 972
<b>Investment property at 31 March 2019</b>	<b>11 497 938</b>	<b>1 121 521</b>	<b>373 840</b>	<b>12 993 299</b>
<b>Other assets not managed on a segmental basis</b>				
Derivative financial instruments				1 598
Equipment				688
Current assets				679 224
<b>Total assets</b>				<b>13 674 809</b>

# NOTES TO THE FINANCIAL STATEMENTS

## Corporate Information

The condensed financial statements of Accelerate for the year ended 31 March 2019 were authorised for issue in accordance with a resolution of the directors passed on 18 June 2019. Accelerate is a public company incorporated and domiciled in South Africa and its shares are publicly traded on the JSE. The registered office is located at Cedar Square Shopping Centre, corner Cedar Road and Willow Avenue. The principal activities of Accelerate are acquisition, development, leasing and sales of properties. The functional and presentation currency of Accelerate is South African rand. All figures are rounded off to R'000 except where otherwise stated.

## Basis of preparation

These condensed financial statements for the year ended 31 March 2019 are prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), and contain the minimum information required by IAS 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the requirements of the Companies Act, 71 of 2008, as amended, and the JSE Listings Requirements.

The accounting policies applied in the preparation of these condensed financial statements are in terms of IFRS and are consistent with those applied in the annual financial statements, including the new and amended IFRS that became effective during the 31 March 2019 reporting period, none of which had a material impact on Accelerate's financial results, except for IFRS 9. The adoption of IFRS 9 resulted in an expected credit loss adjustment on the 31 March 2018 provision for doubtful debts. Under IFRS 9 this provision was increased by R7 082 000.

These condensed financial statements have been prepared under the historical cost convention except for investment properties which are measured at fair value.

The fair value of investment properties is determined by directors with reference to market-related information, while other financial liabilities are valued with reference to market-related information and valuations as appropriate. All investment properties are valued by independent external valuers on a three-year rolling cycle.

These condensed financial statements were prepared under the supervision of Mr Dimitri Kyriakides (CA)SA in his capacity as chief financial officer.

This abridged report is extracted from audited information, but is not itself audited. The auditors, Ernst & Young Inc. have issued their unmodified opinion on the audited consolidated financial statements for the year ended 31 March 2019 and a copy of the audit opinion, together with the underlying audited consolidated financial statements are available for inspection at the company's registered address.

# NOTES TO THE FINANCIAL STATEMENTS (continued)

## 1. Fair value of financial assets and liabilities

	Carried at fair value (R'000)	Amortised cost <sup>#</sup> (R'000)	Total (R'000)
<b>31 March 2019</b>			
<b>Financial assets</b>			
Derivatives*	1 598	-	1 598
Trade and other receivables	-	564 823	564 823
Cash and cash equivalents	-	84 131	84 131
<b>Total financial assets</b>	<b>1 598</b>	<b>648 954</b>	<b>650 552</b>
<b>Financial liabilities</b>			
Derivatives*	(41 908)	-	(41 908)
Long-term interest-bearing borrowings	-	(4 259 323)	(4 259 323)
Trade and other payables	-	(282 768)	(282 768)
Current portion of long-term debt	-	(1 111 050)	(1 111 050)
<b>Total financial liabilities</b>	<b>(41 908)</b>	<b>(5 653 141)</b>	<b>(5 695 049)</b>

### 31 March 2018

	Carried at fair value R'000	Amortised cost <sup>#</sup> R'000	Total R'000
<b>31 March 2018</b>			
<b>Financial assets</b>			
Trade and other receivables		562 909	562 909
Derivatives*	19 258	-	19 258
Cash and cash equivalents		76 921	76 921
<b>Total financial assets</b>	<b>19 258</b>	<b>639 830</b>	<b>659 088</b>
<b>Financial liabilities</b>			
Derivatives*	(28 002)		(28 002)
Long-term interest-bearing borrowings		(3 654 607)	(3 654 607)
Trade and other payables		(165 401)	(165 401)
Current portion of long-term debt		(1 492 530)	(1 492 530)
<b>Total financial liabilities</b>	<b>(28 002)</b>	<b>(5 312 538)</b>	<b>(5 340 540)</b>

\* The values of the derivative financial asset shown at fair value are based on inputs other than quoted prices that are observable in the market for the assets and liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices) – level 2. The value of the swaps is determined as the discounted value of the future cash flows to be received from the swap assets. For the valuation, current Jibar was used as an indication of future Jibar.

<sup>#</sup> The carrying value of financial assets and liabilities carried at amortised cost is considered to approximate the fair value of those financial assets and liabilities. There have been no significant changes in valuation techniques or transfers between fair value hierarchy levels.

## 2. Directors' remuneration

	Year ended 31 March 2019 (R'000)	Year ended 31 March 2018 (R'000)
<b>Total guaranteed package</b>		
MN Georgiou	Nil	Nil
A Costa	4 325	3 993
D Kyriakides	3 150	2 815
JRJ Paterson	3 387	3 064
<b>Short-term incentive payment</b>		
MN Georgiou	Nil	Nil
A Costa	1 850	Nil
D Kyriakides	1 050	Nil
JRJ Paterson	1 350	Nil
<b>Non-executive directors' fees</b>		
TT Mboweni	634	975
GC Cruywagen	414	412
TJ Fearnhead	430	424
JRP Doidge	400	388
K Madikizela	360	358
Ass. Prof FM Viruly	360	358

### Share options exercised (number of shares)

	Year ended 31 March 2019 (number of shares)	Year ended 31 March 2018 (number of shares)
MN Georgiou	1 012 514	-
A Costa	2 068 158	2 122 826
D Kyriakides	440 084	719 283
JRJ Paterson	1 313 453	1 410 928

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 3. Related party transaction

#### Relationships

MN Georgiou and A Costa are directors of both Accelerate Property Fund Ltd and Accelerate Property Management Company (Pty) Ltd. Both directors' total remuneration is paid by Accelerate Property Fund. MN Georgiou own 100% of Fourways Precinct (Pty) Ltd through The Michael Family Trust and also owns 100% of Accelerate Property Management Company.

	Year ended 31 March 2019 (R'000)	Year ended 31 March 2018 (R'000)
<b>Related party transactions and balances</b>		
<b>Related party balances</b>		
<b>Loan accounts</b>		
Fourways Precinct (Pty) Ltd	-	39 646
The Michael Family Trust	<b>68 180</b>	62 142
<b>Vacancy guarantee</b>		
Fourways Precinct (Pty) Ltd	<b>9 339</b>	17 038
<b>Development guarantee</b>		
Fourways Precinct (Pty) Ltd	<b>248 364</b>	105 629
<b>Related party transactions</b>		
<b>Vacancy guarantee</b>		
Fourways Precinct (Pty) Ltd	-	-
<b>Development guarantee</b>		
Fourways Precinct (Pty) Ltd	<b>113 163</b>	58 972
<b>Interest charged</b>		
Interest charged on outstanding amounts:		
Fourways Precinct (Pty) Ltd	<b>17 544</b>	7 803
The Michael Family trust	<b>5 172</b>	4 073
<b>Accelerate Property Management costs</b>		
Fourways Precinct (Pty) Ltd	<b>(2 121)</b>	(3 745)
Accelerate Property Management Company (Pty) Ltd	<b>(7 912)</b>	(6 156)
<b>Letting commission paid</b>		
Fourways Precinct (Pty) Ltd	<b>(21 020)</b>	(6 604)
<b>Financial guarantees</b>	<b>(52 911)</b>	(37 144)

### 4. Fair value adjustments

	Year ended 31 March 2019 (R'000)	Year ended 31 March 2018 (R'000)
<b>Fair value adjustments</b>		
Investment property (Fair value model)	<b>104 972</b>	589 861
Mark to market movement on swaps	<b>(31 567)</b>	(46 877)
	<b>73 405</b>	542 984



## 5. Capital commitments

In terms of Accelerate's budgeting process, R140 million (2018: R79.4 million) was allocated to Accelerate's planned capital expenditure. As such, Accelerate views this amount as authorised and not contracted.

## 6. Financial guarantee

During December 2016 an executive buy-in structure was initiated in order to ensure that the executive directors of Accelerate are adequately incentivised and aligned with the interests of the company and its shareholders in the long term. Special purpose vehicles (SPVs) funded through bank debt from RMB can acquire shares up to a maximum of R205 million in Accelerate at market-related share prices. The interest on bank debt in the SPVs will be serviced by the distributions received from APF.

RMB has cession over these shares and the directors will only have an unconditional right to the shares in the SPVs once the bank debt has been settled. Accelerate guarantees to RMB the performance of each SPV of its obligation. Accelerate's liability under the guarantee is 63,3% of the drawn commitment to the extent that losses incurred by RMB are not settled by the sale of the shares RMB has cession over. At 31 March 2019 a liability of R98 million was recognised for this guarantee provided.

## 7. Subsequent events

The following buildings held for sale at 31 March 2019 have been sold post year-end at fair value:

- Mr Price on 7 May 2019
- The Pines on 7 May 2019
- Glen Gables on 13 May 2019
- Eastlynnne on 17 May 2019
- Wanooka Place on 30 May 2019

Accelerate has agreed to accept the proposed 40,9% rental assistance to Edcon in the form of Edcon shares to be issued to Accelerate.

## DIRECTORS' RESPONSIBILITY STATEMENT

The directors of Accelerate assume full responsibility for the preparation of the condensed consolidated financial statements and has been correctly extracted from the underlying annual financial statements.

# ANNEXURE 2: BOARD OF *Directors*

EXECUTIVE DIRECTORS	NON-EXECUTIVE DIRECTORS
<p><b>Mr Michael N Georgiou (49)</b> <i>CEO</i> <b>Appointed:</b> 1 January 2013 <b>Committee:</b> IC <b>Expertise:</b> Acquisitions, disposals, finance, property development, property management</p>	<p><b>Mr Timothy J Fearnhead (70)</b> <i>Independent director and chairman</i> <b>Appointed:</b> 1 June 2013 <b>Committees:</b> NomCo, (chairman), RemCo <b>Qualifications:</b> CTA, CA(SA), AdvDip (Banking) <b>Expertise:</b> Audit, banking, corporate governance, finance, insurance, remuneration, risk management</p>
<p><b>Mr Andrew Costa (48)</b> <i>COO</i> <b>Appointed:</b> 1 April 2013 <b>Committees:</b> IC, RemCo <b>Qualifications:</b> BCom, LLB <b>Expertise:</b> Acquisitions, capital markets, disposals, finance, investment banking, legal, property management</p>	<p><b>Dr Gert C Cruywagen (63)</b> <i>Lead independent director</i> <b>Appointed:</b> 1 June 2013 <b>Committees:</b> ARC (chairman), IC (chairman) <b>Qualifications:</b> MBS, PMD, PhD, FIRM(SA), CRM Prof (SA), RIMS CRMP (US) <b>Expertise:</b> Compliance, corporate governance, insurance, risk management</p>
<p><b>Mr John RJ Paterson (45)</b> <i>Executive director</i> <b>Appointed:</b> 1 January 2013 <b>Committees:</b> IC, SETCo <b>Qualifications:</b> BA, LLB, LLM <b>Expertise:</b> Acquisitions, capital markets, disposals, finance, investment banking, legal, property management</p>	<p><b>Ms Kolosa Madikizela (39)</b> <i>Independent director</i> <b>Appointed:</b> 1 June 2013 <b>Committees:</b> ARC, SETCo (chairman) <b>Qualification:</b> MTech (Construction Management) <b>Expertise:</b> Property development, property management</p>
<p><b>Mr Dimitri Kyriakides (64)</b> <i>CFO</i> <b>Appointed:</b> 1 January 2013 <b>Committee:</b> TG <b>Qualification:</b> CA(SA) <b>Expertise:</b> Audit, accounting, acquisitions, disposals, finance, IT, property development, property management</p>	<p><b>Ass. Prof Francois M Viruly (60)</b> <i>Independent director</i> <b>Appointed:</b> 1 April 2014 <b>Committees:</b> IC, Remco (chairman) <b>Qualifications:</b> BA, BA (Hons), MA <b>Expertise:</b> Property economist</p>

Subsequent to year end the following three non-executive directors were appointed:

<p><b>Mr George Cavaleros (62)</b>  <i>Independent director</i>  <b>Appointed:</b> 1 May 2019  <b>Committees:</b> ARC, RemCo and NomCo  <b>Qualifications:</b> CA(SA), CFA, CIA, ACIS  <b>Expertise:</b> Finance, audit, insurance, remuneration, capital markets, compliance, accounting.</p>	<p><b>Mr Abel M Mawela (57)</b>  <i>Independent director</i>  <b>Appointed:</b> 1 May 2019  <b>Committees:</b> ARC, SETCo  <b>Qualifications:</b> MBA, B.Com (Hons).  <b>Expertise:</b> Finance, audit, corporate governance, insurance, risk management, compliance and accounting</p>
<p><b>Mr Dawid J Wandrag (67)</b>  <b>Appointed:</b> 1 May 2019  <b>Committees:</b> IC, TG (chairman)  <b>Qualifications:</b> BCom (Accounting)  <b>Expertise:</b> Acquisitions, disposals, finance, property development, property management, audit, banking, corporate governance, insurance, risk management, capital markets, legal, compliance, IT</p>	

**Note:** Mr John RP Doidge (70)

*Independent director appointed 1 June 2013 and retired 31 March 2019.*



Detailed biographies of our leadership team can be found on [acceleratepf.co.za/investor-centre/integrated-annual-report/](http://acceleratepf.co.za/investor-centre/integrated-annual-report/)

- ARC**      Audit and risk committee
- RemCo**    Remuneration committee
- NomCo**    Nominations committee
- SETCo**    Social, ethics and transformation committee
- IC**        Investment committee
- TG**        Technology governance subcommittee

# ANNEXURE 3: EXECUTIVE *Management*

**Mr Michael Georgiou**

*Chief executive officer*

**Mr Andrew Costa**

*Chief operating officer; BCom, LLB*

**Mr Dimitri Kyriakides**

*Chief financial officer; CA(SA)*

**Mr John Paterson**

*Executive director; BA, LLB, LLM*

# ANNEXURE 4: SHAREHOLDER *Analysis*

<b>Shareholder spread</b>	No of shareholdings	%	No of shares	%
1 – 100 shares	253	19,84	5 800	0,00
101 – 1000 shares	162	12,71	71 121	0,01
1001 – 50 000 shares	530	41,57	6 428 136	0,65
50 001 – 100 000 shares	67	5,25	4 804 239	0,48
100 001 – 10 000 000 shares	241	18,90	242 996 954	24,44
More than 10 000 000 shares	22	1,73	740 003 873	74,42
<b>Totals</b>	<b>1275</b>	<b>100,00</b>	<b>994 310 123</b>	<b>100,00</b>
<b>DISTRIBUTION OF SHARE-HOLDERS</b>				
Banks/Brokers	32	2,51	20 751 130	2,09
Close Corporations	7	0,55	447 365	0,04
Endowment Funds	21	1,65	4 225 520	0,42
Individuals	784	61,49	14 904 167	1,50
Insurance Companies	31	2,43	33 239 779	3,34
Investment Companies	4	0,31	4 749 571	0,48
Medical Schemes	6	0,47	1 178 896	0,12
Mutual Funds	142	11,14	387 463 429	38,97
Other Corporations	3	0,24	20 541	0,00
Private Companies	45	3,53	320 940 385	32,28
Public Companies	2	0,16	407 963	0,04
Retirement Funds	140	10,98	158 810 073	15,97
Treasury Stock	2	0,16	10 145 677	1,02
Trusts	56	4,39	37 025 627	3,72
<b>Totals</b>	<b>1275</b>	<b>100,00</b>	<b>994 310 123</b>	<b>100,00</b>
<b>PUBLIC/NON-PUBLIC SHAREHOLDERS</b>				
<b>Non-Public Shareholders</b>	<b>16</b>	<b>1,25</b>	<b>343 448 854</b>	<b>34,54</b>
Directors of the company	15	1,18	333 881 450	33,58
Treasury Stock	1	0,08	9 567 404	0,96
<b>Public Shareholders</b>	<b>1259</b>	<b>98,75</b>	<b>650 861 269</b>	<b>65,46</b>
<b>Totals</b>	<b>1275</b>	<b>100,00</b>	<b>994 310 123</b>	<b>100,00</b>

# ANNEXURE 5: REMUNERATION *Review*

## LETTER FROM THE REMUNERATION COMMITTEE CHAIRMAN

Dear shareholders

The board of Accelerate Property Fund Ltd and the remuneration committee are pleased to submit the remuneration committee's report setting out the company's performance, key highlights and challenges for the year ended 31 March 2019. This report was compiled together with Mr John RP Doidge, who chaired the remuneration committee until his retirement from the board on 31 March 2019.

The year under review has been extremely challenging. An underperforming economy, political uncertainty and difficult market conditions in general have impeded our ability to meet all our strategic objectives. Our key achievements during the year were substantial sales of non-core properties and balance sheet optimisation initiatives, a portion of which was used to reduce debt. In addition, the Citibank redevelopment was completed, and the Fourways Mall Development and equalisation process is close to completion. However, irrespective of the macroenvironment, we still need to ensure that our remuneration structures are sufficiently attractive to recruit and retain the calibre of employees Accelerate needs to realise its business strategy.

In 2017, Accelerate advised shareholders that its long-term strategy required a period of quality asset growth. This is to be followed by a period of consolidating that growth which could result in flat or negative growth in dividends. This has been a general trend in the property sector for the past two years. The factors over which executives have control and those which are beyond their control have been considered in implementing the remuneration philosophy and policy.

 *A detailed review of Accelerate's strategy and how it has addressed its challenges can be found in the COO's review on pages 18 to 20 of the integrated report.*

Targets for executives' short-term incentives (STIs) and long-term incentives (LTIs) require performance and effective decision-making for the long-term sustainability of the company for pay-out of any STI, and for vesting of long-term awards. This drives the appropriate behaviour in executives to align them with the interests of stakeholders. We have endeavoured to build appropriate safeguards into the remuneration structures to discourage behaviour that exposes the group to unnecessary risk. Failure to meet financial and personal performance targets may result in no payment of STIs and/or LTIs.

Shareholders approved the company's remuneration philosophy and implementation report at the 2018 AGM. We are pleased to advise that we received sufficient support to be comfortable that our remuneration philosophy and implementation of the remuneration policy meets shareholders' expectations and is aligned with the REIT sector, and more specifically, to REITs of a similar size and investment profile.

Accelerate values high-performance employees, especially those able to make decisions in the company's best long-term interest. Accelerate endeavours to benchmark its executives and senior management to the upper quartile of the appropriate peer comparison group.

Accelerate's remuneration advisors, 21st Century, reported that executives were broadly remunerated in line with the market (with the exception of the STIs generally and the retention value of the LTIs of certain executives, which were found to be substantially below the peer group) and adjustments were made as appropriate.

Non-executive directors' fees reflect the directors' roles and membership of the board and its committees. Currently, the fees comprise an aggregate board base fee plus additional fees for each committee a director is a member of. In the committee's view, the fees paid to non-executive directors are sufficient to attract board members with the appropriate level of skill and expertise.

The calculation of fees paid to non-executive directors was also reviewed. Non-executive directors' fees are broadly based on a retainer for board meetings and a fee per meeting for all committee work. As a result of the difficult economic conditions, it was decided that non-executive directors' fees will not be increased. This decision was approved by shareholders. However, for the 2019/2020 financial year, shareholders will be asked to approve a special resolution increasing existing non-executive directors' fees, and approving fees for new directors appointed to the board on 1 May 2019.

The remuneration committee is satisfied that the remuneration philosophy is fair, transparent and responsible in that there is a remuneration philosophy which is annually reviewed and approved.

Remuneration for executive and non-executive directors is benchmarked by an independent service provider. Challenging KPIs are put in place for executive directors and their performance is reviewed against agreed KPIs.

We wish to thank Mr John RP Doidge for his contribution to the effective functioning of the remuneration committee.

In conclusion, the remuneration committee is satisfied that it fulfilled all its objectives in line with its terms of reference for the year under review. We continue striving to improve our remuneration practices and look forward to receiving your support on the resolutions for both the remuneration policy and the implementation report at the AGM on 24 July 2019.

**Associate Prof Francois M Viruly**  
**Chairman of the remuneration committee**  
**20 June 2019**

# REMUNERATION REVIEW (continued)

## REMUNERATION PHILOSOPHY

### Scope and application

This philosophy sets the guidelines for all permanent employees of the company.

### The remuneration committee

The board of directors delegates formal terms of reference, which represent the scope of responsibility, to the committee. In turn, the committee reports to the board on its activities at the board meeting following a remuneration committee meeting. The remuneration committee chairman attends the AGM to respond to questions from shareholders within its areas of responsibilities. The remuneration committee confirms that it has satisfactorily discharged its functions and complied with its terms of reference.

### Key principles of remuneration

The principles of remuneration underpin each component of the philosophy, and represent the company's remuneration approach, providing guidance for the basis upon which employees are rewarded, namely:

- The remuneration policy should align closely and transparently with the agreed company strategy and be reviewed regularly in light of changes in the business strategy
- The remuneration policy should be considered in light of its affordability to the company, with particular consideration paid to the aggregate impact of employees' remuneration on the finances of the company, its capital and investment needs, and distributions to shareholders
- The remuneration policy should promote risk management and discourage behaviour which is contrary to the company's risk management strategy and which may drive excessively risky behaviour
- The remuneration policy should be transparent and easy to understand and apply
- The remuneration policy should be equitable, striking a balance between internal and external equity
- Guaranteed remuneration should be aligned to the job requirements and competence of each individual employee
- Remuneration should be strongly linked to performance, resulting in sustainable long-term benefits to the company
- Remuneration should be delivered in the form of a balanced pay mix, which comprises the following components:
  - Basic cash
  - Variable remuneration (STI and LTI)

### Fixed remuneration and benefits

Accelerate follows a total guaranteed package (TGP) approach to structure remuneration. The TGP includes the total benefit to the individual and the total cost to the organisation. The TGP approach reflects employees' job worth within the company, and the package is payable for executing the expected day-to-day requirements. We believe that this approach forms the basis for Accelerate's ability to attract and retain the required high-calibre skills.



## Remuneration process

### Annual reviews

The purpose of the annual review process is to review where the employee's remuneration is in relation to the market and make necessary adjustments in line with the remuneration policy.

### Annual adjustments

In order to determine an appropriate annual adjustment, Accelerate considers numerous factors. These factors include consumer price index (CPI), affordability, the financial position of the company, market movements, the employee populations' market position and the necessity to retain top talent.

The adjustments will be conducted in accordance with the following guidelines:

- The cost of living adjustments take into account the current CPI and other factors such as external environment and market pressures
- Market adjustment and/or parity increases, which seek to address internal inequalities within the organisation by awarding an additional amount to employees who are performing and are paid below market
- The desire to reward and retain top talent in an environment of scarce skills

### Benchmarking and position in the market

To ensure that the company remains competitive, all elements of remuneration are subject to regular reviews against relevant market and peer data. Reviews are performed to benchmark remuneration against an appropriate peer group of comparable companies. Benchmarking is undertaken by an external remuneration consultant. The comparator group that was utilised is detailed below:

#### Comparator group

Attacq Properties Ltd	Rebosis Property Fund Ltd
Fairvest Property Holdings Ltd	Redefine Properties Ltd
Fortress Income Fund Ltd	Resilient Reit Ltd
Growthpoint Properties Ltd	SA Corporate Real Estate Fund Ltd
Hyprop Investments Ltd	Texton Property Fund Ltd
Investec Property Fund Ltd	Vukile Property Fund
Octodec Investment Ltd	

### Variable remuneration

Accelerate endeavours to ensure a strong link between strategic objectives and remuneration policies and practices. To this end, Accelerate has two plans to reward performance in the short and long term:

1. The STI plan is designed to create a performance culture and reward employees against predetermined targets.
2. The LTI plan, which is a CSP, is designed to attract, retain and reward participants by annually awarding shares. It provides employees with the opportunity to share in the success of the company, and it incentivises them to deliver on the business strategy over the long term. It also encourages employees to make the right decisions for the long-term sustainability and success of the company. This will align key employees with shareholders and other stakeholders.

## REMUNERATION REVIEW (continued)

### STI

#### *Purpose and principles of the STI*

The Accelerate STI plan is based on the following principles:

- All employees are eligible for an annual STI
- It is limited to a maximum of 1,25 x TGP
- The annual STI is calculated on an additive basis, and will be based on both personal and business scores, determined with reference to the financial performance of the company and the achievement of personal KPIs or such other measures set by the committee from time to time, as follows:

The STI indicators are reviewed annually to ensure relevance.

Indicator	Weighting (%)
Business/financial indicator <sup>1</sup>	75
Achievement of financial metrics, including:	
LTV ratio	10
- Debt expiry profile	10
- Interest rate hedging	10
- Hedging expiry profile	10
- Debt rating	10
Achievement of operational metrics, including:	
- Property cost to income ratio	5
- Vacancies	7,5
- Operating expense ratio	7,5
- Arrears (as percentage of revenue)	5
Personal indicator	25
- Achievement of personal KPIs, including:	
- Key executive responsibilities	10
- Compliance with industry best standards	5
- Development of people/culture/values	10

<sup>1</sup> Subject to adjustments approved by the remuneration committee. Such adjustments would be for instances such as acquisitions, disposals and redevelopments during the performance period.

## LTIs

Regular annual awards of conditional shares are made in terms of the CSP on a consistent basis to ensure long-term shareholder value creation. The CSP makes shares available to executives and selected senior management of Accelerate Property Management Company (Pty) Ltd to align their interests with those of Accelerate's shareholders.

The conditional shares vest on condition of continued employment and appropriate performance conditions. The performance conditions are measured over a three-year period, in line with the company's financial year-end.

The essential features of the CSP are detailed below:

<b>Purpose</b>	The primary intent of the CSP is to provide an opportunity for executives and senior management to receive shares in the company, thereby aligning their interests with those of shareholders and other stakeholders. This is done through awarding conditional shares.
<b>Operation</b>	<p>Conditional shares vest on condition of continued employment (employment condition) and appropriate performance results (performance condition(s)). The performance conditions are measured over a three-year period, in line with the company's financial year-end.</p> <p>Regular annual awards of performance units are made in terms of the CSP on a consistent basis to ensure long-term shareholder value creation.</p>
<b>Participants</b>	Selected senior employees of the company and Accelerate Property Management Company are eligible to participate, at the remuneration committee's discretion.
<b>Performance period</b>	The performance conditions are measured over a three-year period, in line with the company's financial year-end.
<b>Maximum value of award</b>	The maximum annual face value of the LTI is based on market benchmarks obtained from independent experts.
<b>Plan limits</b>	The aggregate number of shares that may be allocated under the CSP is subject to an overall limit of 5% of the issued share capital, and an individual limit of 1,5% of the company's issued share capital.
<b>Performance conditions</b>	<p>The performance conditions are objective and include one or more of the following:</p> <ul style="list-style-type: none"><li>• Growth in dividend per share (internal benchmark, and peer group comparison if possible/appropriate)</li><li>• Outperformance relative to SA All Bond Index (ALBI)</li><li>• Outperformance relative to Listed Property Index (SAPI)</li></ul>

## REMUNERATION REVIEW (continued)

### Non-binding vote

Accelerate's remuneration philosophy and implementation report were put to shareholders for a non-binding vote on 25 July 2018. 90,01% were in favour of the philosophy and 90,82% were in favour of the implementation report. The next vote will be on 24 July 2019 at our AGM.

### IMPLEMENTATION REPORT

#### Non-executive directors' remuneration

Non-executive directors do not hold contracts of employment with the company and play no part in any STI or LTI. Their fees are annually reviewed by Accelerate and submitted to shareholders for approval.

The committee recommends the non-executive directors' fee structure to the board for approval and recommendation to shareholders to approve at the upcoming AGM.

 The resolutions relating to non-executive directors' fees for the 2019 financial year can be found in the notice of AGM.

Non-executive directors' fees for 2018 and 2019 are as follows:

	31 March 2019 (R'000)	31 March 2018 (R'000)
TT Mboweni (1 April to 11 October 2018)	634	975
GC Cruywagen	414	412
TJ Fearnhead	430	424
JRP Doidge	400	388
K Madikizela	360	358
Ass. Prof FM Viruly	360	358

#### Executive directors' remuneration

Fixed remuneration is determined through the annual review process which considers an employee's remuneration rate in relation to market averages. Any adjustments to remuneration pay are made in accordance with the company's remuneration philosophy. The annual review commences every March, and any rate changes will become effective on 1 July.

The executive directors' TGP and STI remuneration for the 2018 and 2019 financial year are as follows:

	31 March 2019 (R'000)	31 March 2018 (R'000)
<b>TGP</b>		
MN Georgiou	Nil	Nil
A Costa	4 325	3 993
D Kyriakides	3 150	2 815
JRJ Paterson	3 387	3 064
<b>STI PAYMENT</b>		
MN Georgiou	Nil	Nil
A Costa	1 850	Nil
D Kyriakides	1 050	Nil
JRJ Paterson	1 350	Nil

Share options outstanding at the end of the period under review, which only vest on the specified dates, if the vesting conditions have been met, are as follows:

Director	Performance shares		Retention shares		Vesting dates		
	Shares (number)	Accrual at 31 March 2019 (R)	Shares (number)	Accrual at 31 March 2019 (R)	Vesting 31 March 2020 year-end	Vesting 31 March 2021 year-end	Vesting 31 March 2022 year-end
M Georgiou	4 135 035	6 228 595			1 422 386	1 617 626	1 095 023
M Georgiou			1 095 023	718 943			1 095 023
A Costa	4 135 035	6 228 595			1 422 386	1 617 626	1 095 023
A Costa			1 095 023	718 943	-	-	1 095 023
D Kyriakides	1 526 693	2 014 826			422 872	524 635	579 186
D Kyriakides			579 186	380 268	-	-	579 186
JRJ Paterson	2 611 739	3 898 712			884 186	1 005 551	722 002
JRJ Paterson			722 002	474 034	-	-	722 002
<b>Total</b>	<b>12 408 502</b>	<b>18 370 728</b>	<b>3 491 234</b>	<b>2 292 188</b>	<b>4 151 830</b>	<b>4 765 438</b>	<b>6 982 468</b>

Share options exercised (number of shares)	Year ended 31 March 2019	Year ended 31 March 2018
MN Georgiou	1 012 514	-
A Costa	2 068 158	2 122 826
D Kyriakides	440 084	719 283
JRJ Paterson	1 313 453	1 410 928

The maximum number of shares that may be allocated under the CSP shall not exceed 49 468 217 (forty-nine million, four hundred and sixty-eight thousand, two hundred and seventeen).

### Employees

Our employees are key to the success of our business. We believe in a high-performance culture and strive to ensure this culture filters down from the management team to each employee. We take care to select people who display a passion for the property industry and enhance the DNA of the company.

The performance of all Accelerate's employees is annually reviewed against KPIs to measure their performance. These reviews are set to ensure our company's strategic objectives are met, and that employees have attained their goals.

Ongoing training and professional development, as well as career path guidance, ensure each employee understands his or her current value to the company and where a potential career path with the company can lead to.

# ANNEXURE 6: MATERIAL CHANGES *Statement*

The directors of Accelerate report that there have been no material changes in the affairs, financial or trading position of Accelerate since 31 March 2019 to 20 June 2019, other than those disclosed in the integrated report, which is available on the website, [www.acceleratepf.co.za](http://www.acceleratepf.co.za), or can be requested from the company secretary.

# ANNEXURE 7: BREAKDOWN OF NON-PUBLIC *Holdings*

Directors of the company	Number of shares	% interest
M Georgiou	292 882 024	29,46
A Costa	27 804 855	2,80
JRJ Paterson	12 424 571	1,25
D Kyriakides	770 000	0,08
<b>Totals</b>	<b>333 881 450</b>	<b>33,58</b>

# ANNEXURE 8: SHARE *Capital*

## ORDINARY SHARE CAPITAL

	2019 R'000	2018 R'000
<b>Authorised</b>		
Ordinary shares of no par value	5 000 000 000	5 000 000 000
<b>Reconciliation of number of shares issued:</b>		
Reported as at 1 April	979 796 940	986 372 706
Shares repurchased	-	(10 828 803)
Issue of shares – ordinary shares at an average of R4,80 (2018: R5,64) per share	4 945 779	2 991 638
Issue of treasury shares to directors	-	1 261 399
<b>Total number of shares in issue at year-end</b>	<b>984 742 719</b>	<b>979 796 940</b>
<b>Issued</b>		
Ordinary share capital of no par value	5 171 465	5 158 861
Treasury shares issued to directors	-	7 356
Treasury shares/held by subsidiaries	(55 794)	(63 150)
	<b>5 115 671</b>	<b>5 103 067</b>

The unissued authorised ordinary shares of no par value in the company are under the control and authority of the directors of the company who are authorised to allot or issue any such shares at their discretion, subject at all times to the provisions of the Companies Act, the company's memorandum of incorporation (MOI) and the Listings Requirements of the JSE, provided that

- Such authority to allot and issue new shares is limited to vendor settlements only
- The number of shares that may be issued (under general authority), in aggregate in any one financial year, is limited to 10% of the total number of shares in issue at the beginning of each financial year, any other issuances require specific authority
- The maximum discount permitted, in respect of vendor settlement, will be 5% of the average trade price of the shares in question, measured over the 30 business days prior to the date of each issue of new shares or the 30 business days prior to the date the directors resolve to issue such new shares

# CORPORATE

# Information

## **Accelerate Property Fund Ltd**

(Incorporated in the Republic of South Africa)

(Registration number 2005/015057/06)

Share code: APF ISIN: ZAE000185815

(Approved as a REIT by the JSE)

## **Registered office and business address**

Cedar Square Shopping Centre, Management

Office, 1st Floor,

Corner Willow Avenue and Cedar Road,

Fourways, Johannesburg, 2055

Tel: 010 001 0790

Web: [www.acceleratepf.co.za](http://www.acceleratepf.co.za)

## **Investor relations**

Articulate Capital Partners

Morne Reinders

Email: [morne@articulatepartners.com](mailto:morne@articulatepartners.com)

Tel: 082 480 4541

## **Company secretary**

Ms Joanne Matisonn

Tel: 010 001 0790

## **Transfer secretaries**

Computershare Investor Services  
(Pty) Ltd

Rosebank Towers, 15 Biermann Avenue,

Rosebank, Johannesburg, 2196

PO Box 61051, Marshalltown, 2107,

South Africa

Tel: 011 370 5000

Email: [proxy@computershare.co.za](mailto:proxy@computershare.co.za)

Fax: 011 688 2238

## **Sponsor**

The Standard Bank of South Africa Ltd  
(Registration number 1962/000738/06)

30 Baker Street, Rosebank, 2196

PO Box 61344, Marshalltown, 2107

Tel: 011 721 6125

## **Auditors**

EY

102 Rivonia Road, Sandton, Johannesburg, 2149

Tel: 011 772 3000

## **Internal auditors**

LateganMashego Audit and Advisory (Pty) Ltd

(Registration number 2001/107847/07)

11 Boca Walk, Highveld, Centurion, 0157

Email: [lindie@lateganmashego.co.za](mailto:lindie@lateganmashego.co.za)

Tel: 082 898 7644/083 609 1159

## **Attorneys**

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## **Contact details**

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Chief financial officer: Dimitri Kyriakides

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[www.acceleratepf.co.za](http://www.acceleratepf.co.za)