

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions commencing on page 4 of this circular have, where appropriate, been used on this cover page.

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

Action required

If you have disposed of all your Arrowhead linked units, then this circular, together with the attached forms of proxy, should be handed to the purchaser of such Arrowhead linked units or to the broker, CSDP, banker or other agent through whom the disposal was effected.

Beneficial unitholders who hold dematerialised Arrowhead linked units through a CSDP or broker who wish to attend the general meeting must request their CSDP or broker to provide them with the necessary letter of representation to attend the general meeting or must instruct their CSDP or broker to vote on their behalf in terms of their respective agreements with their CSDP or broker.

Arrowhead linked unitholders are referred to page 2 of this circular, which sets out the detailed action required of them in respect of the corporate actions set out in this circular.

Arrowhead does not accept responsibility and will not be held liable for any failure on the part of the CSDP or broker of any holder of dematerialised Arrowhead linked units to notify such linked unitholder of the transaction set out in this circular.



Arrowhead Properties Limited

(Incorporated in the Republic of South Africa)

(Registration number 2011/000308/06)

JSE Code: AWA ISIN: ZAE000158101

JSE Code: AWB ISIN: ZAE000158119

CIRCULAR TO ARROWHEAD LINKED UNITHOLDERS

relating to:

- the issue of 9 million Arrowhead “A” linked units and 9 million Arrowhead “B” linked units to the Arrowhead Charitable Trust in terms of a specific issue of shares for cash;
- the granting by Arrowhead of a loan to the Arrowhead Charitable Trust to fund the subscription of such Arrowhead linked units; and
- amendments to the Arrowhead Unit Purchase Trust deed to:
 - increase the total scheme allocation, being the number of Arrowhead units which may be utilised for the purposes of the scheme constituted by the Arrowhead Unit Purchase Trust; and
 - increase the fixed maximum number of scheme units to which any one participant may be entitled under the scheme constituted by the Arrowhead Unit Purchase Trust;

and enclosing:

- the notice of general meeting of Arrowhead shareholders and debenture holders; and
- form of proxy to vote at the general meeting of Arrowhead shareholders (for use by certificated Arrowhead shareholders and dematerialised Arrowhead shareholders who have elected own-name registration only).

Corporate advisor and legal advisor

JAVACAPITAL

Trustee for debenture holders
and sponsor

JAVACAPITAL

Independent reporting accountants
and auditors

PKF

chartered accountants
& business advisers

Date of issue: 26 March 2013

This circular is available in English only. Copies of this circular may be obtained from the offices of Arrowhead being 2nd Floor, 18 Melrose Boulevard, Melrose Arch, Johannesburg during normal office hours from 26 March 2013 to 22 April 2013.

CORPORATE INFORMATION

Registered office

Arrowhead Properties Limited
(Registration number 2011/000308/06)
42 Wierda Road West
Wierda Valley, 2196
(Private Bag X10046, Sandton, 2146)

Date and place of incorporation of the company

Incorporated on 5 January 2011 in the Republic of South Africa

Corporate advisor and legal advisor

Java Capital (Proprietary) Limited
(Registration number 2002/031862/07)
2 Arnold Road, Rosebank, 2196
(PO Box 2087, Parklands, 2121)

Trustee for debenture holders and sponsor

Java Capital Trustees and Sponsors (Proprietary) Limited
(Registration number 2006/005780/07)
2 Arnold Road, Rosebank, 2196
(PO Box 2087, Parklands, 2121)

Independent reporting accountants and auditors

PKF Jhb Inc.
Chartered Accountants (SA)
(Registration number 1994/001166/21)
Registered Auditors
42 Wierda Road West
Wierda Valley, 2196
(Private Bag X10046, Sandton, 2146)

Company secretary

Probitry Business Services (Proprietary) Limited
(Registration number 2000/002046/07)
11 Cradock Avenue
Rosebank
2196
Johannesburg
(PO Box 85392, Emmarentia, 2029)

Transfer secretaries

Computershare Investor Services (Proprietary) Limited
(Registration number 2004/003647/07)
Ground Floor, 70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

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ACTION REQUIRED BY ARROWHEAD LINKED UNITHOLDERS

The definitions commencing on page 4 of this circular apply to this section.

THE GENERAL MEETING

Action required by shareholders

The implementation of the transaction and the proposed amendments to the Arrowhead Unit Purchase Trust deed are subject, to *inter alia* Arrowhead shareholders passing the requisite resolutions at the general meeting of Arrowhead shareholders and debenture holders to be held at 10:00 on Wednesday, 24 April 2013 at the offices of Arrowhead, 2nd Floor, 18 Melrose Boulevard, Melrose Arch, Johannesburg.

A notice convening the general meeting to be held on Wednesday, 24 April 2013 is attached to and forms part of this circular.

Certificated shareholders and dematerialised shareholders who have elected "own-name" registration in the sub-register of Arrowhead maintained by a CSDP, who are unable to attend the general meeting but who wish to be represented thereat, are requested to complete and return the attached form of proxy in accordance with the instructions contained therein. The duly completed forms of proxy must be received by the transfer secretaries by no later than 10:00 on Monday, 22 April 2013.

Dematerialised shareholders who have not elected "own-name" registration in the sub-register of Arrowhead maintained by a CSDP, and who wish to attend the general meeting, must instruct their CSDP or broker timeously in order that such CSDP or broker may issue them with the necessary letter of representation.

Dematerialised shareholders who have not elected "own-name" registration in the sub-register of Arrowhead maintained by a CSDP, and who do not wish to attend the general meeting, must provide their CSDP or broker with their instruction for attendance or voting at the relevant general meeting in the manner stipulated in the agreement between the Arrowhead shareholder concerned and the CSDP governing the relationship between such Arrowhead shareholder and his/her CSDP or broker. These instructions must be provided to the CSDP or broker by the cut-off time and date advised by the CSDP or broker for instructions of this nature.

Arrowhead does not accept responsibility and will not be held liable for any failure on the part of the CSDP of a dematerialised shareholder to notify such shareholder of the general meeting or any business to be conducted thereat.

Action required by debenture holders

The implementation of the transaction and the proposed amendments to the Arrowhead Unit Purchase Trust deed are subject, *inter alia*, to Arrowhead shareholders passing the requisite resolutions at the general meeting of Arrowhead shareholders and debenture holders to be held at 10:00 on Wednesday, 24 April 2013 at the offices of Arrowhead, 2nd Floor, 18 Melrose Boulevard, Melrose Arch, Johannesburg.

A notice convening the general meeting to be held on Wednesday, 24 April 2013 is attached to and forms part of this circular.

Due to Arrowhead's linked unit structure, its shareholders are also its debenture holders and the matters to be voted on at the general meeting are matters which the shareholders and not debenture holders are entitled to vote on. As a result, a proxy has only been included for shareholders.

Debenture holders wishing to appoint a proxy or two or more proxies to attend and participate (but not vote) in the general meeting, may contact the company secretary by email at pbs@probitysecretaries.co.za or by fax on +27 11 327 7149, to obtain such form of proxy.

Arrowhead does not accept responsibility and will not be held liable for any failure on the part of the CSDP of a dematerialised debenture holder to notify such debenture holder of the general meeting or any business to be conducted thereat.

SALIENT DATES AND TIMES

The definitions commencing on page 4 of this circular apply to this section.

2013

Record date for receipt of notice purposes	Friday, 15 March
Circular posted on	Tuesday, 26 March
Last day to trade in order to be eligible to vote at the general meeting	Friday, 12 April
Record date in order to be eligible to vote at the general meeting	Friday, 19 April
Last day to lodge forms of proxy in respect of the general meeting	Monday, 22 April
General meeting at 10:00 on	Wednesday, 24 April
Results of the general meeting published on SENS on	Wednesday, 24 April
Results of the general meeting published in the press on	Thursday, 25 April
Subscription units issued to the Arrowhead Charitable Trust on	Monday, 29 April

Notes:

1. All dates and times in this circular are local times in South Africa.
2. The above dates and times are subject to change. Any changes will be released on SENS and, if required, published in the press.

DEFINITIONS

In this circular and the annexures hereto, unless inconsistent with the context, an expression which denotes a gender includes the other genders, a natural person includes a juristic person and *vice versa*, the singular includes the plural and *vice versa* and the expressions set out in the first column bear the meaning assigned to them in the second column.

“Act” or “Companies Act”	the Companies Act, 71 of 2008, as amended;
“A debenture”	an “A class” unsecured subordinated variable rate debenture in Arrowhead with a face value of 101,76 cents and indivisibly linked to an ordinary share in the ratio of one A debenture to one ordinary share;
“A debenture holder”	a holder of A debentures;
“A linked unitholder” or “Arrowhead A linked unitholder”	the registered holder of A linked units;
“A linked unit” or “Arrowhead A linked unit” or “A unit”	an Arrowhead A linked unit, comprising one ordinary share indivisibly linked to one Arrowhead A debenture;
“Arrowhead” or “the company”	Arrowhead Properties Limited (Registration number 1999/000238/06), a public company incorporated in accordance with the laws of South Africa and listed on the JSE;
“Arrowhead Charitable Trust” or “trust”	the Arrowhead Charitable Trust (Registration Number IT4179/2012), a trust duly incorporated in accordance with the laws of South Africa;
“Arrowhead share” or “share” or “ordinary share”	an ordinary share in the share capital of Arrowhead of no par value, having the rights set out in the memorandum of incorporation;
“Arrowhead unit/s” or “unit/s”	any of the Arrowhead A linked units or Arrowhead B linked units;
“Arrowhead unitholders” or “unitholders”	the registered holders of Arrowhead units;
“Arrowhead Unit Purchase Trust”	the Arrowhead Unit Purchase Trust, constituted in terms of the Arrowhead Unit Purchase Trust deed;
“Arrowhead Unit Purchase Trust deed”	the Arrowhead Unit Purchase Trust deed, dated 1 December 2011 adopted by the company on 1 December 2011;
“the Board”	the board of directors of Arrowhead;
“business day”	any day other than a Saturday, Sunday or official public holiday in South Africa;
“B debenture”	a “B class” unsecured subordinated variable rate debenture in Arrowhead with a face value of 101,76 cents and indivisibly linked to an ordinary share in the ratio of one B debenture for every one ordinary share held;
“B debenture holder”	a holder of B debentures;
“B linked unitholder” or “Arrowhead B linked unitholder”	the registered holder of B linked units;
“B linked unit” or “Arrowhead B linked unit” or “B unit”	an Arrowhead B linked unit, comprising one share indivisibly linked to one Arrowhead B debenture;
“certificated unitholders”	Arrowhead unitholders who hold certificated units;
“certificated units”	Arrowhead units which have not yet been dematerialised into the Strate system, title to which is represented by physical documents of title;
“this circular”	this circular, dated 26 March 2013 and the annexures thereto, which have been prepared in compliance with the Listings Requirements;
“CSDP”	Central Securities Depository Participant;
“dematerialised unitholders”	Arrowhead unitholders who hold dematerialised units;

“dematerialised units”	Arrowhead units which have been incorporated into the Strate system, title to which is no longer represented by physical documents of title;
“exchange control regulations”	the South African Exchange Control Regulations;
“general meeting”	the general meeting of Arrowhead shareholders and debenture holders called for the purpose of adopting with or without modification, the shareholder special and ordinary resolutions set out in the notice of general meeting attached to this circular;
“government”	the government of South Africa;
“independent trustee”	means a trustee who is not (and/or does not represent) a related party to Arrowhead as such term is defined in the Listings Requirements from time to time;
“the JSE”	JSE Limited (Registration number 2005/022939/06), a public company incorporated in accordance with the laws of South Africa and licensed as an exchange under the Securities Services Act, 2004;
“the last practicable date”	Friday, 15 March 2013, being the last practicable date prior to the finalisation of this circular;
“listing”	the listing of the linked units of Arrowhead in the “Real Estate – Real Estate Holdings and Development” sector of the JSE lists;
“Listings Requirements”	the Listings Requirements as amended from time to time by the JSE, whether by way of practice note or otherwise;
“memorandum of incorporation” or “MOI”	the memorandum of incorporation of the company;
“offer”	an offer made under the scheme to an offeree to purchase Arrowhead units from the Arrowhead Unit Purchase Trust;
“own name dematerialised unitholders”	dematerialised unitholders who/which have elected own-name registration;
“participant” or “offeree”	an employee nominated in terms of the provisions of the scheme to receive an offer;
“pre-listing statement”	the Arrowhead pre-listing statement dated 30 September 2011;
“R” or “Rand”	South African Rand;
“Redefine acquisition”	the acquisition of a portfolio of properties by Arrowhead from Redefine Properties Limited as is detailed in the pre-listing statement;
“reporting accountants”	PKF (JHB) Inc. (Registration number 1994/001166/21), a personal liability company incorporated in accordance with the laws of South Africa;
“scheme”	the scheme set out in the Arrowhead Unit Purchase Trust deed, as may be amended from time to time in terms of clause 27 of the Arrowhead Unit Purchase Trust deed;
“scheme units”	any: <ul style="list-style-type: none"> – “A” linked unit acquired by the trustees in terms of the scheme which “A” linked unit shall rank <i>pari passu</i> with all existing “A” linked units of the company; and/or – “B” linked unit acquired by the trustees in terms of the scheme which “B” linked unit shall rank <i>pari passu</i> with all existing “B” linked units of the company; for the purpose of offering such linked units to offerees in terms of the scheme;
“SENS”	the Stock Exchange News Service, the news service operated by the JSE;
“South Africa”	the Republic of South Africa;
“specific issue”	the specific issue to the Arrowhead Charitable Trust of the subscription units at the subscription price;

“sponsor” or “Java Capital”	Java Capital Trustees and Sponsors (Proprietary) Limited (Registration number 2006/005780/07), a private company incorporated in accordance with the laws of South Africa;
“Strate”	Strate Limited (Registration number 1998/022242/06), a limited liability public company duly incorporated in accordance with the laws of South Africa, which is a registered central securities depository and which is responsible for the electronic settlement system used by the JSE;
the “subscription and loan agreement”	the subscription and loan agreement entered into between Arrowhead and the trust dated 20 December 2012 in terms of which, <i>inter alia</i> , subject to certain conditions precedent, Arrowhead undertakes to allot and issue the subscription units to the trust for the subscription price;
“subscription price”	R7.57 per A linked unit and R7.32 per B linked unit being the respective prices per A and B linked unit, equivalent to the volume weighted average price at which Arrowhead A and B linked units traded for the 30 trading days immediately preceding the last practicable date;
“subscription units”	9 million A linked units and 9 million B linked units to be issued to the Arrowhead Charitable Trust;
“transaction” or “Arrowhead Charitable Trust transaction”	<p>the specific issue, subject to the fulfilment of the following conditions precedent:</p> <ul style="list-style-type: none"> • the proposed approval of a specific authority from shareholders to directors to issue the subscription units for cash including the placement of 9 million A linked units and 9 million B linked units of the authorised but unissued share capital of Arrowhead under the control of the Board for that purpose; and • the proposed approval of financial assistance, as that term is understood in the Companies Act, to the trust in order to enable Arrowhead to provide the trust loan to the trust for the purpose of paying the subscription price and thus enabling the trust to subscribe for the subscription units;
“transfer secretaries” or “Computershare”	Computershare Investor Services (Proprietary) Limited (Registration number 2004/003647/07), a private company duly incorporated in accordance with the laws of South Africa;
“trust loan”	the loan to be provided by Arrowhead to the Arrowhead Charitable Trust pursuant to the terms and conditions of the subscription and loan agreement to fund the subscription price as more fully described in paragraph 2 of this circular;
“trustees”	the trustees holding office as such in terms of the Arrowhead Unit Purchase Trust deed; and
“voting record date”	the date on, and the time at which a shareholder must be recorded in the share register of the company in order to vote at the general meeting, being the close of business on the Friday of the week immediately preceding the date of the general meeting, or such other date or time as the JSE may direct.



Arrowhead Properties Limited

(Incorporated in the Republic of South Africa)

(Registration number 2011/000308/06)

JSE Code: AWA ISIN: ZAE000158101

JSE Code: AWB ISIN: ZAE000158119

Directors

Taffy Adler* (*Chairman*)

Gerald Leissner (*Chief Executive Officer*)

Imraan Suleman (*Financial Director*)

Mark Kaplan (*Chief Operating Officer*)

Elize Stroebel*

Matthew Nell*

Selwyn Noik*

* Independent non-executive

CIRCULAR TO ARROWHEAD LINKED UNITHOLDERS

PART I: THE ARROWHEAD CHARITABLE TRUST

1. INTRODUCTION

As part of its commitment to the sustainable and long-term economic and social development of underprivileged communities in cities, towns and areas in which Arrowhead is invested, Arrowhead intends issuing the subscription units to the Arrowhead Charitable Trust.

Arrowhead is a property loan stock company holding a diverse portfolio of properties in secondary locations throughout South Africa. Its main focus is on paying growing income returns to its investors. This will be achieved through escalating rentals in terms of leases with tenants, satisfactory renewal of leases with existing tenants, renting of vacant space within the portfolio, managing and reducing, where possible, costs associated with the portfolio and by acquiring revenue enhancing properties. The object of the Arrowhead Charitable Trust is to make charitable donations and distributions to its beneficiaries being:

- underprivileged communities or individuals in cities, towns and areas where Arrowhead is invested;
- projects designed to benefit the aforesaid communities or individuals; and/or
- charitable organisations benefitting the aforesaid communities or individuals.

The company is managed internally by the executive management team, further details of which are set out in **Annexure 3** hereto.

2. THE ARROWHEAD CHARITABLE TRUST

Subject to fulfilment of the conditions precedent set out below, Arrowhead will issue the subscription units to the Arrowhead Charitable Trust at the subscription price being the respective volume weighted average price at which Arrowhead A linked units and Arrowhead B linked units traded for the 30 trading days preceding the last practicable date. The issue of the subscription units will increase Arrowhead's units in issue by 4.56% but these units will be accounted for as treasury units until such time as they are sold by the trust or the trust loan repaid, whichever is the earliest.

The total subscription price payable for the subscription units will be financed by the trust loan. The granting of the trust loan is subject to shareholder approval being granted. The trust loan, which will be secured by a pledge and *cession in securitatem debiti* of the subscription units (although Arrowhead's right to repurchase the subscription units in terms of the pledge and *cession in securitatem debiti* will be subject to any necessary unitholder approval at that time), will be repayable out of the proceeds of the sale by the Arrowhead Charitable Trust of the subscription units. The interest on the trust loan will be equivalent to the interest distributions received on the subscription units. The trust loan shall be repayable in full on the earlier of:

- the fifth anniversary of the subscription date; and
- the date on which the trust and Arrowhead agree in writing that the trust loan will be repaid.

The specific issue remains subject to the following conditions precedent, namely:

- Arrowhead shareholders passing all resolutions required to approve the specific issue of the subscription units to the trust for the subscription price payable in cash including the placement of 9 million A linked units and 9 million B linked units of the authorised but unissued share capital of Arrowhead under the control of the Board for that purpose;
- Arrowhead shareholders passing all resolutions required to authorise the Board of directors of Arrowhead to grant financial assistance to the trust as is envisaged in section 44 of the Companies Act,

by 31 May 2013, or such later date as is agreed to in writing between Arrowhead and the trust before such date.

The Arrowhead Charitable Trust will only be entitled to dispose of the subscription units, with the consent of Arrowhead or pursuant to a scheme of arrangement or offer in terms of sections 114 or 121 to 127 of the Act.

The Arrowhead Charitable Trust will generate its capital from the profit on the sale of the subscription units. Once the trust loan has been repaid, the income generated from the trust capital will be used to make donations and distributions to its beneficiaries being:

- underprivileged communities or individuals in cities, towns and areas where Arrowhead is invested;
- projects designed to benefit the aforesaid communities or individuals; and/or
- charitable organisations benefitting the aforesaid communities or individuals.

Based on an assumed 20% increase in the price at which Arrowhead linked units trade over the period of the trust loan, which assumption is merely illustrative and does not constitute any form of a projection or forecast or estimate, the Arrowhead Charitable Trust will generate approximately R21,6 million in trust capital from which it could generate in the region of R2,05 million a year in income available for charitable distributions.

As part of agreeing fair and reasonable terms, under which financial assistance has been granted to the trust by Arrowhead under the trust loan, it has been agreed between the trust and Arrowhead that for so long as the trust loan is still outstanding the subscription units held by the Arrowhead Charitable Trust will not be taken into account for Listings Requirements resolution approval purposes or for the purposes of determining categorizations as they will be treated as securities held by a share trust or scheme as provided in Schedule 14 of the Listings Requirements. Once the trust loan has been repaid this limitation will no longer apply to the subscription units.

While Arrowhead will have the right to appoint a trustee the trust will operate independently of Arrowhead and will have a majority of independent trustees. The key features of the Arrowhead Charitable Trust are detailed in **Annexure 4**.

3. **PRO FORMA FINANCIAL EFFECTS AND ACCOUNTING TREATMENT**

- 3.1 Given that the interest received by Arrowhead on the trust loan will be equivalent to the distributions payable on the subscription units, the issue of the subscription units will have no effect on distributions per unit until such time as the subscription units are sold by the Arrowhead Charitable Trust.
- 3.2 There is no charge to the company in accordance with IFRS 2 on the date of issue of the subscription units because at such date the beneficiaries of the Arrowhead Charitable Trust have not been identified when read in conjunction with the definition of "beneficiary" as detailed in IFRS 2.
- 3.3 To the extent that the subscription units are 'in the money' the company will have to recognise the dilutionary effect thereof in accordance with IAS 33. On the date of issue of the subscription units to the Arrowhead Charitable Trust, the subscription units will not be 'in the money' as the market price would equate to the subscription price.
- 3.4 Until such time as the trust loan is repaid, Arrowhead will consolidate the Arrowhead Charitable Trust. As a result of this consolidation neither the subscription units nor the trust loan will be reflected in Arrowhead's consolidated financial statements and accordingly the transaction will have no effect on the *pro forma* historical earnings, headline earnings or asset value per unit. Therefore no *pro forma* financial information has been provided.

- 3.5 On the repayment of the trust loan Arrowhead will cease to consolidate the Arrowhead Charitable Trust. At that point, Arrowhead's group financial statements will reflect:
- 3.5.1 the issue of the subscription units at their then market value by crediting share and debenture capital and premium by the appropriate amount;
 - 3.5.2 the repayment of the trust loan by debiting cash; and
 - 3.5.3 the difference between the trust loan and the then market value of the subscription units (i.e. the profit earned by the Arrowhead Charitable Trust) as a debit to donations (this charge to the group income statement will not affect interest distributions made by Arrowhead).

4. APPROVAL FOR THE TRUST LOAN

As the trust loan constitutes financial assistance by Arrowhead in relation to the subscription by the Arrowhead Charitable Trust for the subscription units, the granting of the loan has to be sanctioned by a special resolution of Arrowhead shareholders in terms of section 44 of the Companies Act.

As required in terms of section 44(3)(b) of the Act the Board confirms that it is satisfied that:

- 4.1 immediately after granting the trust loan the company would satisfy the solvency and liquidity test; and
- 4.2 the terms under which the trust loan is proposed to be granted are fair and reasonable to the company.

PART II: THE ARROWHEAD UNIT PURCHASE TRUST

5. AMENDMENTS TO THE ARROWHEAD UNIT PURCHASE TRUST DEED

- 5.1 The remuneration and nominations committee of the Board has resolved that in lieu of cash bonus payments being made to executives, such bonus payments are more appropriately made in the form of issuing linked units to the executives under the Arrowhead Unit Purchase Trust. This would align the interests of executives and shareholders.
- 5.2 In terms of the scheme:
- 5.2.1 the trustees may offer units to offerees which when added to the number of scheme units then issued does not exceed:
- 5.2.1.1 15 million "A" linked units in number in the company; and
- 5.2.1.2 15 million "B" linked units in number in the company;
- 5.2.2 the maximum number of scheme units in respect of which any one offeree shall be entitled shall be:
- 5.2.2.1 2 000 000 "A" linked units in number in the company;
- 5.2.2.2 2 000 000 "B" linked units in number in the company.
- 5.3 Currently there are:
- 5.3.1 3 968 254 "A" linked units; and
- 5.3.2 3 968 254 "B" linked units
- allotted and issued comprising scheme units under the scheme.
- 5.4 Currently:
- 5.4.1 Gerald Leissner as a participant holds:
- 5.4.1.1 992 063 "A" linked units; and
- 5.4.1.2 992 063 "B" linked units,
- as scheme units under the scheme;
- 5.4.2 Mark Kaplan as a participant holds:
- 5.4.2.1 1 587 302 "A" linked units; and
- 5.4.2.2 1 587 302 "B" linked units,
- as scheme units under the scheme; and
- 5.4.3 Imraan Suleman as a participant holds:
- 5.4.3.1 1 388 889 "A" linked units; and
- 5.4.3.2 1 388 889 "B" linked units,
- as scheme units under the scheme.
- 5.5 Accordingly, in line with the remuneration and nomination committee's resolution, the Board thus proposes increasing:
- 5.5.1 the total scheme allocation, being the number of Arrowhead units which may be utilised for the purposes of the scheme constituted by the Arrowhead Unit Purchase Trust; and
- 5.5.2 the fixed maximum number of scheme units to which any one participant may be entitled under the scheme.
- 5.6 The Board accordingly proposes that the Arrowhead Unit Purchase Trust deed be amended as follows:
- 5.6.1 by deleting the existing clause 1.2.38 of the Arrowhead Unit Purchase Trust deed in its entirety and substituting the new clause 1.2.38 therefor as follows:

“1.2.38. *“scheme allocation” means*

1.2.38.1 *the lesser of:*

1.2.38.1.1 *5% of the total issued “A” linked unit capital of the company from time to time;*
and

1.2.38.1.2 *25 million “A” linked units in number in the company; and*

1.2.38.2 *the lesser of:*

1.2.38.2.1 *5% of the total issued “B” linked unit capital of the company from time to time;*
and

1.2.38.2.2 *25 million “B” linked units in number in the company.”*

5.6.2 by deleting the existing clause 16.1 of the Arrowhead Unit Purchase Trust deed in its entirety and substituting the new clause 116.1 therefor as follows:

“16.1 The maximum aggregate number of scheme units in respect whereof any one offeree shall be entitled to accept offers pursuant to this trust shall be:

16.1.1 *6 500 000 “A” linked units in number in the company; and*

16.1.2 *6 500 000 “B” linked units in number in the company.”*

5.7 In accordance with the Listings Requirements, the proposed amendments to the Arrowhead Unit Purchase Trust deed must be approved by Arrowhead shareholders passing an ordinary resolution (requiring a 75% majority of the votes cast in favour of such resolution, excluding all votes attaching to all Arrowhead units owned or controlled by persons who are participants in the Arrowhead Unit Purchase Trust).

PART III: GENERAL

6. GENERAL MEETING

A combined general meeting of Arrowhead shareholders and Arrowhead debenture holders will be held at 10:00 on Wednesday, 24 April 2013 at the offices of the company (2nd Floor, 18 Melrose Boulevard, Melrose Arch, Johannesburg) for Arrowhead shareholders to consider and, if deemed fit, pass, the proposed resolutions necessary to implement the transaction and amend the Arrowhead Unit Purchase Trust deed.

7. UNITS

Details of Arrowhead's unit capital is set out in **Annexure 1** hereto. The unit price history of Arrowhead's A and B linked units are set out in **Annexure 2** hereto.

8. DIRECTORS AND MANAGERS

Annexure 3 hereto contains the following information:

- 8.1 details of directors and executive management including their qualifications and experience;
- 8.2 directors' interests in transactions and linked units;
- 8.3 directors' emoluments; and
- 8.4 linked units granted to directors.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The directors, whose names are given in **Annexure 3** hereto, collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief, there are no other 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 this circular contains all information required by law and the Listings Requirements.

10. OPINION OF THE BOARD

The Board has considered the transaction, believes it to be fair and unanimously recommends that shareholders vote in favour of the resolutions set out in the notice of general meeting necessary to, *inter alia*, effect the implementation of the transaction.

11. LITIGATION

There are no legal or arbitration proceedings which may have, or have during the twelve months preceding the date of this circular, had a material effect on the financial position of the company. The company is not aware of any proceedings that would have a material effect on the financial position of the company or which are pending or threatened against the company.

12. CONSENTS

Each of the corporate advisor, legal advisor, sponsor, trustee for debenture holders, the transfer secretaries and the reporting accountants have consented in writing to act in the capacities stated and to their names appearing in this circular and have not withdrawn their consent prior to the publication of this circular.

13. CORPORATE GOVERNANCE

Arrowhead's corporate governance report is set out in **Annexure 5** hereto.

14. EXPENSES

The estimated total amount of expenses (excluding VAT) relating to the transaction which have been incurred by the company or that are expected to be incurred are set out below:

	Rand
Corporate advisor fees payable to Java Capital	15 000
Independent reporting accountants' fees payable to PKF	15 000
JSE – Documentation fee	69 393
– Listing fee	70 858
Announcements	50 000
Printing costs payable to Ince	250 000
Contingency	50 000
Total	520 251

15. DOCUMENTS AVAILABLE FOR INSPECTION

The documents listed below will be available for inspection at the offices of the company, 2nd Floor, 18 Melrose Boulevard, Melrose Arch, during normal office hours on business days from the date this circular is posted to Arrowhead unitholders to the date of the general meeting:

- 15.1 the memorandum of incorporation of the company;
- 15.2 the debenture trust deed in respect of the Arrowhead debentures;
- 15.3 the trust deed in respect of the Arrowhead Unit Purchase Trust;
- 15.4 the trust deed in respect of the Arrowhead Charitable Trust;
- 15.5 the loan agreement governing the trust loan;
- 15.6 the directors' service contracts;
- 15.7 the consent letters referred to in paragraph 12 above; and
- 15.8 the audited financial statements of Arrowhead for the periods ended 30 September 2011 and 2012.

Signed at Johannesburg by Mark Kaplan on his behalf and on behalf of all of the directors of the company on 18 March 2013 in terms of powers of attorney granted by them dated 18 March 2013.

Mark Kaplan

ARROWHEAD'S UNITS

1. The authorised and issued linked unit capital of Arrowhead as at the last practicable date is as follows:

	R'000
Stated capital	
<i>Authorised</i>	
2 000 000 000 shares of no par value	–
<i>Issued</i>	
394 267 958 shares of no par value	–
Debenture capital	
<i>Issued</i>	
197 133 979 A debentures of R1.0176 each	200 604
197 133 979 B debentures of R1.0176 each	200 604
	401 207

1.1 No linked units are currently held in treasury.

1.2 The linked units of the company are not listed on any other stock exchange.

2. The authorised and issued linked unit capital of Arrowhead after the implementation of the transaction is as follows:

	R'000
Stated capital	
<i>Authorised</i>	
2 000 000 000 shares of no par value	–
<i>Issued</i>	
412 267 958 shares of no par value	–
Debenture capital	
<i>Issued</i>	
206 133 979 A debentures of R1.0176 each	209 762
206 133 979 B debentures of R1.0176 each	209 762
	419 534

9 million A linked units and 9 million B linked units will be held in treasury pursuant to the implementation of the transaction.

3. **Rights attaching to units, shares and debentures**

3.1 All the authorised and issued shares are of the same class and rank *pari passu* in every respect and accordingly, no shares have any special right to dividends, capital or profits or any other right, including redemption rights and rights on liquidation or distribution of capital assets.

3.2 Any variation in rights attaching to shares will require the consent of shareholders in a general meeting in accordance with the company's Memorandum of Incorporation.

3.3 Only such members that are registered in the company's register on the day when a distribution is declared or on such other day as may be determined by the Board as the record date for the distribution, will be entitled to receive the distribution so declared.

TRADING HISTORY OF ARROWHEAD'S UNITS ON THE JSE

UNIT PRICE HISTORY OF ARROWHEAD A LINKED UNITS

Period	High (cents)	Low (cents)	Close (cents)	Volume	Value (R)
Monthly					
Date of listing to 31 December 2011	610	555	568	11 990 741	67 898 138
2012					
January	615	557	610	17 879 910	103 272 589
February	630	605	625	11 723 280	72 057 768
March	665	620	655	4 268 268	27 081 931
April	659	622	630	1 917 976	12 208 810
May	660	599	604	6 104 911	37 997 245
June	623	595	614	6 744 288	41 202 032
July	680	610	670	9 787 036	62 468 336
August	690	635	660	5 913 646	39 330 923
September	665	636	650	3 315 943	21 666 503
October	674	640	657	2 073 590	13 518 749
November	658	630	655	16 532 002	106 785 937
December	670	650	660	10 905 002	71 530 393
2013					
January	736	654	720	15 102 134	105 215 035
Daily					
01/02/2013	725	715	725	783 657	5 639 301
04/02/2013	730	720	730	143 826	1 049 673
05/02/2013	730	716	721	100 296	726 877
06/02/2013	723	720	721	46 489	335 177
07/02/2013	730	720	721	34 413	249 301
08/02/2013	732	720	732	434 313	3 163 595
11/02/2013	736	728	735	282 453	2 075 593
12/02/2013	737	733	735	488 566	3 591 802
13/02/2013	736	733	735	37 325	274 103
14/02/2013	740	734	738	202 195	1 487 180
15/02/2013	740	735	736	299 630	2 205 452
18/02/2013	745	736	745	397 607	2 942 527
19/02/2013	748	738	739	325 681	2 418 724
20/02/2013	750	738	750	124 917	931 012
21/02/2013	749	739	739	76 411	566 746
22/02/2013	745	735	742	66 629	493 745
25/02/2013	755	745	755	37 832	284 758
26/02/2013	770	749	770	97 918	742 558
27/02/2013	774	760	768	159 629	1 224 704
28/02/2013	784	760	770	162 685	1 249 242
01/03/2013	779	764	769	414 646	3 204 673
04/03/2013	762	749	760	318 276	2 409 450
05/03/2013	777	750	761	32 617	249 231
06/03/2013	765	745	750	446 798	3 357 480
07/03/2013	770	750	760	103 909	795 973
08/03/2013	785	770	780	509 478	3 947 358
11/03/2013	780	773	780	175 208	1 359 490
12/03/2013	785	775	780	229 489	1 787 368
13/03/2013	781	765	770	873 877	6 751 706
14/03/2013	770	760	765	449 915	3 456 595
15/03/2013	776	765	776	1 217 854	9 393 026

UNIT PRINCE HISTORY OF ARROWHEAD B LINKED UNITS ON THE JSE

Period	High (cents)	Low (cents)	Close (cents)	Volume	Value (R)
Monthly					
Date of listing to 31 December 2011	465	405	406	11 290 891	48 291 641
2012					
January	420	400	417	15 306 101	62 696 195
February	475	416	473	7 019 551	31 549 599
March	550	461	545	2 354 362	11 670 682
April	544	510	520	3 941 476	20 504 009
May	530	485	490	5 095 133	25 983 304
June	520	488	512	5 817 877	29 238 326
July	580	505	565	4 188 710	22 726 429
August	603	560	575	3 734 881	21 449 783
September	600	561	585	4 328 745	24 976 432
October	590	570	575	2 869 024	16 597 959
November	649	540	642	8 652 424	51 377 797
December	660	625	650	3 427 201	22 100 101
2013					
January	721	635	716	4 830 033	33 099 668
Daily					
01/02/2013	725	710	720	787 719	5 676 877
04/02/2013	722	716	720	869 208	6 264 702
05/02/2013	720	710	720	76 121	544 215
06/02/2013	720	715	720	1 079 233	7 770 222
07/02/2013	724	711	720	37 929	274 167
08/02/2013	730	712	720	569 103	4 087 865
11/02/2013	730	715	720	160 206	1 152 303
12/02/2013	730	720	722	141 171	1 021 145
13/02/2013	722	717	722	831 857	6 005 376
14/02/2013	722	721	722	184 138	1 329 324
15/02/2013	734	718	724	62 820	455 926
18/02/2013	732	722	722	103 539	754 420
19/02/2013	740	726	726	107 048	781 484
20/02/2013	730	725	726	335 210	2 446 315
21/02/2013	727	719	724	30 738	222 746
22/02/2013	727	722	725	210 123	1 523 552
25/02/2013	730	722	725	139 691	1 015 829
26/02/2013	735	724	730	363 219	2 652 601
27/02/2013	743	730	740	311 822	2 306 157
28/02/2013	748	741	745	219 761	1 637 915
01/03/2013	755	745	752	342 787	2 572 814
04/03/2013	745	740	745	67 062	497 987
05/03/2013	750	740	743	27 879	208 063
06/03/2013	744	735	740	285 176	2 110 498
07/03/2013	760	745	756	158 480	1 197 117
08/03/2013	760	756	759	98 203	744 291
11/03/2013	760	750	755	86 672	654 636
12/03/2013	755	749	755	282 812	2 130 260
13/03/2013	755	743	744	427 216	3 209 365
14/03/2013	750	741	744	129 993	967 167
15/03/2013	769	746	768	329 400	2 500 202

DETAILS OF DIRECTORS AND MANAGEMENT

1. DETAILS OF THE DIRECTORS AND FOUNDERS OF ARROWHEAD

- 1.1 The full names, ages, nationalities, business addresses, qualifications and functions of the directors are set out below:

Names and age Business address Qualification Function	Taffy Adler (62) 2nd Floor, 18 Melrose Boulevard, Melrose Arch BA, BPhil in African Studies, MSC in Building Science Independent Non-Executive Chairperson
Names and age Business address Qualification Function	Gerald Leissner (70)* 2nd Floor, 18 Melrose Boulevard, Melrose Arch CA(SA) Chief Executive Officer
Names and age Business address Qualification Function	Imraan Suleman (40) 2nd Floor, 18 Melrose Boulevard, Melrose Arch CA(SA) BComm (Hons) Acc Chief Financial Officer
Names and age Business address Qualification Function	Mark Kaplan (32) 2nd Floor, 18 Melrose Boulevard, Melrose Arch BBusSc, Finance (Hons) Chief Operating Officer
Names and age Business address Qualification Function	Elize Stroebel (43) 53 Main Street, Marshalltown, Johannesburg BProc, Masters in Business Management Independent Non-Executive Director
Names and age Business address Qualification Function	Matthew Nell (62) 3rd Floor, 132 Jan Smuts Avenue, Rosebank BSc (Building Science), MSC (Town and Regional Planning) Independent Non-Executive Director
Names and age Business address Qualification Function	Selwyn Noik (65) 2nd Floor, 18 Melrose Boulevard, Melrose Arch CA(SA) Independent Non-Executive Director

* Gerald Leissner is the also the founder of the company.

All directors are South African nationals.

1.2 Experience and expertise of the directors of Arrowhead

1.2.1 Taffy Adler

Taffy is Chief Executive Officer of the Housing Development Agency. He was previously Chief Executive Officer of the Johannesburg Housing Company.

1.2.2 Gerald Leissner

Gerald is a Chartered Accountant. He was Chief Executive Officer of ApexHi Properties Ltd. He has 48 years' experience in real estate.

1.2.3 Imraan Suleman

Imraan is a Chartered Accountant. He joined Java Capital in 2005 having previously worked for one of the big four audit firms in South Africa and the UK. Imraan has advised clients on a wide range of transactions including listings, mergers and acquisitions, capital raisings, and empowerment transactions.

1.2.4 Mark Kaplan

Mark was previously managing director of Aengus Property Holdings which controlled a portfolio of assets with a value in excess of R300 million. Mark had been involved in various entrepreneurial ventures before joining Aengus in 2007.

1.2.5 Elize Stroebel

Elize, a lawyer, is Chief Executive Officer of the Johannesburg Housing Company. She has served as the country director for International Housing Solutions. Prior to this Elize was one of the founding trustees and CEO of the Gauteng Partnership Fund.

1.2.6 Matthew Nell

Matthew has over 30 years' experience with urban and housing development. Matthew runs a development consultancy, Shisaka Development Management Services.

1.2.7 Selwyn Noik

Selwyn was an executive director of Reichmans Limited and after its acquisition by Investec Limited, he assumed the position of Group Secretary of Investec, a position he held for thirteen years until his retirement in 2007. Thereafter he filled a company secretarial and compliance role with Investec Property Limited until the end of 2011.

2. DIRECTORS' INTERESTS IN SECURITIES

2.1 The direct and indirect beneficial interests of the directors and their associates in the company's linked units as at the last practicable date could be determined as follows:

Director (Associate)	No of units directly held	No of units indirectly held	Total	Percentage
G Leissner				
– A linked units	1 722 063	47 104	1 769 167	0.90%
– B linked units	1 722 063	1 104	1 723 167	0.87%
M Kaplan				
– A linked units	1 893 302	–	1 893 303	0.96%
– B linked units	2 538 006	–	2 538 006	1.29%
I Suleman				
– A linked units	1 660 953	–	1 660 953	0.84%
– B linked units	1 660 953	–	1 660 953	0.84%
S Noik				
– A linked units	–	1 000	1 000	–
– B linked units	70 000	1 000	71 000	0.04%
M Nel				
– A linked units	46 000	–	46 000	0.02%
– B linked units	91 000	–	91 000	0.05%
A linked units	5 322 318	48 104	5 370 423	2.72%
B linked units	6 082 022	2 104	6 084 126	3.08%
Total	11 404 340	50 208	11 454 549	2.90%

2.2 Shortly after Arrowhead's listing each of:

- Gerald Leissner subscribed for and was allotted and issued 365 000 A linked units and 365 000 B linked units for an aggregate subscription price of R3 425 379;
- Mark Kaplan subscribed for and was allotted and issued 365 000 A linked units and 365 000 B linked units for an aggregate subscription price of R3 425 379; and
- Imraan Suleman subscribed for and was allotted and issued 136 032 A linked units and 136 032 B linked units for an aggregate subscription price of R1 276 606.

- 2.3 In addition, shortly after Arrowhead's listing, Arrowhead lent and advanced to each of:
- Gerald Leissner, an amount of R3 425 379, which loan amount was utilised by the executive to subscribe for 365 000 A linked units and 365 000 B linked units and for no other purpose whatsoever;
 - Mark Kaplan, an amount of R3 425 379, which loan amount was utilised by the executive to subscribe for 365 000 A linked units and 365 000 B linked units and for no other purpose whatsoever; and
 - Imraan Suleman, an amount of R1 276 606, which loan amount was utilised by the executive to subscribe for 136 032 A linked units and 136 032 B linked units and for no other purpose whatsoever.
- 2.4 Pursuant to the terms of the Arrowhead Unit Purchase Trust, Arrowhead lent and advanced to each of:
- Gerald Leissner, an amount of R12 500 000, which loan amount was utilised by the executive to subscribe for 992 063 A linked units and 992 063 B linked units and for no other purpose whatsoever;
 - Mark Kaplan, an amount of R20 000 000, which loan amount was utilised by the executive to subscribe for 1 587 302 A linked units and 1 587 302 B linked units and for no other purpose whatsoever; and
 - Imraan Suleman, an amount of R17 500 000, which loan amount was utilised by the executive to subscribe for 1 388 889 A linked units and 1 388 889 B linked units and for no other purpose whatsoever.

Save as set out above, none of the directors directly or indirectly, have any interest in Arrowhead linked units as at the last practical date.

3. DIRECTORS' INTERESTS IN TRANSACTIONS AND PROPERTY ACQUIRED OR TO BE ACQUIRED

3.1 Save for:

- an amount paid to Mark Kaplan of R450 000 for his consulting and advisory services in the procuring of the Redefine acquisition and the listing;
 - the linked units referred to in paragraph 2 of this **Annexure 3** allotted and issued for cash to each of Gerald Leissner, Mark Kaplan and Imraan Suleman;
 - the linked units referred to in paragraph 2 of this **Annexure 3** allotted and issued for cash (and in respect of which the company advanced certain loan amounts for that subscription to the executives) to each of Gerald Leissner, Mark Kaplan and Imraan Suleman;
 - a sign-on bonus of R5 708 965 paid to Gerald Leissner, the chief executive officer of Arrowhead;
 - a sign-on bonus of R5 708 965 paid to Mark Kaplan, the chief operating officer of Arrowhead; and
 - a sign-on bonus of R2 127 677 paid to Imraan Suleman, the chief financial officer of Arrowhead,
- no director or promoter of the company has had any material beneficial interest, direct or indirect, in Arrowhead or in the Redefine acquisition and no amount has been paid in the three years preceding the last practical date, or is proposed to be paid to any promoter.

Save as set out above, no directors of the company, including a director who resigned within the last 18 months, has or had any interest, direct or indirect, in transactions entered into by the company during the current or immediate preceding financial year or during any earlier financial year and which remain in any respect outstanding or unperformed.

4. DIRECTORS' EMOLUMENTS

The emoluments of the directors for the year ending 30 September 2012 to be paid by Arrowhead are set out in the table below:

Director	Annual Salaries R'	Director's fees R'	Sign-on bonuses R'	Bonuses and other performance payments R'	Total R'
Executive directors					
Gerald Leissner*	2 500 000	–	5 708 965	1 250 00	9 458 965
Imraan Suleman*	1 750 000	–	2 217 677	–	3 967 677
Mark Kaplan*	2 000 000	–	5 708 965	–	7 708 965
Non-executive directors					
Taffy Adler		–	–	–	–
Elize Stroebel		185 000	–	–	185 000
Matthew Nell		190 000	–	–	190 000
Selwyn Noik		12 916	–	–	77 084
Leonard Brehm		77 084			12 916
Total	6 250 000	465 000	13 635 609	1 250 000	21 600 607

* The executive directors' bonuses will be determined by the remuneration and nominations committee, constituted by the Board of directors from time to time.

Save as set out in paragraphs 2 and 3 above, no expense allowances, pension scheme contributions, other material benefits, commission, gain or profit sharing arrangements or bonuses and other performance payments were paid to the directors.

Save as set out in paragraphs 2 and 3 above, no amount has been paid to any director of the company in cash or securities or otherwise to induce him to become or to qualify him as a director.

No amount has been paid or is payable to any third party *in lieu* of directors' fees.

There will be no variation in the remuneration receivable by any of the directors in consequence of the transaction.

5. LINKED UNIT OPTIONS TO DIRECTORS

No linked unit options have been issued to any directors in terms of any linked unit option scheme.

SALIENT FEATURES OF THE ARROWHEAD CHARITABLE TRUST DEED

Salient features of the trust deed of the Arrowhead Charitable Trust are set out below. A complete copy of the trust deed is available for inspection as detailed in paragraph 15 of the circular.

2. “Introduction and the trust objective

- 2.1 Arrowhead has founded the trust as part of its commitment to the sustainable and long-term economic and social development of underprivileged communities in cities, towns and areas in which Arrowhead is invested.
- 2.2 In terms of the subscription and loan agreement, the trust will subscribe for the Arrowhead units and will receive a loan from Arrowhead (the “Arrowhead loan”) enabling it to do so. The interest rate on the Arrowhead loan will be a variable rate equivalent to the distributions received on the Arrowhead units.
- 2.3 It is the intention that the trust (with consent from Arrowhead) will dispose of the Arrowhead units within a 5 year period in order to repay the Arrowhead loan. The profit generated on the sale of all the Arrowhead units will constitute the trust capital which will be invested by the trust.
- 2.4 The net income earned as a result of the investment of the trust capital will be used to, at the discretion of the trustees, provide grants and make donations designed to have a significant positive impact on underprivileged communities and individuals in areas in which Arrowhead is invested. It being recorded that donations and grants in respect of large sustainable projects or programmes will be favoured over small donations that would have a less meaningful impact.”

5. “Elections of and loss of office by trustees

- 5.1 There shall at all times be not less than 3 trustees the majority of which must be independent trustees. If at any time the number of trustees shall fall below 3 and/or the majority of the trustees cease to be independent trustees, the remaining trustee or trustees shall, as soon as practicable, assume some other person or persons to act with him or them, but until such assumption is made, the remaining trustee or trustees shall be entitled to continue to act in all matters affecting the trust.
- 5.2 The trustees may co-opt any number of additional trustees. If at any time there are no trustees, the founder may co-opt 3 trustees (at least 2 of whom must be independent trustees).
- 5.3 The founder shall be entitled to appoint one person as a trustee and remove or replace its appointee from time to time, by written notice to the trust, it being recorded that Gerald Leissner is the first appointee of the founder.”

6. “Meetings and proceedings of trustees

- 6.1 Save as otherwise provided in this deed, decisions of trustees shall be taken by majority vote of those present at a meeting, each trustee having one vote.
- 6.2 A quorum for meetings of trustees shall be 2 trustees, provided that if, within 30 minutes from the time appointed for the meeting, a quorum is not present, the meeting shall stand adjourned to the same day in the next week, at the same time and place or, if that day be a public holiday, a Saturday or a Sunday, to the next succeeding day other than a public holiday, a Saturday or a Sunday and if, at such adjourned meeting, a quorum is not present within 30 minutes from the time appointed for the meeting, the trustees then present shall constitute a quorum.”

8. “Trustees’ discretion and powers

- 8.1 Subject to all relevant statutes and regulations and subject to the provisions of clause 8.2, the trustees shall have all the powers necessary to perform their duties in terms of this deed including, without being limited to, the power:
 - 8.1.1 to conclude, implement and discharge all of the trusts’ obligations under the subscription and loan agreement;
 - 8.1.2 instead of acting personally, to employ and to pay any other person to transact any business or do any act of whatsoever nature required to be done pursuant to this deed, including without being limited to the receipt and payment of money, the undertaking of secretarial and accounting or book-keeping duties and other administrative duties; and
 - 8.1.3 to take and act upon any expert or professional advice.”

8.2 “Without the prior written consent of the founder, the trustees shall not have the power to sell, transfer or otherwise dispose of or in any way encumber any of the Arrowhead units except in terms of a scheme of arrangement in terms of section 114 of the Act or an offer in terms of sections 121 to 127 of the Act which in either case must be conditional upon the proposer of the scheme or the offeror, as the case may be, acquiring 100% of the Arrowhead units in issue.”

13. “Trust beneficiaries

The beneficiaries of the trust shall be:

13.1 underprivileged communities or individuals in cities, towns and areas where Arrowhead is invested; and/or

13.2 projects designed to benefit the communities or individuals referred to in clause 13.1; and/or

13.3 charitable organisations benefiting the communities or individuals or individuals referred to in clause 13.1, as selected by the trustees from time to time having regard to the trust objective.”

CORPORATE GOVERNANCE

Arrowhead's Board considers sound corporate governance practices to be a critical element in delivering sustainable growth for the benefit of all stakeholders. The Board, in conducting the affairs of the company, endorses the principles of fairness, responsibility, transparency and accountability advocated by King III.

In regularly reviewing the company's governance structures, the Board exercises and ensures effective and ethical leadership, at the same time as concerning itself with the sustainability of its business operation.

1. THE BOARD

The Board is responsible for the strategic direction and control of the company. It exercises control through a governance framework that includes the review and implementation of detailed reporting presented to it and its subcommittees and the implementation of a continuously updated risk management programme.

The role of the chairman and the CEO are separate and the CEO is fully responsible and accountable for the operations of the company.

The chairman leads the Board and facilitates constructive relations between the executive and the Board. The chairman holds no other listed company chairman positions.

The Board comprises seven directors of whom four are independent non-executive directors. The executive directors are Gerald Leissner, the CEO, Mark Kaplan, the COO and Imraan Suleman, the CFO.

The Board has adopted a charter that sets out the practices and processes it follows to discharge its responsibilities. The charter specifically sets a description of roles, functions, responsibilities and powers of the Board, the shareholders, the chairman, individual directors, company secretary, and other prescribed officers and executives of the company.

The terms of reference of the Board and its committees deal with such matters as corporate governance, directors' dealings in securities, declarations of conflicts of interest, board meeting documentation and procedures for the nomination, appointment, induction, training and evaluation of the directors.

There is an appropriate balance of power and authority on the Board so that no individual has unfettered powers of decision-making and no individual dominates the Board's deliberations and decisions. The Board regularly reviews the decision-making authority given to management as well as those matters reserved for decision-making by the Board.

Any director appointed during the year is required to have the appointment confirmed by unitholders at the next annual general meeting. One third of all directors retire on a rotation basis and may also make themselves available for re-election.

The Board has delegated certain specific responsibilities to the following committees:

- Executive committee
- Remuneration and nominations committee
- Audit and risk committee
- Investment committee
- Social and ethics committee

The committees assist the Board in discharging its responsibilities and duties under King III, whilst overall responsibility remains with the Board. Full transparency and disclosure of committee deliberations is encouraged and the minutes of all committee meetings are available to all directors.

Directors are encouraged to take independent advice at the cost of the company for the proper execution of their duties and responsibilities. During the year no director sought such advice. The Board has unrestricted access to the external auditors, professional advisors, the services of the company secretary, the executives and the staff of the company at any given time.

A detailed assessment of all Board members, including the chairman, has been undertaken.

Directors and committee members are supplied with comprehensive information that allows them to properly discharge their responsibilities. The members of the Board bring a mix of skills, experience and technical expertise. The Board meets at least four times a year. To facilitate the decision-making process, board papers are circulated well in advance of meetings.

2. BOARD COMMITTEES

2.1 The executive committee

The executive committee consists of the executive directors, is chaired by the chief executive officer and is responsible for implementing the strategies approved by the Board.

The role of the committee is to:

- act on all matters affecting company strategy and operations;
- manage risk;
- define, configure and arrange finance for the company's portfolio of assets;
- agree operating plans and budgets; and
- measure and monitor performance.

2.2 The investment committee

The committee comprises the executive committee plus two independent non-executive directors and meets when decisions are required to acquire or dispose of property assets. Given the role played by the committee, the Board acknowledges it does not fully comply with King III in that the committee does not have a majority of independent non-executive directors. A full due diligence is undertaken before any property is considered for acquisition, and is circulated to all members of the committee and board of directors in advance of meetings. Decisions of the committee require consensus.

The investment committee, comprising of a quorum, has met prior to the conclusion of each acquisition undertaken by Arrowhead.

2.3 The remuneration and nominations committee

The committee is made up of two independent non-executive directors whose primary responsibility is to monitor the remuneration policy of the company and more specifically the executive directors. The committee considers the mix of regular salary remuneration, annual bonuses and incentive elements that meet the company's needs. Incentives are based on targets that are stretching, verifiable and relevant.

The procedure for appointments to the Board is formal and transparent and a matter for the Board as a whole, assisted by the nomination committee.

Where necessary, the committee will assess, recruit and nominate new non-executive directors. Remuneration of non-executive directors, who do not receive incentive awards, is reviewed and set by the committee. The CEO and CFO attend meetings by invitation.

2.4 The audit and risk committee

The Companies Act 2008 has transformed the audit committee from being a committee of the Board to a separate statutory committee that is appointed by the unitholders. However, the audit committee still forms part of the Board even though it has specific statutory responsibilities over and above responsibilities assigned to it by the Board.

Arrowhead's audit and risk committee is integral to the company's risk management process. It reports to unitholders on the extent to which it carried out its statutory oversight duties in respect of the external auditors, the appropriateness of the financial statements and the accounting practices, as well as the internal financial controls.

The committee consists of three independent non-executive directors. The CEO, COO and CFO as well as representatives of the external auditors attend meetings by invitation. The committee members have the requisite financial and commercial skills to contribute to the committee's deliberations.

The auditors have unrestricted access to the audit committee.

Well in advance of meetings, the committee receives, reports on the financial performance, internal controls, adherence to accounting policies, compliance and area of significant risk as well as written reports from the auditors.

The committee has unrestricted access to independent expert advice should the need arise.

All non-audit services by the external auditors are required to be approved in advance by the audit committee.

One of the responsibilities of the committee is to monitor the adequacy and effectiveness of internal controls and risk management processes generally.

The company has an effective ongoing process for identifying risk, measuring its potential impact and initiating and implementing measures to reduce exposure to an acceptable level.

External specialist consultants will be utilised, where required, to assist the committee with risk management measures.

Having regard to the size and life-stage of the company, a dedicated internal audit function is not warranted at this stage and the IT governance policy is appropriate. Use is made of external specialists (including resources of the external property managers) in respect of internal audit and IT functions. The situation and needs in this regard will be reassessed by the committee on an ongoing basis.

Nothing has come to the attention of the committee to indicate there has been any material breakdown of controls during the year.

As required by the JSE the audit committee and the Board are satisfied that the CFO, Imraan Suleman, has the necessary skills and qualifications in order to fulfil his responsibilities.

2.5 The social and ethics committee

A formally appointed social and ethics committee of the Board, comprising executive director Mark Kaplan and non-executive directors Taffy Adler and Elize Stroebel, has been constituted to assist the Board with social and ethics related matters, as provided for in the Companies Act, 2008.

The committee works on behalf of the Board and is responsible for evaluating social and ethics responsibilities and making recommendations to the Board. The committee has all the functions and responsibilities provided for in the Companies Act, 2008. The CEO and CFO attend all meetings by invitation.

3. SUSTAINABILITY, ENVIRONMENT, COMMUNITY, SOCIAL INVESTMENT AND PROPERTY CHARTER

The directors of the company have accountability to unitholders and an obligation to all stakeholders (including unitholders) to ensure that the company's resources are utilised to ensure its continuing viability.

Arrowhead's major risks are identified as follows:

No		Risk Level	Mitigating Factor
1.	Property assets acquired and owned are correctly registered in the name of the company.	Low	Need to be inspected at least since registration. Investigate insurance requirements.
2.	Property assets destroyed or rendered unlettable by fire or any other cause.	Moderate	All properties insured at replacement value.
3.	Claims against the company relating to the use by 3rd parties of any property owned by the company.	Low	Insurance.
4.	Company and directors correctly recorded at CIPC – company can be hijacked.	Low	Company secretary to check at least once a year.
5.	Bank loans properly recorded and upward fluctuation in interest rates protected.	Moderate	Interest rates fixed. Internal controls to be tested regularly.
6.	Cash resources protected.	High	Internal controls to be tested regularly. Schedule of payments regularly reviewed.
7.	Information relating to tenant leases correctly recorded, protected and actioned.	Moderate	Internal controls to be tested regularly.
8.	Managing of receipts and payments by JHI – fraud, negligence or “plain” errors.	High	Internal controls to be tested regularly. Schedule of payments regularly reviewed. Cash balances regularly reviewed.
9.	Tenants not paying rentals.	High	New tenants are credit vetted. Existing tenant's arrears are regularly pursued.
10.	Properties acquired are not suitably priced or do not fit investment criteria.	Low	The investment committee approves all properties acquired.
11.	Insurance claims in respect of destroyed assets insufficient.	Low	All properties insured at replacement value.
12.	Newly acquired properties not covered by insurance.	Low	Internal controls to be tested regularly. Insurance policy caters for additions for an adequate time frame.

In terms of environmental sustainability, Arrowhead has commenced a process of resource management with an eye on future needs.

In all new buildings acquired, equipment is to be installed to ensure that electricity, water, refuse and domestic effluent are managed to provide cost effective as well as customer friendly solutions. This process is to commence in January 2013 on the initial portfolio of 89 properties.

Arrowhead recognises the positive impact social responsibility programmes will have on the communities in which the company operates, and intends to create a charitable trust which will distribute funds to welfare and educational institutions in communities where Arrowhead has a presence.

Arrowhead is cognizant of the Property Charter which has recently been concluded between the South African property industry and Department of Trade and Industry.

Arrowhead will comply with the scorecard to the best of its ability and will apply for a rating in terms of the Charter as soon as practical.

Arrowhead's prime focus is on sustaining and growing the income distributions per unit payable to unitholders.

The model applied to achieve this, is that all property acquisitions must be revenue enhancing in that the yield at which property is acquired must exceed the cost of capital.

The key focus is to drive the net income of each property by renewing leases that have expired, letting vacant space, controlling and where possible reducing property operating costs and most importantly, keeping borrowing costs at the lowest level possible while at the same time fixing interest rates to avoid additional costs of borrowing should interest rates rise.

Effective financial controls are in place both at Arrowhead and its external partners to ensure the correct recording as well as the integrity of all income and expenditure generated by the portfolio of properties.

The mechanism to manage risk of any property or major tenant negatively effecting the payment of unitholder returns is the size of and the spread of the portfolio of properties in terms of number of properties and of tenants across all sectors throughout the country.

There will always be a strong focus on the highest standards of corporate governance.

The model provides for effective investor relations by way of regular communications with unitholders. That includes interim and year- end financial reviews and the issuing of a timely annual report and regular updates on progress being made in growing the company.

Arrowhead is conscious of the excellent reputation it needs to build with all its stakeholders and all its actions, including its branding, will ensure this is achieved and maintained. The company has as one of its core values the respect for human rights.

4. COMPANY SECRETARY

The board is assisted by a suitably qualified company secretary, Neville Toerien of Probitry Business Services (Proprietary) Limited, with adequate experience, who is not a director of the company, who maintains an arms-length relationship with the board and who has been empowered to properly fulfil his duties. In accordance with the JSE Listings Requirements, the Board has satisfied itself on the competence, qualifications and experience of the company secretary.

The company secretary advises the board on appropriate procedures for the management of meetings and ensures that a prudent corporate governance framework is maintained. The directors have unlimited access to the advice and services of the company secretary.

5. CORPORATE GOVERNANCE – KING III REVIEW

Arrowhead has made good progress in the implementation of best practice corporate governance processes and procedures ensuring that all policies are brought in line with the requirements of King III.

Key:

✓ Compliant

★ Under review

✗ Non-compliant

Partially compliant

1. Ethical leadership and corporate citizenship	✓
1.1 The board should provide effective leadership based on an ethical foundation	✓
1.2 The board should ensure that the company is and is seen to be a responsible corporate citizen	✓
1.3 The board should ensure that the company's ethics are managed effectively	✓
2. Boards and directors	
2.1 The board should act as the focal point for and custodian of corporate governance	✓
2.2 The board should appreciate that strategy, risk, performance and sustainability are inseparable	✓
2.3 The board should provide effective leadership based on an ethical foundation	✓
2.4 The board should ensure that the company is and is seen to be a responsible corporate citizen	✓
2.5 The board should ensure that the company's ethics are managed effectively	✓
2.6 The board should ensure that the company has an effective and independent audit committee	✓
2.7 The board should be responsible for the governance of risk	✓
2.8 The board should be responsible for information technology (IT) governance	✓
2.9 The board should ensure that the company complies with applicable laws and considers adherence to non-binding rules, codes and standards	✓
2.10 The board should ensure that there is an effective risk-based internal audit	★
2.11 The board should appreciate that stakeholders' perceptions affect the company's reputation	✓
2.12 The board should ensure the integrity of the company's integrated report	✓
2.13 The board should report on the effectiveness of the company's system of internal controls	✓
2.14 The board and its directors should act in the best interests of the company	✓
2.15 The board should consider business rescue proceedings or other turnaround mechanisms as soon as the company is financially distressed as defined in the Act	n/a
2.16 The board should elect a chairman of the board who is an independent non-executive director. The CEO of the company should not also fulfil the role of chairman of the board	✓
2.17 The board should appoint the chief executive officer and establish a framework for the delegation of authority	✓
2.18 The board should comprise a balance of power, with a majority of non-executive directors. The majority of non-executive directors should be independent	✓
2.19 Directors should be appointed through a formal process	✓
2.20 The induction of and ongoing training and development of directors should be conducted through formal processes	✓
2.21 The board should be assisted by a competent, suitably qualified and experienced company secretary	✓
2.22 The evaluation of the board, its committees and the individual directors should be performed every year	✓
2.23 The board should delegate certain functions to well-structured committees but without abdicating its own responsibilities	✓
2.24 A governance framework should be agreed between the group and its subsidiary boards	n/a
2.25 Companies should remunerate directors and executives fairly and responsibly	✓
2.26 Companies should disclose the remuneration of each individual director and certain senior executives	✓
2.27 Shareholders should approve the company's remuneration policy	✓
3. Audit committees	
3.1 The board should ensure that the company has an effective and independent audit committee	✓
3.2 Audit committee members should be suitably skilled and experienced independent non-executive directors	✓
3.3 The audit committee should be chaired by an independent non-executive director	✓
3.4 The audit committee should oversee integrated reporting	✓
3.5 The audit committee should ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities	✓
3.6 The audit committee should satisfy itself of the expertise, resources and experience of the company's finance function	✓
3.7 The audit committee should be responsible for overseeing of internal audit	★
3.8 The audit committee should be an integral component of the risk management process	✓
3.9 The audit committee is responsible for recommending the appointment of the external auditor and overseeing the external audit process	✓
3.10 The audit committee should report to the board and shareholders on how it has discharged its duties	✓

4. **The governance of risk**
 - 4.1 The board should be responsible for the governance of risk ✓
 - 4.2 The board should determine the levels of risk tolerance ✓
 - 4.3 The risk committee or audit committee should assist the board in carrying out its risk responsibilities ✓
 - 4.4 The board should delegate to management the responsibility to design, implement and monitor the risk management plan ✓
 - 4.5 The board should ensure that risk assessments are performed on a continual basis ✓
 - 4.6 The board should ensure that frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks ✓
 - 4.7 The board should ensure that management considers and implements appropriate risk responses ✓
 - 4.8 The board should ensure continual risk monitoring by management ✓
 - 4.9 The board should receive assurance regarding the effectiveness of the risk management process ✓
 - 4.10 The board should ensure that there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosure to stakeholders ✓
5. **The governance of information technology**
 - 5.1 The board should be responsible for information technology (IT) governance ★
 - 5.2 IT should be aligned with the performance and sustainability objectives of the company ★
 - 5.3 The board should delegate to management the responsibility for the implementation of an IT governance framework ★
 - 5.4 The board should monitor and evaluate significant IT investments and expenditure ★
 - 5.5 IT should form an integral part of the company's risk management ★
 - 5.6 The board should ensure that information assets are managed effectively ★
 - 5.7 A risk committee and audit committee should assist the board in carrying out its IT responsibilities ★
6. **Compliance with laws, rules, codes and standards**
 - 6.1 The board should ensure that the company complies with applicable laws and considers adherence to nonbinding rules, codes and standards ✓
 - 6.2 The board and each individual director should have a working understanding of the effect of the applicable laws, rules, codes and standards on the company and its business ✓
 - 6.3 Compliance risk should form an integral part of the company's risk management process ✓
 - 6.4 The board should delegate to management the implementation of an effective compliance framework and processes ✓
7. **Internal audit**
 - 7.1 The board should ensure that there is an effective risk based internal audit ★
 - 7.2 Internal audit should follow a risk based approach to its plan ★
 - 7.3 Internal audit should provide a written assessment of the effectiveness of the company's system of internal controls and risk management ★
 - 7.4 The audit committee should be responsible for overseeing internal audit ★
 - 7.5 Internal audit should be strategically positioned to achieve its objectives ★
8. **Governing stakeholder relationships**
 - 8.1 The board should appreciate that stakeholders' perceptions affect a company's reputation ✓
 - 8.2 The board should delegate to management to proactively deal with stakeholder relationships stakeholders and the outcomes of these dealings. ✓
 - 8.3 The board should strive to achieve the appropriate balance between its various stakeholder groupings, in the best interests of the company ✓
 - 8.4 Companies should ensure the equitable treatment of shareholders ✓
 - 8.5 Transparent and effective communication with stakeholders is essential for building and maintaining their trust and confidence ✓
 - 8.6 The board should ensure that disputes are resolved as effectively, efficiently and expeditiously as possible ✓
9. **Integrated reporting and disclosure**
 - 9.1 The board should ensure the integrity of the company's integrated report ✓
 - 9.2 Sustainability reporting and disclosure should be integrated with the company's financial reporting ✓
 - 9.3 Sustainability reporting and disclosure should be independently assured ★



Arrowhead Properties Limited

(Incorporated in the Republic of South Africa)

(Registration number 2011/000308/06)

JSE Code: AWA ISIN: ZAE000158101

JSE Code: AWB ISIN: ZAE000158119

("Arrowhead" or the "company")

NOTICE OF GENERAL MEETING OF SHAREHOLDERS AND DEBENTURE HOLDERS

Notice is hereby given that the general meeting of shareholders of Arrowhead ("shareholders") and debenture holders of Arrowhead ("debenture holders") will be held at the offices of Arrowhead, 2nd Floor, 18 Melrose Boulevard, Melrose Arch, Johannesburg on Wednesday, 24 April 2013 at 10:00 (the "general meeting") for the purposes of considering and, if deemed fit, adopting with or without modification, the shareholder special and ordinary resolutions set out below.

IMPORTANT DATES TO NOTE:

	2013
Record date for receipt of notice purposes	Friday, 15 March
Circular posted on	Tuesday, 26 March
Last day to trade in order to be eligible to participate in and vote at the general meeting	Friday, 12 April
Record date for voting purposes ("voting record date")	Friday, 19 April
Last day to lodge forms of proxy for the general meeting	Monday, 22 April
General meeting (at 10:00)	Wednesday, 24 April
Results of general meeting released on SENS	Wednesday, 24 April
Results of general meeting published in the press on	Thursday, 25 April
Subscription units issued to the Arrowhead Charitable Trust on	Monday, 29 April

Due to the expanded meaning of "shareholder" in section 57(1) of the Companies Act, 71 of 2008, as amended (the "Companies Act" or "Act") the company has expanded its notice to shareholders and debenture holders for a "combined" general meeting. Due to Arrowhead's linked unit structure, its shareholders are also its debenture holders and the matters to be voted on at the general meeting are matters on which shareholders, and not debenture holders, are entitled to vote. As a result, a proxy form has only been included for shareholders.

In terms of section 62(3)(e) of the Companies Act:

- a shareholder who is entitled to attend and vote at the general meeting is entitled to appoint a proxy or two or more proxies to attend, participate in and vote at the meeting in the place of the shareholder;
- a debenture holder who is entitled to attend the general meeting is entitled to appoint a proxy or two or more proxies to attend and participate (but not vote) in the meeting in the place of the debenture holder; and
- a proxy need not be a shareholder of the company.

Kindly note that meeting participants (including proxies) are required to provide reasonably satisfactory identification before being entitled to attend or participate in a meeting. In this regard, all Arrowhead shareholders and debenture holders recorded in the registers of the company on the voting record will be required to provide identification satisfactory to the chairman of the general meeting. Forms of identification include valid identity documents, driver's licences and passports.

SPECIAL RESOLUTION 1: FINANCIAL ASSISTANCE TO SUBSCRIBE FOR LINKED UNITS

"Resolved that, to the extent required by section 44 of the Companies Act, the Board of directors of the company may, subject to compliance with the requirements of the company's Memorandum of Incorporation, the Companies Act and the Listings Requirements, each as presently constituted and as amended from time to time, authorise the company to provide financial assistance, as defined in the Companies Act, to the Arrowhead Charitable Trust for the issue of shares to the Arrowhead

Charitable Trust in accordance with the provisions of the subscription and loan agreement entered into between the company and the Arrowhead Charitable Trust dated 20 December 2012, a copy of which has been tabled at this general meeting and which is initialled by the Chairman of the general meeting for the purpose of identification (“the subscription and loan agreement”).

At the time of providing the financial assistance, as defined in the Companies Act, to the Arrowhead Charitable Trust pursuant to the terms and conditions of the subscription and loan agreement, the Board of directors of the company shall satisfy itself that immediately after providing the financial assistance, 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 given are fair and reasonable to the company.”

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

Reasons for special resolution 1

As part of its commitment to the sustainable and long-term economic and social development of underprivileged communities in cities, towns and areas in which Arrowhead is invested, Arrowhead would like to issue 9 million Arrowhead A linked units and 9 million Arrowhead B linked units to the Arrowhead Charitable Trust. The total subscription price payable for the aforesaid units is to be financed by way of a loan provided by Arrowhead to the Arrowhead Charitable Trust. Arrowhead would like the ability to provide financial assistance (within the meaning attributed to that term in section 44 of the Companies Act), to the Arrowhead Charitable Trust in accordance with the provisions of the subscription and loan agreement, as detailed in the circular of which this notice forms part, entered into between the company and the Arrowhead Charitable Trust.

Further information in respect of the Arrowhead Charitable Trust is set out in the circular of which this notice forms part.

ORDINARY RESOLUTION 1: SPECIFIC AUTHORITY TO ISSUE LINKED UNITS FOR CASH

“Resolved that, subject to special resolution 1 being passed by the requisite majority of shareholders, as required by and subject to the company’s Memorandum of Incorporation, the Companies Act and the Listings Requirements, each as presently constituted and as amended from time to time, the directors are authorised to allot and issue 9 million Arrowhead A linked units and 9 million Arrowhead B linked units in the authorised but unissued share capital of the company to the Arrowhead Charitable Trust at an issue price of R7.57 per Arrowhead A linked unit being the 30 day VWAP per Arrowhead A linked unit immediately prior to the last practicable date of the circular to which this notice of general meeting is attached being Friday, 15 March 2013 and R7.32 per Arrowhead B linked unit being the 30 day VWAP per Arrowhead B linked unit immediately prior to the last practicable date of this circular being Friday, 15 March 2013.”

In terms of the Listings Requirements, in order for ordinary resolution 1 to be adopted, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required to pass this resolution.

ORDINARY RESOLUTION 2: AMENDMENTS TO THE ARROWHEAD UNIT PURCHASE TRUST DEED

“Resolved that the Arrowhead Unit Purchase Trust deed adopted by Arrowhead on 1 December 2011 be amended by:

- 2.1 deleting the existing clause 1.2.38 of the Arrowhead Unit Purchase Trust deed in its entirety and substituting the new clause 1.2.38 therefor as follows:

“1.2.38. “scheme allocation” means

1.2.38.1 the lesser of:

1.2.38.1.1 5% of the total issued “A” linked unit capital of the company from time to time; and

1.2.38.1.2 25 million “A” linked units in number in the company; and

1.2.38.2 the lesser of:

1.2.38.2.1 5% of the total issued “B” linked unit capital of the company from time to time; and

1.2.38.2.2 25 million “B” linked units in number in the company.”

- 2.2 deleting the existing clause 16.1 of the Arrowhead Unit Purchase Trust deed in its entirety and substituting the new clause 16.1 therefor as follows:

“16.1 The maximum aggregate number of scheme units in respect whereof any one offeree shall be entitled to accept offers pursuant to this trust shall be-

16.1.1 6 500 000 “A” linked units in number in the company; and

16.1.2 6 500 000 “B” linked units in number in the company.”

by way of an addendum to the Arrowhead Unit Purchase Trust deed in accordance with the draft tabled at the general meeting and initialled by the chairman for identification purposes, which addendum may be executed by any director of the company for and on behalf of the company.”

In terms of the Listings Requirements, in order for ordinary resolution 2 to be adopted, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required to pass this resolution, with votes attaching to Arrowhead units owned or controlled by persons who are participants in the Arrowhead Unit Purchase Trust excluded from voting. In terms of the Listings Requirements, only the votes attaching to Arrowhead units which have been acquired in terms of the Arrowhead Unit Purchase Trust and may be impacted by the proposed amendment to the Arrowhead Unit Purchase Trust deed will be excluded from voting.

ORDINARY RESOLUTION 3: SIGNATURE OF DOCUMENTATION

“Resolved that any director of the company or the company secretary be and is hereby authorised to sign all such documentation and do all such things as may be necessary for or incidental to the implementation of ordinary resolutions 1 and 2 and special resolution 1 which are passed by the shareholders with and subject to the terms thereof.”

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

QUORUM

A quorum for the purposes of considering the resolutions above shall consist of three shareholders of the company personally present (and if the shareholder is a body corporate, it must be represented) and entitled to vote at the general meeting. In addition, a quorum shall comprise 25% of all the voting rights that are entitled to be exercised by Arrowhead shareholders in respect of each matter to be decided at the general meeting.

The date on which Arrowhead shareholders must be recorded as such in the register maintained by the transfer secretaries, Computershare Investor Services (Proprietary) Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), for the purposes of being entitled to attend, participate in and vote at the general meeting is Friday, 19 April 2013.

The date on which Arrowhead debenture holders must be recorded as such in the register maintained by the transfer secretaries, Computershare Investor Services (Proprietary) Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), for the purposes of being entitled to attend and participate in the general meeting is Friday, 19 April 2013.

SHAREHOLDERS

General Instructions

Shareholders are encouraged to attend, speak and vote at the general meeting.

Electronic Participation

The company has made provision for Arrowhead shareholders or their proxies to participate electronically in the general meeting by way of telephone conferencing. Should you wish to participate in the general meeting by telephone conference call as aforesaid, you, or your proxy, will be required to advise the company thereof by no later than 10:00 on Monday, 22 April 2013, by submitting by e-mail to the company secretary at pbs@probitysecretaries.co.za or by fax to be faxed to +2711 327 7149, for the attention of Neville Toerien, relevant contact details, including an e-mail address, cellular number and landline as well as full details of the Arrowhead shareholder's title to securities issued by the company and proof of identity, in the form of copies of identity documents and share certificates (in the case of materialised Arrowhead shares) and (in the case of dematerialised Arrowhead shares) written confirmation from the Arrowhead shareholder's CSDP confirming the Arrowhead shareholder's title to the dematerialised Arrowhead shares. Upon receipt of the required information, the Arrowhead shareholder concerned will be provided with a secure code and instructions to access the electronic communication during the general meeting. Arrowhead shareholders must note that access to the electronic communication will be at the expense of the Arrowhead shareholders who wish to utilise the facility.

Arrowhead shareholders and their appointed proxies attending by conference call will not be able to cast their votes at the general meeting through this medium.

Proxies and authority for representatives to act

A form of proxy is attached for the convenience of any Arrowhead shareholder holding certificated shares, who cannot attend the general meeting but wishes to be represented thereat.

The attached form of proxy is only to be completed by those shareholders who are:

- holding shares in certificated form; or
- recorded on the company's sub-register in dematerialised electronic form with "own name" registration.

All other beneficial owners who have dematerialised their shares through a Central Securities Depository Participant ("CSDP") or broker and wish to attend the general meeting, must instruct their CSDP or broker to provide them with the necessary letter of representation, or they must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker. These shareholders must not use a form of proxy.

Forms of proxy must be deposited at the transfer secretaries, Computershare Investor Services (Proprietary) Limited at 70 Marshall Street, Johannesburg or by fax on +27 11 688 6238 to be received no later than 10:00 on Monday, 22 April 2013. Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend, speak and vote in person at the general meeting should the shareholder decide to do so.

A company that is a shareholder, wishing to attend and participate at the general meeting should ensure that a resolution authorising a representative to so attend and participate at the general meeting on its behalf is passed by its directors. Resolutions authorising representatives in terms of section 57(5) of the Companies Act must be lodged with the company's transfer secretaries prior to the general meeting.

Arrowhead does not accept responsibility and will not be held liable for any failure on the part of the CSDP or broker of a dematerialised shareholder to notify such shareholder of the general meeting or any business to be conducted thereat.

DEBENTURE HOLDERS

General Instructions

Debenture holders are encouraged to attend and speak at the general meeting.

Electronic Participation

The company has made provision for its debenture holders or their proxies to participate electronically in the general meeting by way of telephone conferencing. Should you wish to participate in the general meeting by telephone conference call as aforesaid, you, or your proxy, will be required to advise the company thereof by no later than 10:00 on Monday, 22 April 2013 by submitting by e-mail to the company secretary at pbs@probitysecretaries.co.za or by fax to be faxed to +2711 327 7149, for the attention of Neville Toerien, relevant contact details, including an e-mail address, cellular number and landline as well as full details of the debenture holder's title to securities issued by the company and proof of identity, in the form of copies of identity documents and debenture certificates (in the case of materialised debentures) and (in the case of dematerialised debentures) written confirmation from the debenture holder's CSDP confirming the debenture holder's title to the dematerialised debentures. Upon receipt of the required information, the debenture holder concerned will be provided with a secure code and instructions to access the electronic communication during the general meeting. Debenture holders must note that access to the electronic communication will be at the expense of the debenture holder who wishes to utilise the facility.

Proxies and authority for representatives to act

Due to Arrowhead's linked unit structure, its shareholders are also its debenture holders and the matters to be voted on at the general meeting are matters on which shareholders and not debenture holders are entitled to vote. As a result, a proxy form has only been included for shareholders.

Debenture holders wishing to appoint a proxy or two or more proxies to attend and participate (but not vote) in the general meeting, may contact the company secretary pbs@probitysecretaries.co.za or by fax on +27 11 327 7149, to obtain such form of proxy.

Arrowhead does not accept responsibility and will not be held liable for any failure on the part of the CSDP or broker of a dematerialised debenture holder to notify such debenture holder of the general meeting or any business to be conducted thereat.

By order of the Board

Arrowhead Properties Limited



Arrowhead Properties Limited

(Incorporated in the Republic of South Africa)

(Registration number 2011/000308/06)

JSE Code: AWA ISIN: ZAE000158101

JSE Code: AWB ISIN: ZAE000158119

FORM OF PROXY FOR ARROWHEAD SHAREHOLDERS

THIS FORM OF PROXY IS ONLY FOR USE BY:

- registered shareholders who have not yet dematerialised their Arrowhead linked units;
- registered shareholders who have already dematerialised their Arrowhead linked units and which units are registered in their own names in the company's sub-register.

For completion by the aforesaid registered shareholders of Arrowhead who are unable to attend the general meeting of the company to be held at the offices of the company at 2nd Floor, 18 Melrose Boulevard, Melrose Arch, Johannesburg, at 10:00 on Wednesday, 24 April 2013 (the "general meeting").

If you are a dematerialised shareholder, other than with "own name" registration, do not use this form. Dematerialised shareholders, other than with "own name" registration, should provide instructions to their appointed Central Securities Depository Participant ("CSDP") or broker in the form as stipulated in the agreement entered into between the shareholder and the CSDP or broker.

I/We (BLOCK LETTERS PLEASE)

of (ADDRESS)

being the holder/s of Arrowhead shares hereby appoint:

1. _____ or failing him/her,
2. _____ of failing him/her,
3. the chairman of the general meeting,

as my/our proxy to attend and speak and to vote for me/us and on my/our behalf at the general meeting and at any adjournment or postponement thereof, for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed at the general meeting, and to vote on the resolutions in respect of the ordinary shares registered in my/our name(s):

Please indicate with an "X" in the appropriate spaces below how you wish your votes to be cast. Unless this is done the proxy will vote as he/she thinks fit.

	In favour of	Against	Abstain
Special Resolution 1: Financial assistance to subscribe for linked units			
Ordinary Resolution 1: Specific authority to issue linked units for cash			
Ordinary Resolution 2: Amendments to Arrowhead Unit Purchase Trust deed			
Ordinary Resolution 3: Signature of documentation			

* One vote per share held by Arrowhead shareholders recorded in the register on the voting record date.

Unless otherwise instructed, my/our proxy may vote or abstain from voting as he/she thinks fit.

Signed this _____ day of _____ 2013

Signature _____

Assisted by me (where applicable) _____

(State capacity and full name) _____

A shareholder entitled to attend and vote at the general meeting is entitled to appoint a proxy to attend, vote and speak in his/her stead. A proxy need not be a member of the company. Each shareholder is entitled to appoint one or more proxies to attend, speak and, on a poll, vote in place of that shareholder at the general meeting.

Forms of proxy must be deposited at Computershare Investor Services (Proprietary) Limited, Ground Floor, 70 Marshall Street, Johannesburg, or posted to PO Box 61051, Marshalltown, 2107 so as to arrive by no later than 10:00 on Monday, 22 April 2013.

Please read the notes on the reverse side hereof

NOTES TO THE FORM OF PROXY

1. Only shareholders who are registered in the register of the company under their own name on the date on which shareholders must be recorded as such in the register maintained by the transfer secretaries, Computershare Investor Services (Proprietary) Limited, being Friday, 19 April 2013 (the "voting record date"), may complete a form of proxy or attend the general meeting. This includes shareholders who have not dematerialised their shares or who have dematerialised their shares with "own name" registration. The person whose name stands first on the form of proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow. A proxy need not be a shareholder of the company.
2. Certificated shareholders wishing to attend the general meeting have to ensure beforehand with the transfer secretaries of the company (being Computershare Investor Services (Proprietary) Limited) that their shares are registered in their own name.
3. Beneficial shareholders whose shares are not registered in their "own name", but in the name of another, for example, a nominee, may not complete a proxy form, unless a form of proxy is issued to them by a registered shareholder and they should contact the registered shareholder for assistance in issuing instruction on voting their shares, or obtaining a proxy to attend, speak and, on a poll, vote at the general meeting.
4. Dematerialised shareholders who have not elected "own name" registration in the register of the company through a Central Securities Depository Participant ("CSDP") and who wish to attend the general meeting, must instruct the CSDP or broker to provide them with the necessary authority to attend.
5. Dematerialised shareholders who have not elected "own name" registration in the register of the company through a CSDP and who are unable to attend, but wish to vote at the general meeting, must timeously provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between that shareholder and the CSDP or broker.
6. A shareholder may insert the name of a proxy or the names of two or more alternative proxies of the shareholder's choice in the space, with or without deleting "the chairman of the general meeting". The person whose name stands first on the form of proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
7. The completion and lodging of this form will not preclude the relevant shareholder from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed, should such shareholder wish to do so. In addition to the foregoing, a shareholder may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and (ii) delivering a copy of the revocation instrument to the proxy, and to the company.
8. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the relevant shareholder as of the later of the date:
 - 8.1 stated in the revocation instrument, if any; or
 - 8.2 upon which the revocation instrument is delivered to the proxy and the relevant company as required in section 58(4)(c)(ii) of the Companies Act, 71 of 2008, as amended ("the Companies Act").
9. Should the instrument appointing a proxy or proxies have been delivered to the company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the company's Memorandum of Incorporation to be delivered by the company to the shareholder must be delivered by the company to:
 - 9.1 the shareholder; or
 - 9.2 the proxy or proxies if the shareholder has in writing directed the relevant company to do so and has paid any reasonable fee charged by the company for doing so.
10. A proxy is entitled to exercise, or abstain from exercising, any voting right of the relevant shareholder without direction, except to the extent that the Memorandum of Incorporation of the company or the instrument appointing the proxy provide otherwise.
11. If the company issues an invitation to shareholders to appoint one or more persons named by the company as a proxy, or supplies a form of instrument for appointing a proxy:
 - 11.1 such invitation must be sent to every shareholder who is entitled to receive notice of the meeting at which the proxy is intended to be exercised;
 - 11.2 the company must not require that the proxy appointment be made irrevocable; and
 - 11.3 the proxy appointment remains valid only until the end of the relevant meeting at which it was intended to be used, unless revoked as contemplated in section 58(5) of the Companies Act.
12. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies. A deletion of any printed matter and the completion of any blank space(s) need not be signed or initialed.
13. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form unless previously recorded by the transfer secretaries of the company or waived by the chairman of the general meeting.
14. A minor must be assisted by his/her parent/guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries.
15. A company holding shares in the company that wishes to attend and participate at the general meeting should ensure that a resolution authorising a representative to act is passed by its directors. Resolutions authorising representatives in terms of section 57(5) of the Companies Act must be lodged with the company's transfer secretaries prior to the general meeting.
16. Where there are joint holders of shares any one of such persons may vote at any meeting in respect of such shares as if he were solely entitled thereto; but if more than one of such joint holders be present or represented at the meeting, that one of the said persons whose name appears first in the register of shareholders of such shares or his proxy, as the case may be, shall be entitled to vote in respect thereof.
17. On a show of hands, every shareholder of the company present in person or represented by proxy shall have one vote only. On a poll a shareholder who is present in person or represented by a proxy shall be entitled to that proportion of the total votes in the company which the aggregate amount of the nominal value of the shares held by him bears to the aggregate amount of the nominal value of all the shares of the relevant class issued by the company.
18. The chairman of the general meeting may reject or accept any proxy which is completed and/or received other than in accordance with the instructions, provided that he shall not accept a proxy unless he is satisfied as to the matter in which a shareholder wishes to vote.
19. A proxy may not delegate his/her authority to act on behalf of the shareholder, to another person.
20. A shareholder's instruction to the proxy must be indicated by the insertion of the relevant number of shares to be voted on behalf of that shareholder in the appropriate space provided. Failure to comply with the above will be deemed to authorise the chairperson of the general meeting, if the chairperson is the authorised proxy, to vote in favour of the resolutions at the general meeting or other proxy to vote or to abstain from voting at the general meeting as he/she deems fit, in respect of the shares concerned. A shareholder or the proxy is not obliged to use all the votes exercisable by the shareholder or the proxy, but the total of votes cast in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the shareholder or the proxy.
21. It is requested that this form of proxy be lodged or posted or faxed to the transfer secretaries, Computershare Investor Services (Proprietary) Limited at 70 Marshall Street, Johannesburg or by fax on +27 11 688 6238, to be received by the company no later than 10:00 on Monday, 22 April 2013. A quorum for the purposes of considering the ordinary resolutions shall comprise 25% of all the voting rights that are entitled to be exercised by shareholders in respect of each matter to be decided at the general meeting. In addition, a quorum shall consist of three shareholders of the company personally present or represented by proxy (and if the shareholder is a body corporate, it must be represented) and entitled to vote at the general meeting.
22. This form of proxy may be used at any adjournment or postponement of the general meeting, including any postponement due to a lack of quorum, unless withdrawn by the shareholder.
23. The foregoing notes contain a summary of the relevant provisions of section 58 of the Companies Act, as required in terms of that section.

