



**GROWTHPOINT PROPERTIES LIMITED**

*(Incorporated with limited liability in the Republic of South Africa under registration number 1987/004988/06)*

*irrevocably and unconditionally guaranteed by*

**METBOARD PROPERTIES LIMITED**

*(Incorporated with limited liability in the Republic of South Africa under registration number 1998/005425/06)*

and

**PARAMOUNT PROPERTY FUND LIMITED**

*(Incorporated with limited liability in the Republic of South Africa under registration number 1945/019928/06)*

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**INFORMATION STATEMENT**

**in respect of the**

**ZAR30,000,000,000**

**DOMESTIC MEDIUM TERM NOTE PROGRAMME**

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Growthpoint Properties Limited (**Growthpoint**, or the **Issuer**) intends from time to time to issue notes (the **Notes**) under the ZAR30,000,000,000 Domestic Medium Term Note Programme (the **Programme**) on the basis set out in the Programme Memorandum dated 25 October 2019, as amended and restated from time to time (the **Programme Memorandum**). The Notes may be issued on a continuing basis and be placed by one or more of the Dealers specified in the section headed “Summary of Programme” under the Programme Memorandum and any additional Dealer appointed under the Programme from time to time by the Issuer, which appointment may be for a specific issue or on an ongoing basis.

The specific aggregate nominal amount, the status, maturity, interest rate, or interest rate formula and dates of payment of interest, purchase price to be paid to the Issuer, any terms for redemption or other special terms, currency or currencies, form and denomination of Notes, information as to financial exchange listings and the names of the dealers, underwriters or agents in connection with the sale of Notes being offered at a particular time will be set forth or referred to in the terms and conditions contained in the Programme Memorandum (the **Terms and Conditions**), read together with the pricing supplement applicable to any Notes (the **Applicable Pricing Supplement** and this **Information Statement**).

**Availability of Information**

This Information Statement and the Programme Memorandum are also available on the Issuer’s website at <https://growthpoint.co.za/investor-relations/credit-information>.

Information on the Issuer’s website, other than in this Information Statement and the Programme Memorandum, is not intended to be incorporated by reference into this Information Statement, save for those documents which are incorporated by reference in the section headed “*Documents Incorporated by Reference*” in the Programme Memorandum.

Recipients of this Information Statement should retain it for future reference. It is intended that the Programme Memorandum read together with the Applicable Pricing Supplement in connection with the issuance of Notes, will refer to this Information Statement for a description of the Issuer, its financial condition and results of operations (if any) and investor considerations/risk factors, until a new information statement is issued.

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Information Statement dated 25 October 2019.

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## GENERAL

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*Capitalised terms used in this section headed "General" shall bear the same meanings as defined in the Terms and Conditions in the Programme Memorandum, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.*

The Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted from this Information Statement which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made, and that this Information Statement contains all information required by law and the Debt Listings Requirements of the JSE. The Issuer accepts full responsibility for the accuracy of the information contained in this Information Statement.

In addition, the Issuer, having made all reasonable enquiries, confirms that this Information Statement contains or incorporates all information which is material in relation to the issuing and the offering of the Notes, that all information contained or incorporated in this Information Statement is true and accurate in all material respects and that the opinions and the intentions expressed in this Information Statement are honestly held and that there are no other facts, the omission of which, would make this Information Statement or any of such information or expression of any such opinions or intentions misleading in any material respect.

The Arranger, the Dealers, the JSE Debt Sponsor or any of their respective subsidiaries or holding companies or a subsidiary of their holding companies (**Affiliates**) and the professional advisors have not separately verified the information contained in this Information Statement. Accordingly, no representation, warranty or undertaking, expressed or implied is made and no responsibility is accepted by the Arranger(s), Dealers, the JSE Debt Sponsor, their Affiliates or any of the professional advisors as to the accuracy or completeness of the information contained in this Information Statement or any other information provided by the Issuer. None of the Arranger(s), Dealers, the JSE Debt Sponsor, their Affiliates nor any of the professional advisors accepts any liability in relation to the information contained in this Information Statement or any other information provided by the Issuer in connection with the Notes. The statements made in this paragraph are without prejudice to the responsibilities of the Issuer.

No person has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Information Statement or any other information supplied in connection with the issue and sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Arranger(s), the Dealers, the JSE Debt Sponsor, their Affiliates or the professional advisors. Neither the delivery of this Information Statement nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof, or that any other financial statement or other information supplied in connection with the Information Statement is correct at any time subsequent to the date indicated in the document containing the same.

Neither this Information Statement nor any other information supplied in connection with the Notes constitutes the rendering of financial or investment advice by or on behalf of the Issuer, the Arranger(s), the Dealers, the JSE Debt Sponsor, their Affiliates or any professional advisor.

This Information Statement and any other information supplied in connection with the Notes is not intended to provide the basis of any credit or other evaluation, and should not be considered as a recommendation by the Issuer, the Arranger(s), the Dealers, the JSE Debt Sponsor, their Affiliates or any professional advisor, that any recipient of this Information Statement should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Each potential investor should consult its own advisors to make its investment decision and to determine whether it is legally permitted to purchase the Notes under Applicable Laws and regulations.

Neither this Information Statement nor any other information supplied in connection with the Notes constitutes an offer or invitation by or on behalf of the Issuer, the Arranger(s), the Dealers, the JSE Debt Sponsor, their Affiliates or the professional advisors to any person to subscribe for or to purchase any Notes.

This Information Statement does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. None of the Issuer, the Arranger(s), Dealers, the JSE Debt Sponsor, their Affiliates nor any professional advisor, represents that this Information Statement may be lawfully distributed, or that any

Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available there under, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Arranger(s), the Dealers, the JSE Debt Sponsor, their Affiliates or the professional advisors which would permit a public offering of any Notes or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Information Statement nor any advertisement nor other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any Applicable Laws and regulations. The Arranger(s) or the Dealers has represented that all offers and sales by them will be made on the same terms and in compliance with this prohibition.

**The distribution of this Information Statement and the offer for the subscription or sale of Notes may be restricted by law in certain jurisdictions. Currently, the Notes are only available for subscription by South African residents. Persons into whose possession this Information Statement or any Notes come must inform themselves about, and observe, any such restrictions. In particular there are restrictions on the distribution of this Information Statement and the offer for the subscription or sale of Notes in the United States of America, the European Economic Area, the United Kingdom and South Africa.**

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and may not be offered or sold in the United States of America or to, or for the account or benefit of, US persons (as defined in Regulation S under the Securities Act (“**Regulation S**”). The Notes will be offered and sold only in offshore transactions outside the United States of America in accordance with Regulation S and, subject to certain exceptions, may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, US Persons.

Information and opinions presented in the Information Statement were obtained or derived from public sources that the Arranger(s), the Dealers, the JSE Debt Sponsor, their Affiliates or the professional advisors believe are reliable but make no representations as to the accuracy or completeness thereof. Any opinions, forecasts or estimates (if any) herein constitute a judgment as at the date of this Information Statement. There can be no assurance that future results or events will be consistent with any such opinions, forecasts or estimates. Past performance should not be taken as an indication or guarantee of future performance and no representation or warranty, express or implied is made regarding future performance. The price, value of and income from any of the securities or financial instruments mentioned in this Information Statement (if any) can fall as well as rise. Any opinions expressed in this Information Statement are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or groups of the Arranger(s), the Dealers, the JSE Debt Sponsor, their Affiliates or the professional advisors as a result of using different assumptions and criteria. Furthermore, the Arranger(s) or the Dealers, the JSE Debt Sponsor, their Affiliates or any professional advisors accept no liability for any direct or indirect loss or damage incurred arising from the use of the material presented in this Information Statement, except as provided for by law.

All trademarks, service marks and logos used in this Information Statement are trademarks or service marks or registered trademarks or service marks of the Issuer. This Information Statement may not be reproduced without the prior written consent of the Issuer, the Arranger(s) or Dealers. It may not be considered as advice, a recommendation or an offer to enter into or conclude any transactions.

**Copies of this Information Statement are available by request from the registered offices of the Issuer.**

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## INVESTOR CONSIDERATIONS/RISK FACTORS

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*Capitalised terms used in this section headed “Investor Considerations/Risk Factors” shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.*

*The Issuer believes that the factors outlined below may affect its ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are also described below. The value of the Notes could decline due to any of these risks, and investors may lose some or all of their investment.*

*The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information available to it at the Programme Date, or which it may not be able to anticipate at the Programme Date. Accordingly, the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive.*

*Prospective investors should also read the detailed information set out elsewhere in the Programme Memorandum to reach their own views prior to making any investment decision.*

*References below to the “Terms and Conditions”, in relation to Notes, shall mean the “Terms and Conditions of the Notes” set out under the section of the Programme Memorandum headed “Terms and Conditions of the Notes”.*

### **Factors that may affect the Issuer’s ability to fulfil its obligations under Notes issued under the Programme**

#### **Risks Relating to the Notes**

##### ***The Notes may not be a suitable investment for all investors***

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in the Programme Memorandum or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such an investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor’s currency;
- understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured and appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor’s overall investment portfolio.

##### ***There may not be an active trading market for the Notes***

Notes issued under the Programme will be new securities which may not be widely distributed and for

which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. There is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes.

***The Notes may be redeemed prior to maturity***

Unless in the case of any particular Tranche of Notes the Applicable Pricing Supplement specifies otherwise, in the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the government of South Africa or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Conditions.

In addition, if in the case of any particular Tranche of Notes the Applicable Pricing Supplement specifies that the Notes are redeemable at the Issuer's option in certain other circumstances, the Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes.

***Because uncertificated Notes are held in the CSD, investors will have to rely on their procedures for transfer, payment and communication with the Issuer***

Notes issued under the Programme which are listed on the Interest Rate Market of the JSE or such other or additional Financial Exchange and/or held in the CSD may, subject to Applicable Laws and the Applicable Procedures, be issued in uncertificated form. Unlisted Notes may also be held in the CSD in uncertificated form. Notes held in the CSD will be issued, cleared and settled in accordance with the Applicable Procedures through the electronic settlement system of the CSD. Except in the limited circumstances described in the Terms and Conditions, investors will not be entitled to receive Individual Certificates. The CSD will maintain records of the Beneficial Interests in Notes and/or issued in uncertificated form, which are held in the CSD (whether such Notes are listed or unlisted). Investors will be able to trade their Beneficial Interests only through the CSD and in accordance with the Applicable Procedures.

Payments of principal and/or interest in respect of uncertificated Notes will be made to the CSD or the Participants and the Issuer will discharge its payment obligations under the Notes by making payments to or to the order of the CSD or the Participants for distribution to their account holders. A holder of a Beneficial Interest in uncertificated Notes, whether listed or unlisted, must rely on the procedures of the CSD to receive payments under the relevant Notes. Each investor shown in the records of the CSD or the Participants, as the case may be, shall look solely to the CSD or the Participant, as the case may be, for his share of each payment so made by the Issuer to the registered holder of such uncertificated Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, such Beneficial Interests.

Holders of Beneficial Interests in uncertificated Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the CSD to appoint appropriate proxies.

***Recourse to the JSE Debt Guarantee Fund Trust***

The holders of Notes that are not listed on the Interest Rate Market of the JSE will have no recourse against the JSE Debt Guarantee Fund Trust. Claims against the JSE Debt Guarantee Fund Trust may only be made in respect of the trading of Notes listed on the Interest Rate Market of the JSE and in accordance with the rules of the JSE Debt Guarantee Fund Trust. Unlisted notes are not regulated by the JSE.

***Credit Rating***

Tranches of Notes issued under the Programme, the Issuer, the Guarantors and/or the Programme, as the case may be, may be rated or unrated. A Rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning Rating Agency. Any adverse change in an applicable credit rating could adversely affect the trading

price for the Notes issued under the Programme.

Any amendment in the Rating of the Issuer and/or the Guarantors and/or the Programme and/or a Tranche of Notes, as the case may be, after the Programme Date, will be announced on SENS.

### ***Risks related to the structure of the particular issue of Notes***

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

#### *Notes subject to optional redemption by the Issuer*

An optional redemption feature is likely to limit the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to re-invest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

#### *Index-Linked and Dual Currency Notes*

The Issuer may issue Notes the terms of which provide for interest or principal payable in respect of such Notes to be determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a **Relevant Factor**) or with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- the market price of such Notes may be volatile;
- no interest may be payable on such Notes;
- payments of principal or interest on such Notes may occur at a different time or in a different currency than expected;
- the amount of principal payable at redemption may be less than the Nominal Amount of such Notes or even zero;
- a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable is likely to be magnified; and
- the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

#### *Partly-paid Notes*

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of its investment.

#### *Notes issued at a substantial discount or premium*

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

#### *Variable Rate Notes with a multiplier or other leverage factor*

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

### *Fixed/Floating Rate Notes*

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate may at any time be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

### *Notes where denominations involve integral multiples: Individual Certificates*

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive an Individual Certificate in respect of such holding and would need to purchase a Nominal Amount of Notes such that its holding amounts to a minimum Specified Denomination.

If Individual Certificates are issued, holders should be aware that Individual Certificates which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

### **Modification and waivers and substitution**

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

### **Change of law**

The Notes are governed by, and will be construed in accordance with, South African law in effect as at the Programme Date. No assurance can be given as to the impact of any possible judicial decision, change to South African law or administrative practice in South Africa after the Programme Date.

### **Legal investment considerations may restrict certain investments**

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

### **Risks relating to the Issuer's Business**

The Issuer and the Guarantors believe that the following factors, as at the Programme Date, may affect their ability to fulfil their obligations under the Notes and the Guarantee. In addition, such factors could adversely affect the trading or the trading price of the Notes. All of these factors are contingencies which may or may not occur and the Issuer and the Guarantors are not in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which the Issuer and the Guarantors believe are material for the purpose of assessing the market risks associated with the Notes and the Guarantee are described below.

The Issuer and the Guarantors believe that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer and the Guarantors to pay interest, principal or other amounts on or in connection with the Notes, and adverse impacts on the trading or the trading price of the Notes, may occur for other reasons which may not be considered significant



risks by the Issuer and the Guarantor based on information currently available to them or which they may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in the Programme Memorandum and reach their own views prior to making any investment decision.

The list of risks listed below is by no means exhaustive and other risks could be applicable.

## **1. Risks related to the economies in which the Group operates:**

### **1.1 South Africa**

- 1.1.1 The majority of the Group's portfolio is concentrated in South Africa, and its business and prospects will continue to be materially affected by economic and political conditions in South Africa;
- 1.1.2 Any downgrade or change in outlook in the sovereign credit ratings of South Africa could have a material adverse impact on the Group's business;
- 1.1.3 The Group's financial condition is subject to the continued availability of funding from the South African bank markets and domestic capital markets;
- 1.1.4 The condition of South Africa's infrastructure, particularly with respect to transportation, electricity and sanitation, will continue to have a material impact on the performance of the Group's South African property portfolio;
- 1.1.5 Difficulty by the Group to comply with any current or future broad-based black economic empowerment (B-BBEE) and Property Sector Charter requirements could have a material adverse impact on the Group's operations in South Africa;
- 1.1.6 Any significant decline in the V&A Waterfront's operating performance, including as a result of drought conditions in Cape Town, could have an adverse impact on the Group's business, financial condition and results of operations;
- 1.1.7 South Africa's exchange control restrictions on foreign investment could hinder the Group's normal corporate functioning and its ability to make foreign investments; and
- 1.1.8 Changes in South Africa's land expropriation legislation could have a material adverse impact on the Group's business and financial conditions,

### **1.2 Australia and other jurisdictions**

- 1.2.1 The Group is subject to changing political and economic conditions in Australia as a result of its shareholding in Growthpoint Australia; and
- 1.2.2 With the acquisition of a significant interest in Globalworth, the Group faces risk associated with economic, demographic and market developments in Romania, Poland and the Central and Eastern European (CEE) region.

## **2. Risks related to the Group's business, strategy and industry:**

- 2.1 The Group faces risks associated with the failure or insolvency of major tenants, particularly corporate tenants in South Africa;
- 2.2 The Group's entry or expansion into new business areas, such as funds management and trading and development, will subject it to new economic and industry related risks;
- 2.3 The Group may pursue investment opportunities in countries in which it has no previous investment experience or in jurisdictions that are subject to greater social, economic and political risks;
- 2.4 The Group may be unable to maintain its existing portfolio, expand, redevelop or refurbish its existing properties or develop new properties successfully;
- 2.5 The Group operates in highly competitive markets and the supply of property developments in some locations, particularly in South Africa, continues to exceed demand;
- 2.6 A reduction in the average duration of the Group's leases could result in increased re-letting costs and a higher risk of vacancies;
- 2.7 The growing densification and consolidation of retail, office and warehousing space in the

- Group's key markets could have a material adverse impact on the performance of its property portfolio;
- 2.8 The Group may be unable to manage its growth effectively;
  - 2.9 Natural disasters, terrorist attacks or other catastrophic events could adversely affect the Group's business, financial conditions and results of operations;
  - 2.10 The Group's success is dependent on its ability to attract and retain key members of senior management, and the market for such talent remains extremely competitive;
  - 2.11 If the Group chooses to dispose of certain assets, it may be unable to do so on favourable terms or at all or may be subject to liability following such disposals;
  - 2.12 The due diligence that the Group has undertaken or intends to undertake in connection with any future acquisitions may not reveal all relevant facts in respect of such acquisitions and may not reveal material liabilities;
  - 2.13 The valuation of investments in real estate and related assets may require the Group to make assumptions, estimates and judgments regarding a number of factors. Property valuation is inherently subjective and uncertain and based on assumptions that may prove to be inaccurate or affected by factors outside of the Group's control;
  - 2.14 The Group's business model and competitive advantage could be challenged by the emergence of "disrupters" such as e-commerce providers; and
  - 2.15 Failure in the Group's information and technology systems, data privacy breaches or cybersecurity attacks could result in interruptions of the Group's business operations.
- 3. Risks related to the Group's financial condition:**
- 3.1 The Group may be unable to extend or refinance its existing debt obligations on favourable terms or at all;
  - 3.2 The Group is subject to interest rate risk;
  - 3.3 The Group could suffer losses as a result of fluctuations in foreign currency exchange rates; and
  - 3.4 The derivative instruments employed by the Group to manage its interest rate and foreign currency exposure may not be effective and/or may result in losses for the Group.
- 4. Legal and regulatory risks:**
- 4.1 The Group faces certain costs related to compliance with environmental regulations as well as market-driven preferences for "green" buildings, and a failure to meet such requirements and/or market demands could have a negative impact on the Group's ability to attract and retain tenants;
  - 4.2 The Group may incur significant costs in complying with property laws and regulations; and
  - 4.3 The Group has had, and may continue to have, difficulties in evicting tenants that are in default or difficulties in enforcing judgments against defaulting tenants.
- 5. Risks related to the Group's REIT status:**
- 5.1 Growthpoint may cease to be qualified as a South African REIT;
  - 5.2 Restrictions under the laws applicable to South African REITs may limit the Group's ability and flexibility to pursue growth through acquisitions; and
  - 5.3 A loss of REIT status as a result of certain property disposals or business combinations may have a negative impact on Growthpoint's profits and cash flows, which could in turn negatively affect its credit ratings and debt service ratios.

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## DESCRIPTION OF GROWTHPOINT PROPERTIES LIMITED

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Capitalised terms used in this section headed "Description of Growthpoint Properties Limited" shall bear the same meanings as defined in the Terms and Conditions in the Programme Memorandum, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.

### 1. DESCRIPTION OF THE BUSINESS

#### 1.1. Brief description

Growthpoint is a South African primary JSE listed REIT with a quality portfolio of directly owned properties in South Africa. Growthpoint has a controlling interest in Growthpoint Properties Australia (**GOZ** or **Growthpoint Australia**), which owns properties in Australia. GOZ is listed on the Australian Securities Exchange (**ASX**). Growthpoint has a 50% investment in the V&A Waterfront and an investment in London Stock Exchange (**AIM**)-listed Globalworth Real Estate Investments (**GWI** or **Globalworth**).

In line with Growthpoint's vision "to be a leading international property company providing space to thrive", Growthpoint's strategy incorporates the optimisation and streamlining of the South African portfolio, the introduction of new revenue streams via the Funds Management business and trading and development, and further international diversification.

Growthpoint's objective is to grow and nurture a diversified portfolio of quality investment properties, providing accommodation to a wide spectrum of clients and delivering sustainable income distributions and capital appreciation, optimised by effective financial structures. Effectively, net property income received from the property portfolios of South Africa and GOZ, including interest received, the distributable income received from the equity-accounted and listed investments, less administration and operating overhead, interest on debt and normal taxation, is distributed to Growthpoint shareholders biannually. Growthpoint's distributions are based on sustainable income generated from rentals, trading profits and development fees and distributions and management fees from its Fund Management business.

#### 1.2. Description of group businesses

Growthpoint's (together with its consolidated subsidiaries, the **Group**) primary business strategy is to make long-term investments in high quality, rental generating properties in prime metropolitan areas, and to maintain, upgrade or refurbish such properties as necessary to increase their long-term value. As at 30 June 2019, the Group's consolidated property assets were valued at R142 billion, its gross lettable area (**GLA**) was 6,6 million square metres and its market capitalisation was R72 billion. As at the date of the Programme Memorandum, the Group has four distinct property portfolios:

- **RSA portfolio.** The Group's portfolio in the Republic of South Africa (**RSA**) consisted of 445 properties, excluding the V&A Waterfront (the **RSA portfolio**), as at 30 June 2019. The RSA portfolio was comprised of 49 retail properties (with a GLA of 1.38 million square metres and occupancy rate of 96.1%), 172 office properties (with a GLA of 1.68 million square metres and occupancy rate of 89.6%) and 219 industrial properties (with a GLA of 2.26 million square metres and occupancy rate of 93.8%) as at 30 June 2019. The RSA portfolio was valued at R78.3 billion as at 30 June 2019 and contributed 69.6% of the Group's EBIT in the twelve months ended 30 June 2019.
- **The V&A Waterfront.** The Group holds a 50% interest as part of a joint venture in V&A Waterfront Holdings (Pty Ltd) which holds properties in the Victoria and Alfred Waterfront situated in and around Cape Town's historic Victoria and Alfred Basins (the **V&A Waterfront**). The V&A Waterfront is a single 122 hectare mixed-use property development which includes retail, office, industrial (primarily fishing), hotel and residential properties. The Group's management believes that the V&A Waterfront is a major international tourist attraction and one of the most recognised and visited properties in Africa. The V&A Waterfront had a total GLA of 0.45 million square metres with strong future development

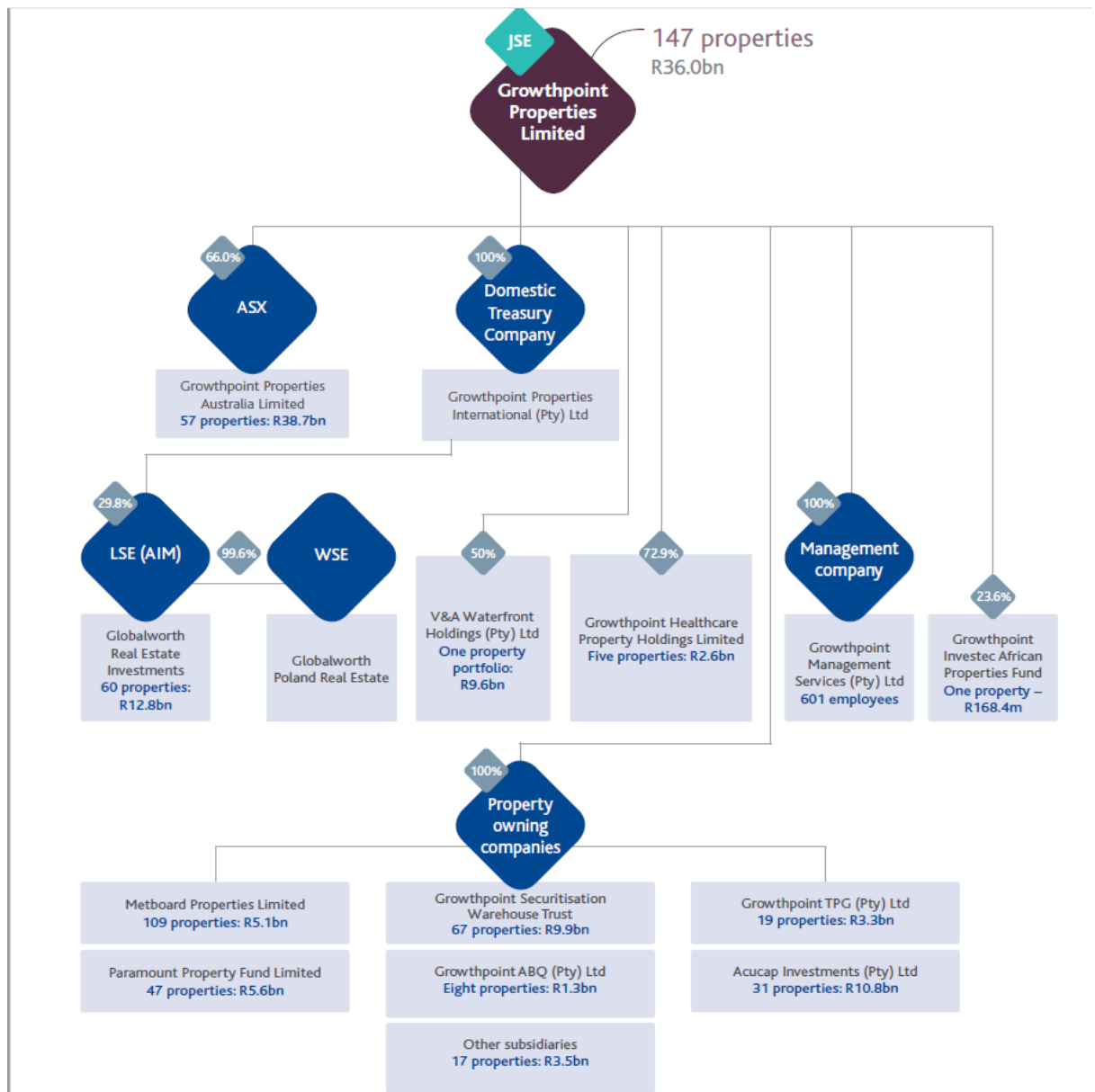
potential and its properties were valued at R19.1 billion as at 30 June 2019. Growthpoint's 50% holding in the V&A Waterfront contributed 7.1% of the Group's EBIT in the twelve months ended 30 June 2019.

- **Growthpoint Australia.** The Group holds a 66.0% shareholding in GOZ, which held 57 office and industrial properties in Australia with a GLA of 1.0 million square metres and valued at R38.7 billion as at 30 June 2019. GOZ contributed 16.5% of the Group's EBIT in the twelve months ended 30 June 2019.
- **Globalworth.** The Group holds a 29.8% interest in AIM-listed GWI, a large provider of office space in Romania as at 30 June 2019. Globalworth held 23 standing properties in Romania as at 30 June 2019, consisting predominantly of high-quality office properties concentrated in Bucharest and, through its investment in GPRE, 37 office and mixed-use properties in Poland. Growthpoint's interest in Globalworth contributed 6.8% of the Group's EBIT in the twelve months ended 30 June 2019.

Growthpoint internally manages its RSA portfolio and employs 601 people as at 30 June 2019. The V&A Waterfront, Growthpoint Australia and Globalworth are each independently managed and each have their own respective management team, board of directors and board committees.

### 1.3. Organisational Structure

Simplified ownership and legal structure as at 30 June 2019:



#### 1.4. **Board of Directors**

The directors of the board of the Issuer (the **Board of Directors**), as at the Programme Date, are listed in the table below.

<b>Name</b>	<b>Director</b>
Frank Michael Berkeley	Non-executive Director
Nobelungu Olive Chauke	Executive Director
Estienne Konrad De Klerk	Executive Director
Mzolisi Goodman Diliza	Non-executive Director
Peter Henry Fechter*	Non-executive Director
Lynette Ann Finlay	Non-executive Director
John Carey Hayward	Non-executive Director
Jacobus Francois Marais	Chairman
Sebenzile Patrick Mngconkola	Non-executive Director
Ragavan Moonsamy	Non-executive Director
Nompumelelo Bongekile Patricia Nkabinde	Non-executive Director
Leon Norbert Sasse	Executive Director
Nonzukiso Siyotula	Non-executive Director
Cristina Maria Freitas Teixeira	Non-executive Director
John Adrian van Wyk	Non-executive Director
Frederick Johannes Visser*	Non-executive Director
Gerald Völkel	Executive Director

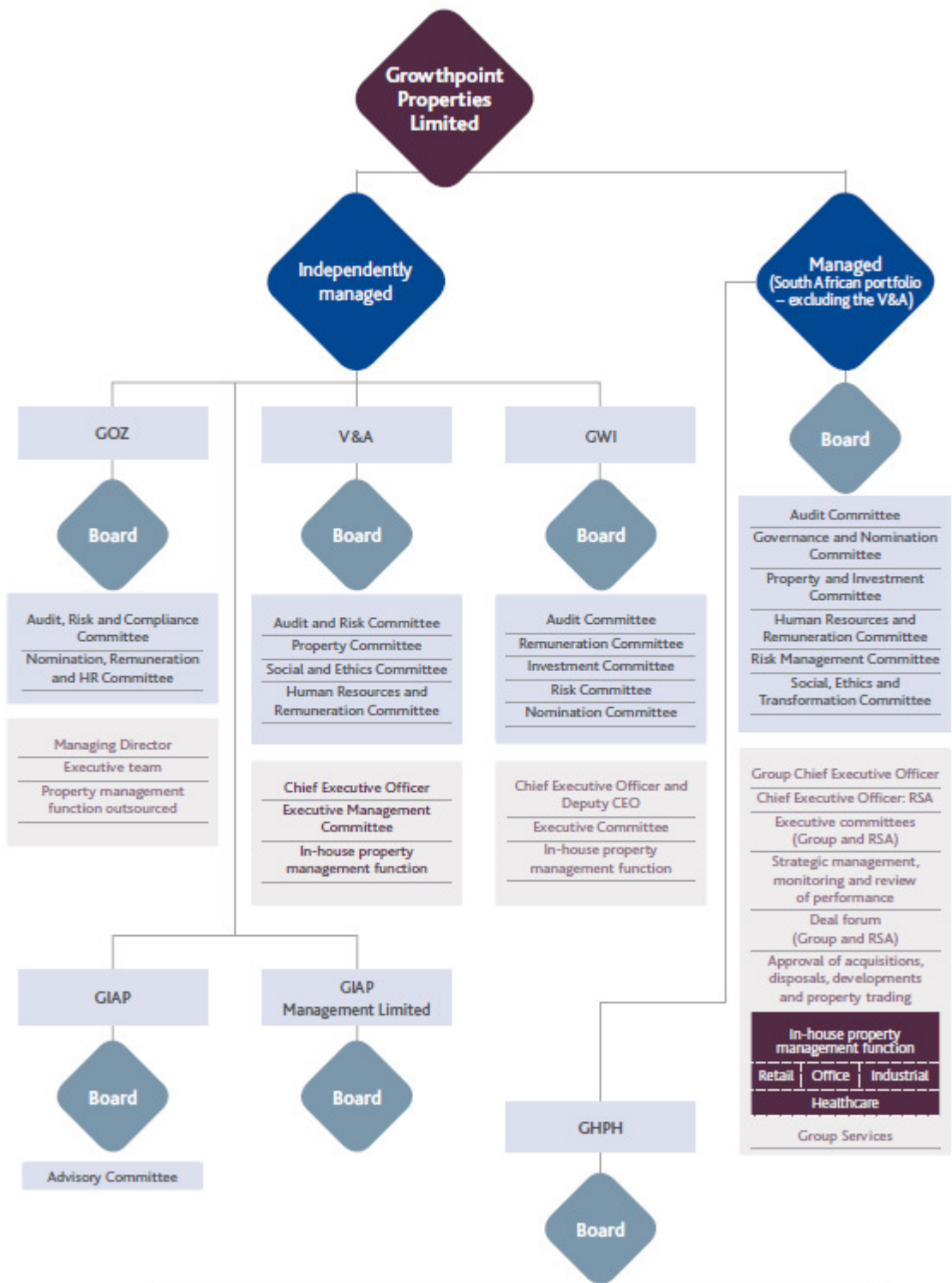
\* These directors are expected to step down at the Annual General Meeting scheduled for 12 November 2019

Willem Johannes Hermanus de Koker                      Company Secretary

Registered Office:  
The Place  
1 Sandton Drive  
Sandton, 2196  
South Africa

1.6. **Corporate governance**

Governance and management structure as at 30 June 2019:



## 1.7. King IV and Ethics Application and Compliance

The Board of Directors of the Group are bound by a code of ethics that forms part of the Board Charter. The code aims to ensure that they conduct Growthpoint's business in line with the highest ethical standards. In particular, it seeks to ensure compliance with legislation and regulation, in a manner that is beyond reproach. The code is available to employees and other stakeholders, as are Growthpoint's mission and value statements. Growthpoint's code of ethics is as follows: The Board of Directors of Growthpoint commits itself to ensure, as far as it lies within its powers to do so, that Growthpoint and its agents conduct the business according to the highest ethical standards and, in particular:

- Comply with all laws of the country that affect Growthpoint;
- Comply with the rules of the JSE Limited;
- Not act in any way that may be regarded as harmful business practice;
- Act in the best interests at all times of the various stakeholders;
- Be transparent in disclosing all material information that may influence investors and potential investors;
- Conduct the business as a responsible corporate citizen, having regard for the impact the business may have on the public and the environment;
- Trade in securities of Growthpoint only in open periods and with the prior written permission of the Chairman and/or Chief Executive Officer;
- Not trade in competition with Growthpoint;
- Not hold positions that give rise to a conflict of interests and, should any potentially conflicting situations arise, to make full, prior written disclosure to the Board and abstain from participating in any discussions or voting on the matter.

Growthpoint has various policies in place to promote ethical behaviour and integrity among management and employees. These policies are published on the intranet (available only to employees) and include:

- Growthpoint's mission and values;
- Employee integrity, to encourage employee compliance with policies and standards of best practice;
- Gifts, entertainment and inducements;
- Whistle-blowing and protected disclosures, to encourage employees to raise concerns about workplace malpractice without fear of victimisation or reprisal;
- Substance abuse and sexual harassment, forbidding these practices in the organisation.

Growthpoint complies with the King IV governance outcomes (**King IV code**) and requires that all its subsidiaries comply with the King IV code, through application of the principles as set out in the King IV code.

The assessment of the application of King IV for Growthpoint is ongoing. The assessment results to date show that Growthpoint and its subsidiaries' governance processes are well entrenched. In particular, the Issuer endorses and endeavours to adhere to the guidelines and principles of King IV.

The Issuer has applied the King IV principles on the same basis as disclosed in Growthpoint's Governance Register, which is available on Growthpoint's website at <https://growthpoint.co.za/Pages/Ethics%20and%20King%20III%20report.aspx>.



## 2. FINANCIAL PERFORMANCE

Potential investors are hereby referred to the Issuer's audited consolidated annual financial statements, incorporated herein by reference and available at <https://growthpoint.co.za/investor-relations/final-results> and/or are directed to attend at the Issuer's registered office which address is as set out at the end of the Programme Memorandum, to obtain a summary of the Issuer's financial performance.

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## DESCRIPTION OF THE GUARANTORS: METBOARD PROPERTIES LIMITED AND PARAMOUNT PROPERTY FUND LIMITED

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*Capitalised terms used in this section headed “Description of Metboard Properties Limited and Paramount Property Fund Limited” shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or this is clearly inappropriate from the context.*

### 1. METBOARD PROPERTIES LIMITED

Registration Number: 1988/005425/06

Address:

The Place

1 Sandton Drive

Sandton

Johannesburg

2196

#### 1.1 General business:

Metboard Properties Limited (**Metboard Properties**) operates in South Africa, with interests in the investment property industry. The company's main business is investment property providing its clients with appropriate industrial premises to satisfy their unique and changing requirements.

#### 1.2 Directors:

The directors of the board for Metboard Properties, as at the Programme Date, are as follows:

Estienne Konrad de Klerk

Leon Norbert Sasse

Francois Johan Schindehütte

Gerald Völkel

### 2. PARAMOUNT PROPERTY FUND LIMITED

Registration Number: 1945/019928/06

Address:

The Place

1 Sandton Drive

Sandton

Johannesburg

2196

#### 2.1 General business:

Paramount Property Fund Limited (**Paramount Property**) operates in South Africa, with interests in the investment property industry. The company's main business is investment property providing its clients with appropriate office premises to satisfy their unique and changing requirements.

#### 2.2 Directors:

The directors of the board for Paramount Property, as at the Programme Date, are as follows:

Estienne Konrad de Klerk

Leon Norbert Sasse

Francois Johan Schindehütte

Gerald Völkel

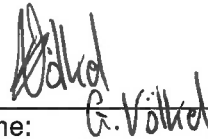
SIGNED at Johannesburg on this the 25th day of October 2019.

For and on behalf of

**GROWTHPOINT PROPERTIES LIMITED**



\_\_\_\_\_  
Name: E. K. DE KLERK  
Capacity: Director  
Who warrants his/her authority hereto



\_\_\_\_\_  
Name: G. VOLKEL  
Capacity: Director  
Who warrants his/her authority hereto

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**CORPORATE INFORMATION**

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**ISSUER**

**Growthpoint Properties Limited**  
(registration number 1987/004988/06)  
The Place  
1 Sandton Drive  
Sandton, 2196  
South Africa  
PO Box 78949  
Sandton, 2146  
South Africa  
Contact: Financial Director  
Email: [legal@growthpoint.co.za](mailto:legal@growthpoint.co.za)  
[treasury@growthpoint.co.za](mailto:treasury@growthpoint.co.za)  
Tel: 011 944 6000

**GUARANTORS**

**Metboard Properties Limited**  
(registration number 1998/005425/06)  
The Place  
1 Sandton Drive  
Sandton, 2196  
South Africa  
PO Box 78949  
Sandton, 2146  
South Africa  
Contact: Financial Director  
Email: [legal@growthpoint.co.za](mailto:legal@growthpoint.co.za)  
[treasury@growthpoint.co.za](mailto:treasury@growthpoint.co.za)  
Tel: 011 944 6000

**Paramount Property Fund Limited**  
(registration number 1945/019928/06)  
The Place  
1 Sandton Drive  
Sandton, 2196  
South Africa  
PO Box 78949  
Sandton, 2146  
South Africa  
Contact: Financial Director  
Email: [legal@growthpoint.co.za](mailto:legal@growthpoint.co.za)  
[treasury@growthpoint.co.za](mailto:treasury@growthpoint.co.za)  
Tel: 011 944 6000

**ARRANGER, DEALER AND JSE DEBT SPONSOR**

**Absa Corporate and Investment Bank,  
a division of Absa Bank Limited**  
(registration number 1986/004794/06)  
15 Alice Lane  
Sandton, 2196  
South Africa  
Private Bag X10056  
Sandton, 2146  
South Africa  
Contact: Head of Debt Capital Markets  
Tel: 011 895 6927

## DEALERS

**The Standard Bank of South Africa,  
acting through its Corporate and Investment  
Banking division**

(registration number 1962/000738/06)  
30 Baker Street  
3<sup>rd</sup> Floor East  
Rosebank  
Johannesburg, 2001  
South Africa  
Contact: Head of Debt Capital Markets  
Tel: 011 378 7032

**Investec Bank Limited,  
acting through its Corporate and  
Institutional Banking division**

(registration number 1969/004763/06)  
100 Grayston Drive  
Sandton, 2196  
South Africa  
P O Box 785700  
Sandton, 2146  
South Africa  
Contact: Head of Debt Capital Markets  
Tel: 011 286 7799

**Nedbank Limited,  
acting through its Corporate and Investment  
Banking division**

(registration number 1951/000009/06)  
135 Rivonia Road  
Nedbank 135 Rivonia Campus  
Fourth Floor, Block F  
Sandton, 2196  
South Africa  
P O Box 1144  
Johannesburg, 2000  
South Africa  
Contact: Head of Debt Capital Markets  
Tel: 010 234 8710

**Rand Merchant Bank,  
a division of FirstRand Bank Limited**

(registration number 1929/001225/06)  
1 Merchant Place  
Cnr Fredman Drive  
& Rivonia Road  
Sandton, 2196  
South Africa  
PO Box 786273  
Sandton, 2146  
South Africa  
Contact: Head of Debt Capital Markets  
Tel: 011 282 8000

## CALCULATING AGENT AND ISSUER AGENT

**Absa Corporate and Investment Bank,  
a division of Absa Bank Limited**

(registration number 1986/004794/06)  
15 Alice Lane  
Sandton, 2196  
South Africa  
Private Bag X10056  
Sandton, 2146  
South Africa  
Contact: Head of Debt Capital Markets  
Tel: 011 895 6769

## TRANSFER AGENT

**Growthpoint Properties Limited**

(registration number 1987/004988/06)  
The Place  
1 Sandton Drive  
Sandton, 2196  
South Africa  
PO Box 78949  
Sandton, 2146  
South Africa  
Contact: Financial Director  
Email: [legal@growthpoint.co.za](mailto:legal@growthpoint.co.za)  
[treasury@growthpoint.co.za](mailto:treasury@growthpoint.co.za)  
Tel: 011 944 6000

**PAYING AGENT AND SETTLEMENT AGENT**

**Nedbank Investor Services,  
a division of Nedbank Limited**  
(registration number 1951/000009/06)  
Lakeview Campus  
16 Constantia Boulevard  
Constantia Kloof  
South Africa  
PO Box 1144  
Johannesburg, 2000  
South Africa  
Contact: Senior Manager: Client Services  
Tel: 010 534 6553

**LEGAL ADVISORS TO THE ISSUER, ARRANGER AND DEALERS**

**Bowman Gilfillan Incorporated**  
(registration number 1998/021409/21)  
11 Alice Lane  
Sandown  
Sandton, 2146  
South Africa  
PO Box 785812  
Sandton, 2146  
South Africa  
Contact: Mr C van Heerden  
Email: [casper.vanheerden@bowmanslaw.com](mailto:casper.vanheerden@bowmanslaw.com)  
Tel: 011 669 9354

**AUDITORS TO THE ISSUER**

**KPMG Incorporated**  
(registration number 1999/021543/21)  
85 Empire Road  
Parktown, 2193  
South Africa  
Private Bag X9  
Parkview, 2122  
Contact: Audit Partner  
Tel: 083 287 2218