

30 October 2017

Questions for Nova related to the proposed Section 155 Scheme of Arrangement

Mr. Myburgh, I implore you to consider answering Moneyweb's questions. There is significant confusion amongst debenture holders and I believe proper and detailed answers to my questions will go a long way to address these.

1. I believe that BDO has resigned as Nova's auditor. Have you communicated this to shareholders?
2. Please provide Moneyweb with a copy of BDO's resignation letter.
3. The JSE confirmed to Moneyweb that Nova has not officially applied for a listing. Why have you not applied for the listing?
4. When will you formally apply for a listing?
5. Have you drafted a prelisting statement?
6. When will this document be circulated to debenture holders?
7. Who will the directors be of the listed entity, if it lists on the JSE?
8. In paragraphs 5.39 and 5.3.10 of the Section 155 Scheme of Arrangement it is stated that debenture holders will receive shares in Listco, and that Nova PropGrow would procure the allotment and issue of Listco shares to debenture creditors. However, the listing of Listco and the issuing of listed shares only, is not a condition of the scheme, and the scheme will proceed even if the JSE does not agree to the listing. Furthermore, no application for a listing has been submitted to the JSE and no Pre-listing statement has been made available to Debenture Holders.
 - a. Do you agree that it is possible, if not likely, that by the time the scheme is submitted to the scheme meeting, the debenture holders cannot be guaranteed to ever receive listed shares?
9. Whilst the scheme refers to a loan between Listco, and Nova PropGrow and/or Nova Investments, the only way that Listco will become a shareholder of Nova PropGrow, is if the shareholders of Nova PropGrow agree to sell their shares or agree to a scheme of arrangement between them and Listco. At the time the debenture holders are issued their shares in Listco, there is no guarantee that Listco will actually become the majority shareholder of Nova PropGrow.

- a. Do you agree that immediately after the debenture scheme is implemented, if it is approved, Listco may not be listed and may not own any of the properties of Nova, whether directly or indirectly, or even the shares of Nova PropGrow and/or Nova Investments?
- b. If this happens, Listco will simply be an unsecured creditor of Nova Investments/Nova PropGrow. Do you agree with this interpretation and if not, why not?