

Tower Property Fund Limited
(formerly Reftin 1004 Proprietary Limited)
(Registration number 2012/066457/06)
JSE share code: TWR ISIN: ZAE000179040
(Approved as a REIT by the JSE)
("Tower" or the "company")



TAX TREATMENT OF DIVIDEND DISTRIBUTION

Shareholders are referred to Tower's consolidated interim results released on SENS on 23 January 2014 and the dividend distribution of 33 cents per share referred to therein and are advised as follows:

South African tax resident shareholders

The dividend distribution received by South African tax residents must be included in their gross income and will not be exempt in terms of the ordinary dividend exemption in section 10(1)(k)(i) of the Income Tax Act No. 58 of 1962 ("**the Act**") as a result of paragraph (aa) of the proviso thereto which provides that dividends distributed by a REIT are not exempt from income tax.

The dividends received by South African tax residents will, however, be exempt from dividend withholding tax provided that the shareholder has provided the following forms to their Central Securities Depository Participant ("**CSDP**") or broker, as the case may be in respect of uncertificated shares or the company, in respect of certificated shares:

- a) a declaration that the distribution is exempt from dividends tax; and
- b) a written undertaking to inform their CSDP or broker, as the case may be, should the circumstances affecting the exemption change or the beneficial owner cease to be the beneficial owner,

both in the form prescribed by the Commissioner for the South African Revenue Service. South African tax resident shareholders are advised to contact their CSDP or broker, as the case may be, to arrange for the abovementioned documents to be submitted prior to payment of the distribution, if such documents have not already been submitted.

Non-resident shareholders for South African income tax purposes

The dividend distribution received by non-resident shareholders will be exempt from income tax in terms of section 10(1)(k)(i) of the Act, but will be subject to dividend withholding tax. Dividend withholding tax is levied at a rate of 15%, unless the rate is reduced in terms of any applicable agreement for the avoidance of double taxation ("**DTA**") between South Africa and the country of residence of the non-resident shareholder.

Assuming that dividend withholding tax will be withheld at a rate of 15%, the net dividend amount due to non-resident shareholders is 28.69565 cents per share. A reduced dividend withholding rate in terms of the applicable DTA may only be relied on if the non-resident shareholder has provided the following forms to their CSDP or broker, as the case may be in respect of uncertificated shares or the company, in respect of certificated shares:

- a) a declaration that the dividend is subject to a reduced rate as a result of the application of a DTA; and
- b) a written undertaking to inform the CSDP or broker, as the case may be, should the circumstances affecting the reduced rate change or the beneficial owner cease to be the beneficial owner,

both in the form prescribed by the Commissioner for the South African Revenue Service. Non-resident shareholders are advised to contact their CSDP or broker, as the case may be, to arrange for the abovementioned documents to be submitted prior to the payment of the distribution if such documents have not already been submitted.

Both resident and non-resident shareholders are encouraged to consult their professional advisors should they be in any doubt as to the appropriate action to take.

31 January 2014

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