

TOWER PROPERTY FUND LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 2012/066457/06)

JSE share code: TWR ISIN: ZAE000179040

(Approved as a REIT by the JSE)

("Tower")



DIVIDEND DECLARATION: TAX TREATMENT AND SALIENT DATES

Notice is hereby given that a gross cash dividend of 22.44019 cents per share has been declared from income reserves in respect of the year ended 31 May 2021. In accordance with Tower's status as a REIT, shareholders are advised that the distribution meets the requirements of a qualifying distribution for the purposes of section 25BB of the Income Tax Act, 58 of 1962 (the "**Income Tax Act**"). The distribution on the shares will be deemed to be a dividend for South African tax purposes in terms of section 25BB of the Income Tax Act.

Accordingly the dividend 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, 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 dividend is however, exempt from dividend withholding tax in the hands of South African tax resident shareholders, provided that the South African resident shareholders provide 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 dividends are exempt from dividend tax; 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. 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.

Dividends received by non-resident shareholders will be exempt from income tax in terms of section 10(1)(k)(i) of the Income Tax Act. The dividends withholding tax rate is 20%, accordingly, any dividend will be subject to dividend withholding tax levied at a rate of 20%, 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 shareholder.

Should dividend withholding tax be withheld at a rate of 20%, the net dividend amount due to non-resident shareholders is 17.95215 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.

The dividend is payable to Tower shareholders in accordance with the timetable set out below:

| | 2021 |
|---|------------------------|
| Last day to trade <i>cum</i> dividend distribution: | Tuesday, 7 September |
| Shares trade <i>ex</i> dividend distribution: | Wednesday, 8 September |
| Record date: | Friday, 10 September |
| Payment date: | Monday, 13 September |

Share certificates may not be dematerialised or rematerialised between Wednesday, 8 September 2021 and Friday, 10 September 2021, both days inclusive. The dividend will be transferred to dematerialised shareholders' CSDP accounts or broker accounts on Monday, 13 September 2021. Certificated shareholders' dividend payments will be paid to certificated shareholders' bank accounts on or about Monday, 13 September 2021.

Shares in issue at date of declaration (excluding treasury shares): 339 549 647.

Tower's income tax reference number: 9607/564/16/9.

20 August 2021

Sponsor

The logo for JAVACAPITAL, featuring the word "JAVACAPITAL" in a sans-serif font. A blue swoosh underline is positioned under the "A" and "V" characters.