



FAIRVEST PROPERTY HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1998/005011/06)

Share code: FVT ISIN: ZAE000203808

(Approved as a REIT by the JSE)

(**"Fairvest"**)

DIVIDEND WITH ELECTION TO REINVEST: TAX TREATMENT AND SALIENT DATES

Shareholders are referred to Fairvest's audited summarised consolidated results for the year ended 30 June 2017, as published on SENS today, 5 September 2017, wherein shareholders were advised that Fairvest's board of directors has approved and declared a final gross distribution of 9.38 cents per share for the six-month period ended 30 June 2017, payable to shareholders registered as such at the close of business on Friday, 6 October 2017.

Shareholders will be entitled, in respect of all or part of their shareholdings, to elect to reinvest the net cash dividend of 9.38 cents per share, in return for Fairvest ordinary shares ("**Reinvestment Alternative**"), failing which they will receive the cash dividend ("**Cash Dividend**"). Further details regarding the Reinvestment Alternative will be set out in a circular to shareholders, to be issued on 18 September 2017.

The entitlement of shareholders to elect to participate in the Reinvestment Alternative is subject to the board, either itself or through a board sub-committee appointed to set the pricing and terms of the Reinvestment Alternative, having the discretion to withdraw the entitlement to elect the Reinvestment Alternative should market conditions warrant such action. A withdrawal of the entitlement to elect the Reinvestment Alternative would be communicated to shareholders before the publication of the finalisation announcement on Friday, 22 September 2017.

SALIENT DATES AND TIMES

Please see below the salient dates relating to the cash dividend and Reinvestment Alternative:

SALIENT DATES AND TIMES	2017
Circular and form of election posted to Shareholders	Monday, 18 September
Announcement of Reinvestment Alternative issue price, ratio and finalisation information on SENS	Friday, 22 September
Last day to trade cum Reinvestment Alternative and Cash Dividend (" LDT ")	Tuesday, 3 October
Trading commences ex Reinvestment Alternative and Cash Dividend	Wednesday, 4 October

Listing of maximum possible number of Shares to be issued under the Reinvestment Alternative	Friday, 6 October
Last day to elect to receive Reinvestment Alternative by 12:00 (South African time) on	Friday, 6 October
Record date	Friday, 6 October
Electronic payment and CSDP/broker accounts updated in respect of Cash Dividend on or about	Monday, 9 October
Announcement of the results of the Reinvestment Alternative and Cash Dividend on SENS	Monday, 9 October
Share certificates posted and CSDP/broker accounts updated in respect of Reinvestment Alternative on or about	Wednesday, 11 October
Adjustment of number of new shares listed on or about	Friday, 13 October

- Notes:**
1. Shareholders electing the Reinvestment Alternative, should note that settlement of the Shares will occur 3 business days after the Record Date, which differs from the conventional one business day after the record date settlement process.
 2. Shares may not be dematerialised or rematerialised between Wednesday, 4 October 2017 and Friday, 6 October 2017, both days inclusive.
 3. The above dates and times are subject to change. Any changes will be announced on SENS

TAX IMPLICATIONS

In accordance with Fairvest'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 ("**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, qualifying distributions received by local tax residents must be included in the gross income of such shareholders (as a non-exempt dividend in terms of section 10(1)(k)(aa) of the Income Tax Act), with the effect that the qualifying distribution is taxable as income in the hands of the shareholder.

These qualifying distributions are, however, exempt from dividend withholding tax in the hands of South African tax resident shareholders, provided that the South African resident shareholders have 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 transfer secretaries, in respect of certificated shares:

- a) a declaration that the distribution is exempt from dividends tax; and
- b) a written undertaking to inform the CSDP, broker or the transfer secretaries, as the case may be,

both in the form prescribed by the Commissioner for the South African Revenue Service. Shareholders are advised to contact their CSDP, broker or the transfer secretaries, 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.

Qualifying distributions received by non-resident shareholders will not be taxable as income and instead will be treated as ordinary dividends but which are exempt in terms of the usual dividend exemptions per section 10(1)(k) of the Income Tax Act. Any qualifying distribution received by a non-resident from a REIT will be subject to dividend withholding tax at 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. Assuming dividend withholding tax will be withheld at a rate of 20%, the net amount due to non-resident shareholders will be 7.504 cents per share. A reduced dividend withholding tax 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 the uncertificated shares, or the transfer secretaries, 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 their CSDP, broker or the transfer secretaries, 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, broker or the transfer secretaries, 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, if applicable.

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

FURTHER IMPFORMATION

Trading in the Strate environment does not permit fractions and fractional entitlements. Where a shareholder's entitlement to the shares in relation to the Reinvestment Alternative, calculated in accordance with the ratio to be announced in the finalisation announcement, gives rise to an entitlement to a fraction of a new share, such fraction will be rounded down to the nearest whole number with the cash balance of the dividend being paid to the shareholder.

Shares in issue at the date of declaration of the final distribution: 789 836 312

Fairvest income tax reference number: 9205/066/06/1

5 September 2017

Cape Town

Sponsor

