

FORTRESS REIT LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 2009/016487/06)

JSE share codes: FFA ISIN: ZAE000248498

FFB ISIN: ZAE000248506

Bond company code: FORI

LEI: 378900FE98E30F24D975

(Approved as a REIT by the JSE)

(“Fortress” or “the Company”)



DIVIDEND: TAX TREATMENT AND SALIENT DATES

Shareholders are referred to Fortress’ summarised audited consolidated financial statements for the year ended 30 June 2021, wherein the board of directors declared a gross cash dividend of 74.70000 cents per Fortress A ordinary share (“**FFA share**”) in respect of the six months ended 30 June 2021 (“**the dividend**”). No dividend has been declared on the Fortress B ordinary shares.

In accordance with Fortress’ status as a REIT, shareholders are advised that the dividend 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 dividend 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.

The dividend received by or accrued to South African tax residents must be included in the gross income of such shareholders and will not be exempt from income tax (in terms of the exclusion to the general dividend exemption, contained in paragraph (aa) of section 10(1)(k)(i) of the Income Tax Act) because it is a dividend distributed by a REIT.

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 not be taxable as income and instead will be treated as an ordinary dividend which is exempt from income tax in terms of the general dividend exemption in section 10(1)(k)(i) of the Income Tax Act. Any 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 dividend amount due to non-resident shareholders is 59.76000 cents per FFA 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 ceases 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 Fortress shareholders in accordance with the timetable set out below:

	2021
Last day to trade <i>cum</i> dividend distribution:	Monday, 20 September
Shares trade <i>ex</i> dividend distribution:	Tuesday, 21 September
Record date:	Thursday, 23 September
Payment date:	Monday, 27 September

Share certificates may not be dematerialised or rematerialised between Tuesday, 21 September 2021 and Thursday, 23 September 2021, both days inclusive. The dividend will be transferred to dematerialised shareholders' CSDP accounts or broker accounts on Monday, 27 September 2021. Certificated shareholders' dividend payments will be paid to certificated shareholders' bank accounts on or about Monday, 27 September 2021.

FFA shares in issue at the date of declaration of the dividend: 1 191 595 172

FFB shares in issue at the date of declaration of the dividend: 1 093 213 028

Fortress' income tax reference number: 9218846179

2 September 2021

Lead sponsor

JAVACAPITAL

Joint sponsor



Debt sponsor

