

Exemplar REITail Limited

(Incorporated in the Republic of South Africa)

(Registration number 2018/022591/06)

Approved as a REIT by the JSE

JSE share code: EXP ISIN: ZAE000257549

LEI: 3789000558287E37F130

("Exemplar" or "the Company")



DIVIDEND DECLARATION: TAX TREATMENT AND SALIENT DATES

Shareholders are referred to Exemplar's audited consolidated financial statements for the year ended 29 February 2024 ("FY2024"), published on SENS on 27 May 2024, wherein shareholders were advised that Exemplar has declared a distribution of 74.66425 cents per share for the 6 months ended 29 February 2024 (the "**final distribution**"), which comprises (i) a dividend of 57.03275 cents per share; and (ii) a return of contributed tax capital ("**CTC**") of 17.63150 cents per share, which together with the interim distribution of 64.27220 cents per share for the six months ended 31 August 2023 equates to a total distribution for FY2024 of 138.93645 cents per share.

The final distribution will be paid to shareholders in accordance with the timetable set out below:

Last day to trade cum dividend	Tuesday, 11 June 2024
Shares trade ex-dividend	Wednesday, 12 June 2024
Record date	Friday, 14 June 2024
Payment date	Tuesday, 18 June 2024

Share certificates may not be dematerialised or rematerialised between Wednesday, 12 June 2024 and Friday, 14 June 2024, both days inclusive. The distribution will be transferred to dematerialised shareholders' CSDP/broker accounts on Tuesday, 18 June 2024. Certificated shareholders' distribution payments will be paid to certificated shareholders' bank accounts on or about Tuesday, 18 June 2024.

Tax treatment of the dividend

In accordance with Exemplar's status as a REIT, shareholders are advised that the dividend of 57.03275 cents per share meets the requirements of a "qualifying distribution" for the purposes of section 25BB of the Income Tax Act, No. 58 of 1962 ("**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. This dividend is, however, exempt from dividend withholding tax in the hands of South African tax resident shareholders, provided that such 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 dividend is exempt from dividends tax; and
- b) a written undertaking to inform the CSDP, broker or the Company, as the case may be, should the circumstances affecting the exemption 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. Shareholders are advised to contact their CSDP, broker or the Company, as the case may be, to arrange for the abovementioned documents to be submitted prior to payment of the dividend, 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 45.62620 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) 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 Company, 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, broker or the Company, as the case may be, to arrange for the abovementioned documents to be submitted prior to payment of the dividend if such documents have not already been submitted, if applicable.

Tax treatment of the return of CTC

The return of CTC of 17.63150 cents per share constitutes a “return of capital” as defined in section 1 of the Income Tax Act. The return of CTC is not a “dividend” as defined in the Income Tax Act and will therefore not attract dividends tax.

South African resident shareholders who hold their shares as capital assets will be required in terms of paragraph 76B of the Eighth Schedule to the Income Tax Act to reduce the base cost of their Exemplar shares with the amount of CTC returned. If the amount of CTC returned exceeds the base cost of the Exemplar shares in the hands of a particular shareholder, the excess will constitute a capital gain in the hands of the shareholder and the shareholder must account for capital gains tax on such capital gain, unless the shareholder can rely on a capital gains tax exemption. Exemplar shareholders who hold their shares as trading stock should obtain advice on the correct tax treatment of the return of CTC. The South African tax consequences for non-South African resident Exemplar shareholders in respect of the return of CTC is fact dependent and depends on the extent of their shareholding and activities in South Africa – such shareholders should obtain advice on the correct tax treatment of the return of CTC.

The information provided above is generic in nature and does not constitute tax advice. Shareholders are advised to obtain appropriate advice from their professional advisers in this regard.

Shares in issue at the date of declaration date of the dividend: 332 290 686

Exemplar income tax reference number: 9727063175

27 May 2024

Sponsor

The logo for Java Capital, featuring the word "JAVA" in a bold, blue, sans-serif font, followed by "CAPITAL" in a lighter, grey, sans-serif font. A thin blue horizontal line is positioned between the two words.