
TEXTON PROPERTY FUND LIMITED
Granted REIT status by the JSE
Incorporated in the Republic of South Africa
(Registration number 2005/019302/06)
Share code: TEX ISIN: ZAE000190542
("Texton" or "the Company")

TAX TREATMENT AND SALIENT DATES

Shareholders are referred to Texton's unaudited condensed consolidated financial results for the six months ended 31 December 2019, as published on SENS on 10 March 2020, wherein shareholders were advised that Texton's Board of Directors has approved and declared an interim dividend of 16.09 cents per share for the six month period ended 31 December 2019, payable to shareholders registered as such at the close of business on Friday, 27 March 2020.

In accordance with Texton's status as a REIT, shareholders are advised that the dividends meet 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 dividends 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 dividends 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 they are dividends distributed by a REIT. These dividends are, 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 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 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, broker or the Company, as the case may be, to arrange for the abovementioned documents to be submitted prior to payment of the dividends, if such documents have not already been submitted.

Dividends received by non-resident shareholders will not be taxable as income in South Africa 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. It should be noted that, up to 31 December 2013, dividends received by non-residents from a REIT were not subject to dividend withholding tax. Since 1 January 2014, any dividend received by a non-resident from a REIT will be subject to dividend withholding tax. On 22 February 2017, the dividends withholding tax rate was increased from 15% to 20% and accordingly, 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 12.872 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 their CSDP, broker or the Company, 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 Company, as the case may be, to arrange for the abovementioned documents to be submitted prior to payment of the dividends if such documents have not already been submitted, if applicable.

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

	2020
Declaration date:	Tuesday, 10 March
Last day to trade:	Tuesday, 24 March
Ex-dividend date:	Wednesday, 25 March
Record date:	Friday, 27 March
Payment date:	Monday, 30 March

Share certificates may not be dematerialised or rematerialised between Wednesday, 25 March 2020 and Friday, 27 March 2020, both dates inclusive.

Payment of the dividends will be made to shareholders on or about Monday, 30 March 2020. In respect of dematerialised shares, the dividends will be transferred to the CSDP accounts/broker accounts on or about Monday, 30 March 2020. Certificated shareholders' dividend payments will be deposited on or about Monday, 30 March 2020.

Texton's Income Tax reference number: 9353785158.

Issued shares as at 10 March 2020: 376 066 766.

Johannesburg
10 March 2020

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Merchantec Capital