

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

Action required

- **NO ACTION IS REQUIRED IF YOU WISH TO RECEIVE THE CASH DIVIDEND AS YOU WILL BE DEEMED TO HAVE ELECTED THE CASH DIVIDEND IF YOU DO NOT ELECT THE DIVIDEND REINVESTMENT ALTERNATIVE**
- If you wish to elect to receive Octodec Investments Limited ("Octodec" or "the Company") ordinary shares with a no par value in the share capital of Octodec ("shares") and you:
 - are holding certificated shares, you must complete the attached form of election in respect of all or part of your shareholding in accordance with the instructions contained in the form of election and lodge it with, or post it to, the transfer secretaries, Computershare Investor Services Proprietary Limited (Registration number 2004/003647/07), 70 Marshall Street, Johannesburg, 2001 (PO Box 61763, Marshalltown, 2107) to be received by them by no later than 12:00 on Friday, 27 May 2016. Forms of election received after this date and time will not be accepted; or
 - have dematerialised your shares with a Central Securities Depository Participant ("CSDP") or broker, you must instruct your CSDP or broker accordingly in terms of the custody agreement entered into between you and your CSDP or broker.
- If you have disposed of your shares on or before Tuesday, 26 April 2016, you should forward this Circular, together with the attached form of election, to the purchaser to whom, or the broker, CSDP or agent through whom, you disposed of your shares.
- The distribution of this Circular and/or accompanying documents and the right to elect shares in jurisdictions other than the Republic of South Africa may be restricted by law, and failure to comply with any of these restrictions may constitute a violation of the securities laws of any such jurisdictions. Shareholders' rights to elect shares are not being offered, directly or indirectly, in the United Kingdom, European Economic Area or EEA, Canada, United States of America, Japan or Australia unless certain exemptions from the requirements of those jurisdictions are applicable.
- If you are in any doubt as to what action to take, please consult your broker, CSDP, banker, legal advisor, accountant or other professional advisor.

Octodec does not accept responsibility, and will not be held liable for any action of or omission by any CSDP or broker including, without limitation, any failure on the part of any CSDP or broker of any beneficial owner of Octodec shares to notify such beneficial owner of the information set out in this Circular.



Octodec Investments Limited

REIT status approved

(Incorporated in the Republic of South Africa)

(Registration number 1956/002868/06)

JSE share code: OCT ISIN: ZAE000192258

Board of directors:

S Wapnick* (Chairman), JP Wapnick (Managing Director), AK Stein (Financial Director), DP Cohen†, GH Kemp‡, MZ Pollack*, PJ Strydom†

* Non-executive † Independent, non-executive ‡ Independent, non-executive

CIRCULAR TO OCTODEC SHAREHOLDERS

regarding

The declaration of a cash dividend ("cash dividend") with the election to reinvest the cash dividend in return for Octodec shares ("the dividend reinvestment alternative").

SALIENT DATES AND TIMES

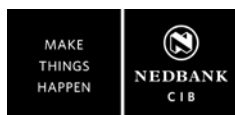
2016

Circular and form of election posted to Octodec shareholders	Tuesday, 3 May
Announcement of dividend reinvestment alternative issue price and finalisation information by	Friday, 13 May
Last day to trade ("LDT") cum dividend	Friday, 20 May
Shares trade ex-dividend	Monday, 23 May
Listing of maximum possible number of dividend reinvestment alternative shares commences on the JSE	Wednesday, 25 May
Last day to elect to receive the dividend reinvestment alternative (no late forms of election will be accepted) by 12:00	Friday, 27 May
Record date	Friday, 27 May
Announcement of results of cash dividend and dividend reinvestment alternative released on SENS	Monday, 30 May
For shareholders not electing the dividend reinvestment alternative	Monday, 30 May
Cash dividend cheques posted to certificated shareholders	
Accounts credited for cash dividend by CSDP or broker to dematerialised shareholders	
Announcement of results of cash dividend and dividend reinvestment alternative in the press	Tuesday, 31 May
For shareholders electing the dividend reinvestment alternative	Wednesday, 1 June
Share certificates posted to certificated shareholders	
Accounts credited with shares by CSDP or broker to dematerialised shareholders	
Adjustment to shares listed on or about	Friday, 3 June

Notes:

1. All dates and times indicated in this Circular are South African dates and times.
2. All dates and times indicated in this Circular are subject to change. Any change will be announced on SENS.
3. Shares may not be dematerialised or rematerialised between commencement of trade on Monday, 23 May 2016 and the close of trade on Friday, 27 May 2016.
4. Shareholders electing the dividend reinvestment alternative are alerted to the fact that the new shares will be listed on LDT + 3 and that these new shares can only be traded on LDT + 3, due to the fact that settlement of the shares will be three days after record date, which differs from the conventional one day after record date settlement process.

Investment bank, corporate advisor and sponsor to Octodec



Attorneys



Date of issue: 3 May 2016

This Circular is available in English only. Copies may be obtained from the registered office of City Property, CPA House, 101 Du Toit Street, Pretoria, 0002, and on the Company's website www.octodec.co.za from Tuesday, 3 May 2016 to Friday, 27 May 2016.

CIRCULAR TO OCTODEC SHAREHOLDERS

1. INTRODUCTION AND BACKGROUND

Octodec's interim results for the six months ended 28 February 2016 were released on SENS on 3 May 2016. Octodec shareholders were advised in the announcement accompanying these results that the directors of Octodec have declared a cash dividend of 98.4 cents per share for the six months ended 29 February 2016. Shareholders have been provided with the election to re-invest their portion of the cash dividend in return for newly issued Octodec shares. By electing the dividend reinvestment alternative, shareholders will increase their shareholding in Octodec without incurring securities transfer tax and other dealing costs while Octodec will benefit from increased shareholders' funds available to pursue its growth strategy.

Shareholders are entitled, in respect of all or part of their shareholding, to elect the dividend reinvestment alternative failing which they will receive the cash dividend of 98.4 cents per share. The number of shares to which shareholders are entitled will be determined with reference to the ratio that 98.4 cents per share bears to the ratio price (i.e. the five-day volume weighted average traded price (ex-dividend) of Octodec shares on the JSE prior to the finalisation date). The price will be announced on the finalisation date, which will be no later than Friday, 13 May 2016.

The board of directors of Octodec in its discretion may withdraw the dividend reinvestment alternative should market conditions warrant such action and such withdrawal will be communicated to shareholders prior to the finalisation announcement to be published by 11:00 on Friday, 13 May 2016.

2. PURPOSE OF THE CIRCULAR

The purpose of this Circular is to provide shareholders with information regarding the cash dividend and the dividend reinvestment alternative.

3. THE CASH DIVIDEND AND THE DIVIDEND REINVESTMENT ALTERNATIVE

3.1 Terms of the cash dividend

Subject to the terms contained in this Circular and the attached form of election pertaining to certificated shareholders, shareholders recorded in the register of Octodec at the close of business on the record date who have not elected to participate in the dividend reinvestment alternative, will be paid the cash dividend.

3.2 Procedure for shareholders to receive the cash dividend

Shareholders who wish to receive the cash dividend do not need to take any further action. If no election is made to participate in the dividend reinvestment alternative, shareholders will receive the cash dividend in respect of all the shares held on the record date.

The cash dividend of 98.4 cents per share will be paid via electronic transfer into the nominated bank accounts of certificated shareholders who have not elected the dividend reinvestment alternative only in the event that the transfer secretaries are already in possession of their banking details. Where the transfer secretaries do not have the banking details of the aforesaid certificated shareholders, dividend cheques will be dispatched at the risk of such shareholders on or about Monday, 30 May 2016, to their registered addresses, or in accordance with the instructions given to the transfer secretaries, or in the case of dematerialised shareholders the cash will be credited to their accounts held at their CSDP or broker.

3.3 Procedure for shareholders who elect to receive the dividend reinvestment alternative

Shareholders who hold certificated shares and wish to elect to receive shares under the dividend reinvestment alternative must complete the attached form of election in accordance with the instructions contained therein and lodge it with the transfer secretaries, Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg, 2001, or post it to their postal address PO Box 61763, Marshalltown, 2107, to be received no later than 12:00 on the record date.

Shareholders who have dematerialised their shares through a CSDP or broker must not complete the attached form of election, but should instruct their CSDP or broker with regard to their election in terms of the custody agreement entered into between them and their CSDP or broker. Shareholders may make the election in respect of all or part of their shares held on the record date. If an election is made in respect of part of a shareholding, shareholders will receive the cash dividend in respect of the shares for which the election is not made.

3.4 Posting of share certificates and crediting of CSDP or broker accounts

Share certificates in respect of the shares relating to the dividend reinvestment alternative will be dispatched to the certificated shareholders at the risk of such shareholders on or about Wednesday, 1 June 2016, to the registered addresses or in accordance with instructions given to the transfer secretaries via registered post. Dematerialised shareholders' CSDP or broker accounts will be credited on Wednesday, 1 June 2016 in respect of the dividend reinvestment alternative.

4. FRACTIONS

Trading in the Strate environment does not permit fractions or fractional entitlements. Accordingly, where a shareholder's entitlement to the shares in relation to the dividend reinvestment alternative calculated in accordance with the formula mentioned in paragraph 1 above gives rise to a fraction of a new share, such fraction will be rounded down to the nearest whole number and the cash balance will be paid to the shareholder.

5. TAX IMPLICATIONS

In accordance with Octodec's status as a Real Estate Investment Trust ("REIT"), with effect from 1 September 2013, shareholders are advised that the dividend 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").

5.1 Tax implications for South African resident shareholders

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 section 10(1)(k)(i)(aa) of the Income Tax Act because they are dividends distributed by a REIT. These dividends are however exempt from dividend withholding tax ("Dividend Tax") in the hands of South African resident shareholders provided that the South African resident shareholders have provided to the CSDP or broker, as the case may be, in respect of uncertificated shares, or the transfer secretaries in respect of certificated shares, a DTD (EX) (Dividend Tax: Declaration and undertaking to be made by the beneficial owner of a share) form to prove their status as a South African resident and indicating the exemption upon which they are relying.

If resident shareholders have not submitted the abovementioned documentation to confirm their status as a South African resident, they are advised to contact their CSDP or broker, as the case may be, to arrange for the documents to be submitted prior to the payment of the cash dividend.

5.2 Tax implications for non-resident shareholders

Dividends received by non-resident shareholders from a REIT will not be taxable as income and will be exempt from income tax in terms of the exemption in section 10(1)(k)(i) of the Income Tax Act. With effect from 1 January 2014, any dividend received by a non-resident from a REIT is subject to Dividend Tax at 15%, 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 non-resident shareholders. Assuming Dividend Tax will be withheld at the current rate of 15%, the net dividend amount due to non-resident shareholders is 83.64 cents per share. A reduced Dividend 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 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;
- a written undertaking to inform the CSDP, broker or the transfer secretary, as the case may be, should the circumstances affecting the reduced rate change or the beneficial owner cease to be the beneficial owner; and
- both in the form prescribed by the Commissioner for the South African Revenue Service.

If applicable, non-resident shareholders are advised to contact their CSDP, broker or the transfer secretary, as the case may be, to arrange for the abovementioned documents to be submitted prior to the payment of the dividend if such documents have not already been submitted.

A worked example illustrating the impact for resident and non-resident shareholders will be announced as part of the finalisation information on SENS by Friday, 13 May 2016.

5.3 Other information:

- As at the date of issue of this circular, the ordinary issued share capital of Octodec consists of 252 321 784 shares.
- The Income Tax Reference Number of Octodec is 9925/033/71/5.

The cash dividend or dividend reinvestment alternative may have tax implications for resident as well as non-resident shareholders. Shareholders are therefore encouraged to consult their professional advisors should they be in any doubt as to the appropriate action to take.

6. LISTING OF NEW OCTODEC SHARES

The maximum amount to be capitalised from Octodec's reserves to be able to issue the shares under the dividend reinvestment alternative as fully paid up amounts to approximately R248.3 million.

Application will be made to the JSE for the maximum possible number of shares to be issued in terms of the dividend reinvestment alternative to be listed with effect from the commencement of business on Wednesday, 25 May 2016. A further application will be made to the JSE to adjust the maximum number of new shares listed to take into account the actual number of shares issued to shareholders under the dividend reinvestment alternative on or about Friday, 3 June 2016.

7. FOREIGN SHAREHOLDERS

The distribution of this Circular and/or accompanying documents and the right to elect the dividend reinvestment alternative in jurisdictions other than the Republic of South Africa may be restricted by law and failure to comply with any of these restrictions may constitute a violation of the securities laws of any such jurisdictions. The shares have not been and will not be registered for the purposes of the election under the securities laws of the United Kingdom, European Economic Area or EEA, Canada, United States of America, Japan or Australia and accordingly are not being offered, sold, taken up, re-sold or delivered directly or indirectly to recipients with registered addresses in such jurisdictions.

8. EXCHANGE CONTROL

In terms of the Exchange Control Regulations of South Africa:

8.1 In the case of certificated shareholders:

- any share certificate that might be issued to non-resident shareholders will be endorsed "non-resident";
- any new share certificates and cash dividend payments based on emigrants' shares controlled in terms of the Exchange Control Regulations will be forwarded to the authorised dealer in foreign exchange controlling their blocked assets. The election by emigrants for the above purpose must be made through the authorised dealer in foreign exchange controlling their blocked assets. Such new share certificates will be endorsed "non-resident"; and
- cash dividend payments due to non-residents are freely transferable from South Africa. In respect of all non-residents of the common monetary area (collectively the Republic of South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland), the cash dividend payments due will be sent to the registered address of the shareholder concerned or in accordance with instructions given to the transfer secretaries.

8.2 In the case of dematerialised shareholders:

- any shares issued to emigrants from the common monetary area and all other non-residents of the common monetary area, will be credited to their CSDP or broker's account and a "non-resident" annotation will appear in the CSDP or broker's register;
- any cash dividend paid to emigrants from the common monetary area, will be credited to their CSDP or broker's accounts which will arrange for the same to be credited directly to the shareholder's blocked Rand account held by that shareholder's authorised dealer and held to the order of that authorised dealer; and
- any cash dividend paid to non-resident shareholders who are not emigrants from the common monetary area, will be credited directly to the bank account nominated for the relevant shareholders, by their duly appointed CSDP or broker.

Non-resident and emigrant dematerialised shareholders will have all aspects relating to exchange control managed by their CSDP or broker.

9. CONSENTS

Nedbank Corporate and Investment Banking, Tugendhaft Wapnick Banchetti and Partners and Computershare have provided their written consents to act in the capacities stated and to their names being used in the Circular in the form and context in which they appear and have not withdrawn their consents prior to the posting of this Circular.

Signed for and on behalf of Octodec Investments Limited

S Wapnick
Non-executive Chairman

3 May 2016



Octodec Investments Limited

REIT status approved
(Incorporated in the Republic of South Africa)
(Registration number 1956/002868/06)
JSE share code: OCT ISIN: ZAE000192258

FORM OF ELECTION FOR OCTODEC SHAREHOLDERS

For use only by shareholders who hold shares in certificated form ("certificated shareholders") and who elect to receive the dividend reinvestment alternative shares, for all or part of their shareholding ("the election") in Octodec. All terms defined in the Circular to which this form of election is attached shall bear the same meanings herein.

Dematerialised shareholders must instruct their CSDP or broker accordingly in terms of the custody agreement entered into between them and their CSDP or broker. These shareholders must therefore not use this form of election.

Shareholders electing the dividend reinvestment alternative are alerted to the fact that the new shares will be listed on LDT + 3 and that these new shares can only be traded on LDT + 3, due to the fact that settlement of the shares will be three days after record date, which differs from the conventional one day after record date settlement process.

Shareholders will be entitled, in respect of all or part of their shareholding, to elect to participate in the dividend reinvestment alternative failing which they will receive the cash dividend of 98.4 cents per share which will be paid to those shareholder not electing to participate in the dividend reinvestment alternative.

Accordingly, shareholders who wish to receive the cash dividend of 98.4 cents per share must not complete this form of election and no further action is required.

I/We

(Full names in BLOCK letters please)

regarding the election:

- hereby irrevocably elect to receive the dividend reinvestment alternative shares, the number of which will be determined with reference to the ratio that 98.4 cents per share bears to the five-day volume weighted average price (ex-dividend) prior to the finalisation date, to be announced no later than Friday, 13 May 2016 in respect of the number of shares in the capital of Octodec as reflected in Block (4) overleaf and on terms and conditions contained in this form of election and in the accompanying Circular;
- acknowledge that this form of election is applicable only in respect of shares of which I/we was/were the registered holder(s) on the close of business on the record date, being Friday, 27 May 2016; and
- acknowledge that I/we am/are not entitled to a cash dividend of 98.4 cents per share in respect of shares for which the dividend reinvestment alternative is elected.

Signed at

on

2016

Signature/s

Assisted by (where applicable)

PLEASE READ THE NOTES OVERLEAF

Forms of election must be lodged with, mailed, faxed or emailed to the transfer secretaries, Computershare Investor Services Proprietary Limited:

Hand deliveries of the form of election to:

Computershare Investor Services Proprietary Limited
Ground Floor, 70 Marshall Street
Johannesburg, 2001

Postal deliveries of form to:

Computershare Investor Services Proprietary Limited
PO Box 61763
Marshalltown, 2107

Forms of election which are not posted must be faxed to +27 11 688 5210 or emailed to corporate.events@computershare.co.za.

Computershare Investor Services Proprietary Limited will not be responsible for any loss and/or damage whatsoever in relation to or arising from the late or non-receipt of faxed or emailed forms of election or owing to forms of election being forwarded to any other facsimile or email address other than those provided above. Forms of election shall be deemed to be received on the date reflected in Computershare's electronic or facsimile systems. Notwithstanding anything to the contrary it is the shareholder's responsibility to ensure that their form of election is received by Computershare Investor Services Proprietary Limited.

To be received by no later than 12:00 on Friday, 27 May 2016.

Name and address of registered shareholder	[Serial number]
(1)	Enquiries in connection with this form of election should be addressed to the transfer secretaries, quoting this serial number

Number of Octodec Investments Limited shares held or deemed to be held on the record date, being Friday, 27 May 2016, based on your shareholding at close of business on Thursday, 28 April 2016.	Maximum cash dividend to which you will become entitled based on your deemed shareholding at close of business on Friday, 27 May 2016, should you not elect to participate in the dividend reinvestment alternative
(2)	(3)

Number of Octodec shares for which the dividend reinvestment alternative is elected. The maximum number of shares for which the dividend reinvestment alternative can be made is that reflected in block 2 above, or, if shares have been transacted in the period from Thursday, 28 April 2016, then the number of shares registered in Octodec's register on the record date.
(4)

Applicant's signature _____ Telephone number ()

Email address _____ Mobile number () Date _____

Notes:

1. The election may be made in respect of all or any of the Octodec shares registered in the name of the shareholder at the close of business on the record date.
2. The signature on the form of election of any person who is under legal disability shall be accompanied by the signature of such person's parent or guardian or legal representative, as the case may be.
3. In order to be valid, this form of election must be properly completed and lodged with, or posted to the transfer secretaries of Octodec at the address indicated above, to be received by them by no later than 12:00 on Friday, 27 May 2016. **Late forms of election will not be accepted.**
4. Octodec reserves the right in its discretion to:
 - a. treat as invalid (in which case the cash dividend will be paid) any form of election not complying with the terms of the election or any instruction contained herein; and/or
 - b. require proof of the authority of the person signing this form of election where such proof has not yet been lodged with or recorded by the transfer secretaries, Computershare Investor Services Proprietary Limited.
5. In the case of a joint holding, the first-named only is required to sign.
6. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian as applicable, unless the relevant documents establishing capacity are produced or have been registered with the Transfer Secretaries.

Any and every alteration or correction made to this form of election must be initialled by the signatory(ies).

