

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**Action required**

1. **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 share reinvestment alternative.**
2. If you wish to elect to receive Octodec Investments Limited (“**Octodec**”) ordinary shares with no par value (“**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, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (PO Box 61051, Marshalltown 2107), to be received by them by no later than 12:00 on Friday, 26 May 2017. Forms of election received after this date and time will not be accepted; or
  - have dematerialised your shares (“**dematerialised shareholder**”) 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.
3. If you have disposed of all of your shares on or before Tuesday, 23 May 2017 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.
4. The distribution of this circular and/or accompanying documents and the right to elect shares in jurisdictions other than the Republic of South Africa (“**SA**”) 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.
5. 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.
6. The commentary regarding the tax implications of the cash dividend and the share reinvestment alternative, as contained in paragraph 5 of this circular, should not be construed as tax advice. If you are in any doubt as to the tax implications for your unique circumstances, please consult your tax advisor.



**OCTODEC INVESTMENTS LIMITED**

(Incorporated in the Republic of South Africa)  
(Registration number 1956/002868/06)  
JSE share code: OCT ISIN: ZAE000192258  
(Approved as a REIT by the JSE)  
(“**Octodec**” or “**the company**”)

**Board of Directors**

S Wapnick\* (Chairman), JP Wapnick (Managing Director), AK Stein (Financial Director), DP Cohen (Lead Independent Non-executive Director)<sup>#</sup>, GH Kemp<sup>#</sup>, MZ Pollack\*, PJ Strydom<sup>#</sup>.

\*Non-executive <sup>#</sup>Independent non-executive

**CIRCULAR TO OCTODEC SHAREHOLDERS**

regarding

**THE DECLARATION OF A CASH DIVIDEND WITH THE ELECTION TO REINVEST  
THE CASH DIVIDEND IN RETURN FOR OCTODEC SHARES**

<b>Salient dates and times</b>	<b>2017</b>
Circular and form of election posted to shareholders and announced on SENS	Friday, 5 May
Finalisation information including the share ratio and reinvestment price per share published on SENS	Tuesday, 16 May
Last day to trade in order to participate in the election to receive shares in terms of the share reinvestment alternative or to receive a cash dividend (“ <b>LDT</b> ”)	Tuesday, 23 May
Shares trade <i>ex-dividend</i>	Wednesday, 24 May
Listing of maximum possible number of shares under the share reinvestment alternative	Friday, 26 May
Last day to elect to receive shares in terms of the share reinvestment alternative or to receive a cash dividend at 12:00 (SA time) (no late forms of election will be accepted)	Friday, 26 May
Record date for the election to receive shares in terms of the share reinvestment alternative or to receive a cash dividend (“ <b>record date</b> ”)	Friday, 26 May
Announcement of results of cash dividend and share reinvestment alternative released on SENS	Monday, 29 May
Cash dividend cheques posted to certificated shareholders on or about	Monday, 29 May
Accounts credited by CSDP or broker to dematerialised shareholders with the cash dividend payment	Monday, 29 May
Share certificates posted to certificated shareholders on or about	Wednesday, 31 May
Accounts updated with the new shares (if applicable) by CSDP or broker to dematerialised shareholders	Wednesday, 31 May
Adjustment to shares listed on or about	Friday, 2 June

**Notes:**

1. **Shareholders electing the share 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 the record date, which differs from the conventional one day after record date settlement process.**
2. Shares may not be dematerialised or rematerialised between Wednesday, 24 May 2017 and Friday, 26 May 2017, both days inclusive.
3. The above dates and times are subject to change. Any changes will be released on SENS.

**Corporate Advisor and Sponsor**



Date of issue: Friday, 5 May 2017

Copies of this circular are only available in English and are available on the company’s website at [www.octodec.co.za](http://www.octodec.co.za). Copies may be obtained at Octodec’s registered office, CPA House, 101 Du Toit Street, 0002 during normal business hours 08:00 until 16:00 from Friday, 5 May 2017 to Friday, 26 May 2017.

## 1. INTRODUCTION

Octodec's interim results for the six months ended 28 February 2017 were released on SENS on Tuesday, 2 May 2017. Octodec shareholders were advised in the announcement accompanying the results that the directors of Octodec have declared a cash dividend of 104.8 cents per Octodec ordinary share of no par value for the six months ended 28 February 2017 ("**cash dividend**"). Shareholders have been provided with the election to reinvest the cash dividend in return for Octodec shares ("**share reinvestment alternative**"). By electing the share reinvestment alternative, shareholders will be able to increase their shareholding in Octodec without incurring dealing costs. In turn, Octodec will benefit from an increase in the amount of shareholders' funds available to support continued growth.

Shareholders will be entitled, in respect of all or part of their shareholding, to elect to participate in the share reinvestment alternative, failing which, they will receive the cash dividend of 104.8 cents per share that will be paid to those shareholders not electing to participate in the share reinvestment alternative. The number of shares to which shareholders are entitled will be determined with reference to the ratio that 104.8 cents per share bears to the reinvestment price (being up to a 5% discount to either the spot or the five-day volume weighted average traded price (less the cash dividend) of Octodec shares on the JSE prior to the finalisation date) ("**reinvestment price**"). The reinvestment price will be announced on the finalisation date, which will be no later than Tuesday, 16 May 2017 (by 11:00).

The board of directors of Octodec in its discretion may withdraw the share reinvestment alternative should market conditions warrant such action and such withdrawal will be communicated to shareholders prior to the release of the finalisation announcement on SENS which is to be released on SENS by 11:00 on Tuesday, 16 May 2017.

## 2. PURPOSE OF THIS CIRCULAR

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

## 3. THE CASH DIVIDEND AND THE SHARE 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 share 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 share reinvestment alternative, shareholders will receive the cash dividend in respect of all the shares held on the record date.

### 3.3 Procedure for shareholders who elect the share reinvestment alternative

Shareholders who hold certificated shares and wish to elect to receive shares 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 ("**Computershare**"), Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (PO Box 6051, Marshalltown, 2107) to be received no later than 12:00 on the record date. Forms of election which are not posted must be faxed to +27 11 688 5210 or emailed to corporate.events@computershare.co.za. Computershare 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 forms of election are received by Computershare.

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 share reinvestment alternative will be dispatched to the certificated shareholders at the risk of such shareholders on or about Wednesday, 31 May 2017, 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, 31 May 2017 in respect of the share reinvestment alternative.

### 3.5 Shareholders wishing to receive the cash dividend

The cash dividend of 104.8 cents per share will be paid via electronic transfer into the personal bank accounts of certificated shareholders who have not elected the share 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 any certificated shareholders, the cash dividend of 104.8 cents per share will be held in trust by the transfer secretaries pending receipt of the relevant certificated shareholder's banking details whereafter the cash dividend will be paid *via* electronic transfer into the personal bank accounts of certificated shareholder. In the case of dematerialised shareholders the cash dividend will be credited to their accounts held at their CSDP or broker on or about Monday, 29 May 2017.

## 4. FRACTIONS

Trading in the Strate environment does not permit fractions and fractional entitlements. Where a shareholder's entitlement to the shares in relation to the share reinvestment alternative calculated in accordance with the formula mentioned in paragraph 1 above 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 retained by the shareholders.

## 5. TAX IMPLICATIONS

Octodec was granted REIT status by the JSE Limited with effect from 1 September 2013 in line with the REIT structure as provided for in the Income Tax Act, No. 58 of 1962, as amended (the "**Income Tax Act**") and section 13 of the JSE Listings Requirements.

The REIT structure is a tax regime that allows a REIT to deduct qualifying distributions paid to investors, in determining its taxable income.

The cash dividend of 104.8 cents per share meets the requirements of a "qualifying distribution" for the purposes of section 25BB of the Income Tax Act (a "**qualifying distribution**") with the result that:

- qualifying distributions received by resident Octodec shareholders 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 Octodec shareholder. These qualifying distributions are however exempt from dividends withholding tax, provided that the South African resident shareholders 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 exempt from dividends tax; and
  - 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 dividend, if such documents have not already been submitted.

- qualifying distributions received by non-resident Octodec 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. It should be noted that until 31 December 2013 qualifying distributions received by non-residents were not subject to dividends withholding tax. With effect from 22 February 2017, any qualifying distribution is subject to dividends 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 dividends withholding tax will be withheld at a rate of 20%, the net dividend amount due to non-resident shareholders is 83.84 cents per share. A reduced dividend withholding rate in terms of the applicable DTA, may only be relied upon 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
  - 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 dividend if such documents have not already been submitted, if applicable.

Shareholders are advised that in electing to participate in the share reinvestment alternative, pre-taxation funds are utilised for the purposes and that taxation will be due on the total cash dividend amount of 104.8 cents per share.

Other information:

- The ordinary issued share capital of Octodec is 261 539 462 ordinary shares of no par value each before any election to reinvest the cash dividend.
- Income Tax Reference Number of Octodec: 9925/033/71/5.

This cash dividend or the share 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.

A worked example illustrating the tax implications for resident and non-resident shareholders will be announced as part of the finalisation information on SENS on Tuesday, 16 May 2017.

## 6. LISTING OF NEW OCTODEC SHARES

Application will be made to the JSE for the maximum possible number of shares to be issued in terms of the share reinvestment alternative to be listed with effect from the commencement of trade on Friday, 26 May 2017. 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 on or about Friday, 2 June 2017.

## 7. FOREIGN SHAREHOLDERS

The distribution of this circular and/or accompanying documents and the right to elect shares under the share reinvestment alternative in jurisdictions other than the Republic of South Africa may be restricted by law and a 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.

For and on behalf of

**Octodec Investments Limited**

**AK Stein**  
Financial Director



**OCTODEC INVESTMENTS LIMITED**

(Incorporated in the Republic of South Africa)  
(Registration number 1956/002868/06)  
JSE share code: OCT ISIN: ZAE000192258  
(Approved as a REIT by the JSE)  
("Octodec" or "the company")

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**FORM OF ELECTION**

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For use only by shareholders who hold shares in certificated form ("certificated shareholders") and who elect to receive the shares, for all or part of their shareholding (the "share reinvestment alternative") in Octodec.

Dematerialised shareholders must instruct their Central Securities Depository Participant ("CSDP") or broker accordingly in terms of the custody agreement entered into between them and their CSDP or broker. **These shareholders must not use this form of election.**

**Shareholders electing the shares 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 who wish to receive the cash dividend of 104.8 cents per Octodec share must not complete this form of election and no further action is required.**

I/We, \_\_\_\_\_ (name/s in BLOCK LETTERS)

regarding the election:

- hereby irrevocably elect to receive that number of shares under the share reinvestment alternative, which number will be determined with reference to the ratio that 104.8 cents per share bears to the reinvestment price (being up to a 5% discount to either the spot or the five-day volume weighted average traded price (less the cash dividend) of Octodec shares on the JSE prior to the finalisation date), which will be no later than Tuesday, 16 May 2017 (by 11:00), in respect of the number of shares in the capital of Octodec as reflected overleaf 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, 26 May 2017; and
- acknowledge that I/we am/are not entitled to a cash dividend of 104.8 cents per share in respect of shares for which the share reinvestment alternative is elected.

Signed at \_\_\_\_\_ on \_\_\_\_\_ 2017

Signature \_\_\_\_\_

Telephone number: ( ) \_\_\_\_\_ Cellphone number \_\_\_\_\_

Email address \_\_\_\_\_

Assisted by (where applicable) \_\_\_\_\_

**PLEASE READ THE NOTES OVERLEAF.**

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

**Hand deliveries to:**

Computershare Investor Services Proprietary Limited  
 Rosebank Towers  
 15 Biermann Avenue  
 Rosebank  
 2196

**Postal deliveries to:**

Computershare Investor Services Proprietary Limited  
 (PO Box 61051, Marshalltown, 2107)

**Email deliveries to:**

[corporate.events@computershare.co.za](mailto:corporate.events@computershare.co.za)

**Facsimile deliveries to:**

+27 11 688 5210

To be received by no later than 12:00 on Friday, 26 May 2017.

Name and address of registered shareholder	Account number
<i>Enquiries in connection with this form of instruction should be addressed to the transfer secretaries, quoting this account number</i>	

Number of Octodec shares held or deemed to be held on the record date, being Friday, 26 May 2017	Maximum cash dividend to which you will become entitled based on the number of shares held or deemed to be held on the record date, being Friday, 26 May 2017, (should you not elect to participate in the share reinvestment alternative)	Number of Octodec shares for which the share reinvestment alternative is elected (the maximum number of shares for which the share reinvestment alternative can be made is the number of shares registered in your name in Octodec's register on the record date)

Date of signature	Signature
Email address	

**Notes:**

1. The election may be made in respect of all or any of the Octodec shares registered or deemed to be 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, 26 May 2017. Late forms of election will not be accepted. Forms of election which are not posted must be faxed to +27 11 688 5210 or emailed to [corporate.events@computershare.co.za](mailto:corporate.events@computershare.co.za). Computershare 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 forms of election are received by Computershare.
4. Octodec reserves the right in its discretion to:
  - 4.1 treat as invalid (in which case the dividend will be paid) any form of election not complying with the terms of the election or any instruction contained herein;
  - 4.2 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. Any and every alteration or correction made to this form of election must be initialled by the signatory(ies).