

## NEPI Rockcastle plc

Incorporated and registered in the Isle of Man

Registered number 014178V

Share code: NRP

ISIN: IM00BDD7WV31

(“NEPI Rockcastle” or “the company”)



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## CIRCULAR TO NEPI ROCKCASTLE SHAREHOLDERS IN RESPECT OF AN ELECTION TO RECEIVE EITHER A CASH DIVIDEND OR A RETURN OF CAPITAL

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Shareholders are referred to the condensed consolidated financial results for the year ended 31 December 2019 released on SENS and Euronext Amsterdam on 20 February 2020 (the “**results announcement**”), wherein it was stated that the board of directors of NEPI Rockcastle had declared a distribution of 27.31 eurocents per share for the second half of 2019. The results announcement stated further that shareholders would be afforded the opportunity to elect to receive the distribution either in cash (the “**cash dividend**”) or as an issue of fully-paid shares (the “**return of capital**”). The election is available in respect of all or part of a shareholder’s shareholding as at Friday, 13 March 2020. A circular in this regard has been posted to shareholders today and is available on the company’s website at <https://nepirockcastle.com/wp-content/uploads/2020/02/Circular-to-NEPI-Rockcastle-Shareholders-in-Respect-of-the-Dividend-for-the-Year-Ended-31-December-2019.pdf>

### *Cash dividend*

The cash dividend will be paid to shareholders unless a shareholder elects to receive a return of capital. Shareholders holding shares traded on the JSE will receive the cash dividend in South African Rand converted from Euro at an exchange rate to be announced on Tuesday, 3 March 2020 (“**reference price**”). For NEPI Rockcastle shares traded on Euronext Amsterdam, the reference price will be converted to Euro at a ZAR:EUR conversion rate announced on Tuesday, 3 March 2020, before 11:00 South African time (“**exchange rate**”).

The cash dividend will be paid out of the company’s distributable profits.

### *Return of capital*

The rationale for the return of capital is to offer shareholders the opportunity to increase their shareholding in NEPI Rockcastle and to retain flexibility with regard to the company’s cash resources.

The number of NEPI Rockcastle shares to which a shareholder electing to receive the return of capital is entitled will be determined with reference to the ratio that 27.31 eurocents per share bears to a reference price. The reference price will be calculated based on the five-day volume weighted average traded price (less the cash dividend) of NEPI Rockcastle shares on the JSE, to be announced on Tuesday, 3 March 2020.

NEPI Rockcastle reserves the right to reduce the number of new NEPI Rockcastle shares issued to an electing shareholder in respect of the return of capital if the issue of such shareholder’s full allocation of new NEPI Rockcastle shares would result in that shareholder (individually or together with any shareholders deemed to be acting in concert with such shareholder) having an interest in NEPI Rockcastle shares that would ordinarily require the shareholder (or group of shareholders) to make a mandatory takeover offer pursuant to any applicable takeover, capital market or equivalent legislation. In such circumstances, the shareholder will receive the balance of their entitlement as a cash dividend. The company further reserves the right to reduce the number of new NEPI Rockcastle shares issued to electing shareholders in terms of the return of capital, on a *pro rata* basis. In such circumstance, shareholders will receive the balance of their final dividend (net of withholding tax), in cash.

The allocation of new NEPI Rockcastle shares will be such that shareholders who elect to receive the return of capital will not be allocated a fraction of a new NEPI Rockcastle share. Any entitlement to receive a fraction of a NEPI Rockcastle share will be rounded down to the nearest whole number, with a cash payment (“**cash payment**”).

made to the relevant shareholder in respect of the fraction. The cash payment due to shareholders will be determined with reference to the weighted average traded price of shares on the JSE on Wednesday, 11 March 2020, less 10% (converted to Euro at the exchange rate in respect of those shares traded on Euronext Amsterdam) which amount will be announced on Thursday, 12 March 2020 before 11:00 South African time.

The new NEPI Rockcastle shares to be issued pursuant to the return of capital will be funded by way of a reduction of part of the company's share premium account (which is a reduction of capital).

As required in terms of Isle of Man law, NEPI Rockcastle shareholders will not have registered ownership of the NEPI Rockcastle shares that they receive pursuant to the return of capital. NEPI Rockcastle shares will instead be delivered to shareholders in the form of dematerialised security entitlements representing the beneficial ownership of such shares. References throughout this announcement to NEPI Rockcastle shares received or issued pursuant to the return of capital or to any shareholding in NEPI Rockcastle before or after the implementation of the return of capital should therefore be read as a reference to a receipt, issue or holding of security entitlements representing beneficial ownership of NEPI Rockcastle shares, and not to any registered ownership of NEPI Rockcastle shares. All NEPI Rockcastle shares are and will be registered in the name of Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. ("**Euroclear Nederland**") for and on behalf of shareholders.

As at the date of this announcement, the company has 599 797 201 ordinary shares of €0.01 each in issue.

## **SALIENT DATES AND TIMES**

The salient dates and times with regard to the dividend election are as follows:

### **For shareholders holding shares traded on the JSE**

	<b>2020</b>
Announcement on SENS regarding an election to receive either a cash dividend or a return of capital	Thursday, 20 February
Issue of circular	Friday, 21 February
Announcement on SENS of the reference price, scrip ratio and exchange rate before 11:00am South African time on	Tuesday, 3 March
Last day to trade on the JSE in order to be eligible for the cash dividend or return of capital	Tuesday, 10 March
Shares commence trading on the JSE <i>ex</i> the dividend	Wednesday, 11 March
Announcement on SENS of cash payment applicable to fractional entitlements before 11:00am South African time on	Thursday, 12 March
Record date for receipt of cash dividend or return of capital	Friday, 13 March
Return of capital elections to be made no later than 12:00pm South African time	Friday, 27 March
Announcement on SENS of the number of new NEPI Rockcastle shares issued pursuant to the return of capital on	Tuesday, 31 March
Payment of cash dividend, CSDP/broker accounts credited/updated and new NEPI Rockcastle shares listed on the JSE	Monday, 6 April

### **Notes:**

1. The above dates and times are subject to change. Any changes will be released on SENS and the website of the company at [www.nepirockcastle.com](http://www.nepirockcastle.com).
2. For the avoidance of doubt, only those shareholders who hold NEPI Rockcastle shares on the record date will receive the cash dividend or be entitled to elect to receive the return of capital.
3. **New NEPI Rockcastle shares should not be traded until they are issued and reflect in CSDP broker accounts on Monday, 6 April 2020.**
4. Transfers of shares between the JSE and Euronext Amsterdam may not take place between Tuesday, 3 March 2020 and Friday, 13 March 2020, both days inclusive. Accordingly, the above dates and times will apply in respect of all shares traded on the JSE at the commencement of trade from Tuesday, 3 March 2020.
5. Shares may not be dematerialised or rematerialised between Wednesday, 11 March 2020 and Friday, 13 March 2020, both days inclusive.

## For shareholders holding shares traded on Euronext Amsterdam

2020

Announcement on company's website regarding an election to receive either a cash dividend or a return of capital	Thursday, 20 February
Issue of circular	Friday, 21 February
Announcement on company's website of the reference price, scrip ratio and exchange rate before 11:00am South African time on	Tuesday, 3 March
Shares commence trading on Euronext Amsterdam <i>ex</i> the dividend	Thursday, 12 March
Distribution of the Technical Information Memorandum	Thursday, 12 March
Record date for receipt of cash dividend or return of capital	Friday, 13 March
Start of election period	Monday, 16 March
Accounts at Euroclear Netherlands of the Admitted Institutions will be credited with dividend rights	Monday, 16 March
Close of election period	Friday, 27 March
Payment of cash dividend, broker/custodian accounts credited/updated and new NEPI Rockcastle shares listed on Euronext Amsterdam	Monday, 6 April

### Notes:

1. The above dates and times are subject to change. Any changes will be released on the website of the company at [www.nepirockcastle.com](http://www.nepirockcastle.com).
2. For the avoidance of doubt, only those shareholders who hold NEPI Rockcastle shares on the record date will receive the cash dividend or be entitled to elect to receive the return of capital.
3. **New NEPI Rockcastle shares should not be traded until they are issued and reflect in broker custodian accounts on Monday, 6 April 2020.**
4. Transfers of shares between the JSE and Euronext Amsterdam may not take place between Tuesday, 3 March 2020 and Friday, 13 March 2020, both days inclusive. Accordingly, the above dates and times will apply in respect of all shares traded on Euronext Amsterdam at the commencement of trade from Tuesday, 3 March 2020.

## TAX IMPLICATIONS

### *South African resident shareholders*

The receipt of the cash dividend or election to receive the return of capital may have tax implications for shareholders.

For those South African resident shareholders receiving the cash dividend, such amount will be regarded as a foreign dividend and may be subject to South African dividends withholding tax at a rate of 20%, unless an exemption as set out in the South African tax legislation applies.

The receipt of NEPI Rockcastle shares by South African resident shareholders pursuant to the return of capital should not be classified as a dividend or a foreign dividend for South African tax purposes and accordingly, South African dividends withholding tax should not be levied on the new NEPI Rockcastle shares so received. However, the legislation in this regard is complex and its implementation is uncertain. Shareholders should therefore seek independent professional tax advice.

The gross local dividend amount for shareholders exempt from paying South African dividends tax, as well as the net local dividend amount for shareholders liable to pay South African dividends tax, will be announced on Tuesday, 3 March 2020.

NEPI Rockcastle shareholders are advised to consult their professional advisors regarding the tax consequences of the cash dividend and the return of capital or should they be in any doubt as to the appropriate action to take. There is no withholding tax payable in the Isle of Man.

***Shareholders residing outside South Africa***

The receipt of the cash dividend or election to receive the return of capital may have tax implications for shareholders who are resident outside South Africa and such shareholders are advised to obtain appropriate advice from their professional advisors in this regard.

NEPI Rockcastle has a dual primary listing on the Main Board of the JSE and Euronext Amsterdam.

For further information please contact:

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21 February 2020