

SPEAR REIT LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 2015/407237/06)

Share Code: SEA

ISIN: ZAE000228995

LEI: 378900F76170CCB33C50

Approved as a REIT by the JSE

(“Spear” or “the Company”)



SPEAR
REIT LIMITED

Finalisation Announcement Of Dividend Reinvestment Price, Ratio And Finalisation Information

DIVIDEND REINVESTMENT ALTERNATIVE

Shareholders are referred to Spear’s unaudited consolidated interim results for the six months ended 31 August 2020, as announced on SENS on 30 October 2020 (“**Results Announcement**”), advising that Spear’s board of directors has approved and declared an interim gross dividend, out of income reserves, of 29.34465 cents per share for the period, with a dividend reinvestment alternative (“**Dividend Reinvestment Alternative**”).

In terms of the Dividend Reinvestment Alternative, shareholders will be entitled, in respect of all or part of their shareholdings, to elect to reinvest the cash dividend of 29.34465 cents per share, in return for Spear ordinary shares, failing which they will receive the cash dividend. Further details regarding the Dividend Reinvestment Alternative can be found in the circular, which was distributed to Spear shareholders on Tuesday, 3 November 2020 (“**Circular**”).

REINVESTMENT PRICE AND RATIO

Spear confirms that the price applicable to shareholders electing the Dividend Reinvestment Alternative and recorded in the register on Friday, 20 November 2020 (“**Record Date**”), is 445.65535 cents per new Spear share (“**Reinvestment Price**”).

The Reinvestment Price is equal to a 5% discount to the closing price of 500.00000 cents at which Spear shares closed on the JSE on the day prior to the finalisation date being today, Friday, 6 November 2020, less the dividend for the six months ended 31 August 2020 of 29.34465 cents per share.

Accordingly, the ratio of entitlement for shareholders electing the Dividend Reinvestment Alternative will be 6.58461 Spear shares for every 100 Spear shares held on the Record Date (for South African resident shareholders exempt from dividend withholding tax (“**Dividend Tax**”)) and 5.26768 Spear shares for every 100 Spear shares held on the Record Date (for non-resident shareholders that are subject to Dividend Tax at 20%).

DIVIDEND WITHHOLDING TAX (“DIVIDEND TAX”) IMPLICATIONS

Dividend Tax implications for South African resident shareholders

Dividends received from a Real Estate Investment Trust (“**REIT**”) are exempt from Dividend Tax in the hands of South African resident shareholders provided that the shareholders have provided the requisite documentation, as detailed in paragraph 4 of the Circular. South African resident shareholders, who have submitted the requisite documentation and are exempt from Dividend Tax, will accordingly receive a net dividend of 29.34465 cents per share.

Dividend Tax implications for non-resident shareholders

Dividends received from a REIT by a non-resident shareholder are subject to Dividend 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 non-resident shareholder. A reduced dividend withholding tax rate in terms of the applicable DTA may only be relied upon if the non-resident shareholder has provided the requisite documentation as detailed in paragraph 4 of the Circular. Non-resident shareholders who have not submitted the requisite documentation, and assuming that a Dividend Tax rate of 20% is applicable, will accordingly receive a net dividend of 23.47572 cents per share.

The impact of Dividend Tax on shareholders has been illustrated by way of the example below:

	South African resident shareholders exempt from Dividend Withholding Tax	Non-resident shareholder subject to Dividend Withholding Tax at 20%
Dividend per share (cents)	29.34465	29.34465
Dividend Withholding Tax per share (cents)	-	(5.86893)
Total net dividend per share (cents)	29.34465	23.47572
Reinvestment Price per share (cents)	445.65535	445.65535
Total entitlement (Ratio)	6.58461	5.26768
Number of shares issued^{1,2}	6.00000	5.00000
Fractional entitlement paid in cash (cents)	260.53290	119.29525

Notes:

(1) Assumes a shareholding of 100 shares.

(2) Rounded down to exclude fractional entitlement.

Due to the fact that the cash dividend or Dividend Reinvestment Alternative may have tax implications for resident and non-resident shareholders, shareholders are encouraged to consult their professional advisors should they be in any doubt as to the appropriate action to take.

TRADING OF SPEAR SHARES

Shareholders electing the Dividend Reinvestment Alternative are reminded of the fact that the new shares will be listed on last day to trade (“LDT”) + 3 and that these new shares can only be traded on LDT + 3, being Friday, 20 November 2020, and that settlement of the shares will occur on Wednesday, 25 November 2020, three business days after Record Date, which differs from the conventional one business day after Record Date settlement process.

ELECTION OF DIVIDEND REINVESTMENT ALTERNATIVE

Shareholders are reminded that the last day to elect to receive the Dividend Reinvestment Alternative is 12:00 (South African time) on Friday, 20 November 2020.

The salient dates and all other information relating to the cash dividend and Dividend Reinvestment Alternative disclosed in the Results Announcement and the Circular remain unchanged.

FURTHER INFORMATION

Fractions

Trading in the electronic Strate environment does not permit fractions and fractional entitlements in respect of shares. Accordingly, should a shareholder's reinvestment in new shares, calculated in accordance with the ratio mentioned above, give rise to a fraction of a new share, such fraction will be rounded down to the nearest whole number resulting in the allocation of whole shares and a payment to the shareholder in respect of the remaining cash amount due to that shareholders under the dividend. Certificated shareholders whose bank account details are not held by Spear's transfer secretaries, are requested to provide such details to Spear's transfer secretaries to enable payment of the fraction due to the shareholder in respect of the Dividend Reinvestment Alternative. Should no details be on record, the funds will be held by the Company until such time as the details have been provided and the cash fraction will be paid to the shareholder on request.

Foreign shareholders

The distribution of the Circular and/or accompanying documents and the right to elect the Dividend Reinvestment Alternative in jurisdictions other than 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 Dividend Reinvestment Alternative 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.

Other information

- The number of ordinary shares in issue on declaration date is 205 776 521.
- The company's tax reference number is 9068437236.

Cape Town
6 November 2020

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