ECHO POLSKA PROPERTIES N.V.
(Incorporated in The Netherlands)
(Company number 64965945)
JSE share code: EPP
ISIN: NL0011983374
LEI Code: 7245003P7O9N5BN8C098
("**EPP** or "**the company**")

UPDATE: DIVIDEND FOR THE SIX MONTHS TO 30 JUNE 2017

EPP shareholders are referred to the dividend declaration contained in the condensed consolidated financial information for the six month period ended 30 June 2017, announced on Tuesday, 5 September 2017 (the "**June 2017 dividend**"), as well as the finalisation information in respect of the dividend, announced on Tuesday, 12 September 2017.

As previously announced, shareholders on the company's South African register were entitled to a gross local dividend amount of ZAR79.93880 cents per share in respect of the June 2017 dividend. Dutch dividend withholding tax ("**DWHT**") at a rate of 15% was withheld by EPP on the dividend, unless a shareholder met the formal requirements for reduced DWHT in terms of the tax treaty concluded between the Netherlands and South Africa ("**NL-SA treaty**").

As the dividend was also subject to South African dividends withholding tax ("**SADWT**") at a rate of 20%, unless a shareholder qualified for an exemption from SADWT, dividends received in respect of EPP shares on the South African register were subject to an additional SADWT, as further detailed below.

Relief from DWHT for South African shareholders

In terms of the NL-SA treaty, a reduced DWHT rate applies in certain instances.

Companies resident in South Africa that own 10% or more of the capital of EPP

A reduced DWHT rate of 5% applies to qualifying companies resident in South Africa that own 10% or more of the capital of EPP.*

In respect of the June 2017 dividend, this reduced DWHT rate will only have been applied at source if certain formal requirements were satisfied by the relevant shareholder. If these formal requirements were not met and 15% DWHT has been suffered in the Netherlands by a company resident in South Africa that owns 10% or more of the capital of EPP, shareholders may claim a refund by providing the following details to the company:

(i) name, address and place of residency;
(ii) amount, number and percentage shares owned in EPP; and
(iii) a tax residency certificate issued by the South African tax authorities.

EPP will then file the relevant request with the Dutch Tax Authorities ("**DTA**") and after EPP having received the DWHT refund from the DTA, refund the relevant shareholder(s) accordingly.

Shareholders who in future wish to have the reduced DWHT applied at source are required to be provide the above details to the company no less than 8 weeks prior to the declaration of a dividend. The company will upon receipt of the above information file a request with the DTA to obtain written confirmation of a reduced DWHT, which decision should be provided in principle within 6 weeks. Any such decision will remain valid for a period of 4 years, provided that the relevant requirements continue to be met by the shareholder concerned.

Companies resident in South Africa that own less than 10% of the capital of EPP and individual persons tax resident in South Africa

A reduced DWHT rate of 10% applies to qualifying companies resident in South Africa that own less than 10% of the capital of EPP and qualifying individual persons tax resident in South Africa.*

In respect of the June 2017 dividend, this reduced DWHT rate will only have been applied at source if certain formal requirements were satisfied by the relevant shareholder. If these formal requirements were not met and 15% DWHT has been suffered in the Netherlands by a company resident in South Africa that owns less than 10% of the capital of EPP or individual persons tax resident in South Africa, such shareholder may claim a refund by registering at www.belastingdienst.nl/refunddividendtax and submitting the required documentation online. Although at the date of this announcement, the registration form provides for corporate entities and authorised representatives only, this form may also be used by individuals.

Shareholders who in future wish to have the reduced DWHT applied at source, are required, each and every time a dividend is declared by the company, to send a signed IB-92 statement to the South African Revenue Service for signature and stamp certifying the shareholder's place of residence, and provide such signed and stamped IB-92 statement to the company prior to the declaration of a dividend. The company will file the statement with the DTA together with its DWHT return. The IB-92 statement can be found at www.belastingdienst.nl/refunddividendtax.

SADWT

Overview

The dividend was subject to SADWT at a rate of 20%, unless a shareholder qualified for an exemption from SADWT.

A rebate on foreign taxes imposed on the dividend is however available to reduce the SADWT liability. This rebate is calculated with reference to the reduced DWHT rate to which all qualifying companies resident in South Africa and all qualifying individual persons resident in South Africa are entitled in terms of the NL-SA treaty (in contrast to the standard rate of 15% DWHT), as further detailed above.

The regulated intermediary in South Africa (CSDP) was responsible for withholding the following SADWT from the dividend payable to shareholders on the South African register and paying such amounts to the South African Revenue Service.

In order to apply this rebate, the CSDP must be satisfied (i) that DWHT was applied, and (ii) that the relevant shareholder qualifies for a reduced rate of DWHT. The rebate for foreign taxes is determined in Rand by translating the foreign currency amount using the same rate used to translate the foreign dividend.

Companies resident in South Africa that own 10% or more of the capital of EPP and that are liable for SADWT

A reduced DWHT rate of 5% applies to qualifying companies resident in South Africa that own 10% or more of the capital of EPP. If satisfied that a shareholder qualifies for this reduced DWHT rate, CSDPs should have withheld from the dividend payable to such shareholders on the South African register an additional 15% (being the 20% SADWT less 5% DWHT), resulting in shareholders on the South African register who are not exempt from SADWT receiving a net local dividend amount of ZAR55.95722 cents per share.

Companies resident in South Africa that own less than 10% of the capital of EPP and individual persons tax resident in South Africa and that are liable for SADWT

A reduced DWHT rate of 10% applies to qualifying companies resident in South Africa that own less than 10% of the capital of EPP and qualifying individual persons tax resident in South Africa. If satisfied that a shareholder qualifies for this reduced DWHT rate, CSDPs should have withheld from the dividend payable to such shareholders on the South African register an additional 10% (being the 20% SADWT less 10% DWHT), resulting in shareholders on the South African register who are not exempt from SADWT receiving a net local dividend amount of ZAR59.95417 cents per share.

Instances where a CSDP is not satisfied that a shareholder qualified for a reduced DWHT rate

If in any scenario a CSDP is not satisfied that a particular shareholder qualifies for a reduced rate of DWHT, for example the supporting documentation is not provided at the time of withholding, such CSDP should have withheld 5% SADWT (being the 20% SADWT less 15% DWHT), resulting in shareholders on the South African register who are not exempt from SADWT receiving a net local dividend amount of ZAR63.95111 cents per share.

Refund mechanism

Where the above results in shareholders on the South African register who are not exempt from SADWT suffering more than an aggregate 20% dividends withholding tax, such shareholders are advised to follow the procedures set out above in order to claim a refund from the DTA.

The information provided above does not constitute tax advice and is only provided as a general guide on the South African tax treatment of the cash dividend declaration by EPP to South African tax resident shareholders. For shareholders residing outside of South Africa, the dividend may have other legal or tax implications and such shareholders are advised to obtain appropriate advice from their professional advisers in this regard.

** Shareholders are advised to obtain appropriate advice from their professional advisers in order to determine whether they would qualify for a reduced rate of DWHT, as contemplated in this announcement. Circumstances in which a shareholder may not qualify for a reduced rate include (but are not limited to) the shareholder in question (i) not being tax resident in South Africa; (ii) not being the beneficial owner of the relevant dividend; (iii) not meeting the main purpose test in the NL-SA treaty; or (iv) being exempted from taxation in South Africa.*

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