

## EPP N.V.

(previously 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")



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## DECLARATION OF A DIVIDEND FOR THE SIX MONTHS ENDED 30 JUNE 2018

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Shareholders are advised that the board of directors of EPP has declared a cash dividend of 5.82000 euro cents per share for the six months ended 30 June 2018.

### 1. SALIENT DATES AND TIMES

The dividend is payable to EPP shareholders in accordance with the timetable set out below:

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	<b>2018</b>
Euro to Rand exchange rate announced on SENS and published on the LuxSE website by 11:00 South African time on	Tuesday, 25 September
Last day to trade on the JSE and LuxSE in order to receive the dividend	Tuesday, 2 October
Shares commence trading <i>ex</i> the dividend	Wednesday, 3 October
Record date for receipt of the dividend	Friday, 5 October
Dividend paid to EPP shareholders	Monday, 8 October
<b>Last day to deliver documentation in respect of an exemption from or reduction of Dutch dividends withholding tax to EPP</b>	<b>Friday, 26 October</b>

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#### Notes:

1. Transfers of shares between the JSE and the Luxembourg Stock Exchange ("LuxSE") may not take place between Tuesday, 25 September 2018 and Friday, 5 October 2018, both days inclusive.
2. Shares may not be dematerialised or rematerialised between Wednesday, 3 October 2018 and Friday, 5 October 2018, both days inclusive.

### 2. DUTCH TAX IMPLICATIONS

#### 2.1. General

As a general rule, 15% dividend withholding tax ("DWHT") will be withheld by EPP on the cash dividend, leaving a distribution amount per share net of Dutch DWHT. This could be different if:

- (i) a shareholder qualifies for an exemption from or a reduction of Dutch DWHT on the basis of Dutch domestic law (including implementation of EU Directives) and/or a tax treaty concluded by the Netherlands; and
- (ii) the formal requirements to apply such exemption from or reduction of Dutch DWHT are satisfied (insofar applicable).

**EPP will initially withhold 15% on ALL dividends distributed on Monday, 8 October 2018.** As a subsequent step, if and to the extent EPP has been provided with proof that a shareholder qualifies for an exemption from or a reduction of Dutch DWHT, the difference between 15% and the Dutch DWHT to be withheld will be paid out to the shareholder, after the Dutch DWHT return has been filed by EPP with the Dutch tax authorities. EPP will remit the Dutch DWHT to be withheld to the Dutch tax authorities based on the Dutch DWHT return.

EPP, listed and traded on the JSE and the Euro MTF market of the LuxSE, has a variety of shareholders, residing in different countries. The following paragraphs contain certain general remarks in relation to individual and corporate shareholders.

## 2.2. South African shareholders

In view of EPP's listing on the JSE, a relatively large proportion of its shares are expected to be held by shareholders tax resident in South Africa ("**South African shareholders**"). The position of South African shareholders is therefore specifically addressed.

South African shareholders' attention is drawn to the fact that from 1 January 2018, South African shareholders owning 5% or more of the share capital of EPP may qualify for a new domestic exemption from Dutch DWHT, as addressed below in paragraph 2.3(ii).

South African shareholders are in a unique position in that the tax treaty concluded between the Netherlands and South Africa (the "**NL-SA Treaty**") provides for a reduction to portfolio shareholders, whereas most other tax treaties concluded by the Netherlands do not.

The exemption from or reduction of Dutch DWHT on the basis of the NL-SA Treaty and corresponding formal requirements for qualifying South African shareholders are set out in more detail below.

### Corporate shareholders owning 5% or more of the share capital of EPP

#### 2.3. Domestic exemption from Dutch DWHT

(i) *Dutch corporate shareholders owning 5% or more*

If a shareholder is a company that is tax resident in the Netherlands, an exemption from Dutch DWHT may apply under Dutch domestic law, if, as a general rule, this corporate shareholder owns 5% or more of the share capital of EPP and certain other conditions to apply the Dutch participation exemption are met. Special rules may apply for corporate shareholders that are considered tax transparent in their country of residence, or considered tax transparent from a Dutch tax perspective. If a Dutch corporate shareholder qualifies for this exemption from Dutch DWHT at source, in order to benefit from it, the shareholder should provide EPP with: (i) its name, address and place of residency, and corresponding extract from the Dutch Chamber of Commerce; (ii) the amount, number and percentage of shares owned in EPP; (iii) its bank account details; and (iv) a statement confirming that the Dutch participation exemption applies to the dividend at the level of the Dutch corporate shareholder by sending an email to [dividend@epp-poland.com](mailto:dividend@epp-poland.com) within 15 business days following the record date for receipt of the cash dividend, being ultimately on Friday, 26 October 2018. Subsequently, this statement needs to be filed by EPP with the Dutch Tax Authorities as an annexure to the Dutch DWHT return.

**As indicated above, EPP will, as a general rule, initially withhold 15% on ALL dividends distributed on Monday, 8 October 2018. If EPP has been provided with proof, to its satisfaction, by Friday, 26 October 2018, that the relevant shareholder qualifies for relief from Dutch DWHT the 15% will be paid out by EPP to the relevant shareholder directly, after the DWHT return has been filed by EPP with the Dutch tax authorities.**

(ii) *EU/EEA or tax treaty country resident corporate shareholders owning 5% or more*

If a shareholder is a company that is considered a tax resident within the EU or EEA (such as Luxembourg) or is a tax resident in a country for domestic purposes with which the Netherlands has concluded a tax treaty containing an article on taxation of dividends (including South Africa), an exemption from Dutch DWHT applies under Dutch domestic law, if, as a general rule, this corporate shareholder owns 5% or more of the share capital of EPP and, had the corporate shareholder been a Dutch tax resident, certain other conditions to apply the Dutch participation exemption would have been met and provided the corporate shareholder is considered the beneficial owner of the dividends distributed by EPP.

The exemption is not available in cases of abuse, for which a main purposes test and artificial arrangement test applies.

If a corporate shareholder qualifies for this exemption from Dutch DWHT at source, in order to benefit from it, the shareholder should provide EPP with: (i) its name, address and place of residency; (ii) the amount, number and percentage of shares owned in EPP; (iii) a tax residency certificate issued by its country of residence; (iv) its bank account details; and (v) a statement confirming that all relevant conditions of the DWHT exemption are met by sending an email to [dividend@epp-poland.com](mailto:dividend@epp-poland.com) within 15 business days following the record date for receipt of the cash dividend, being ultimately on Friday, 26 October 2018. Subsequently, this statement needs to be filed by EPP with the Dutch tax authorities as an annexure to the Dutch DWHT return.

**As indicated above, EPP will, as a general rule, initially withhold 15% on ALL dividends distributed on Monday, 8 October 2018. If EPP has been provided with proof, to its satisfaction, by Friday, 26 October 2018, that the relevant shareholder qualifies for relief from Dutch DWHT the 15% will be paid out by EPP to the relevant shareholder directly, after the DWHT return has been filed by EPP with the Dutch tax authorities.**

## 2.4. Tax treaty relief

### (i) General tax treaty relief

If a corporate shareholder does not qualify for a domestic exemption from Dutch DWHT as outlined in paragraph 2.3(ii), but qualifies for an exemption from or reduction of Dutch DWHT on the basis of a tax treaty concluded by the Netherlands, which should be assessed on a case-by-case basis, generally the same formal requirements apply for this qualifying corporate shareholder as the requirements set out below under paragraph 2.6 for South African shareholders. Exceptions may however apply.

### (ii) Relief under the NL-SA Treaty for corporate shareholders that own 10% or more of the EPP shares

Where the domestic DWHT exemption as discussed in paragraph 2.3(i) is not available, a reduced Dutch DWHT rate of 5% may be available under the NL – SA Treaty for corporate South African shareholders that own 10% or more of the share capital of EPP. The reduction may be denied in cases of abuse, taking into account that the NL-SA Treaty contains a principal purposes test, or if the corporate shareholder is not considered the beneficial owner of the dividends distributed by EPP.

For these qualifying corporate South African shareholders to apply the reduced Dutch DWHT at source, or be refunded the Dutch DWHT, a specific procedure would need to be followed, whereby a decision would need to be obtained from the Dutch tax authorities. For this specific procedure to be followed, the respective qualifying corporate South African shareholders can contact EPP via [dividend@epp-poland.com](mailto:dividend@epp-poland.com).

Recent case law in the Netherlands may further indicate that an exemption from Dutch DWHT applies in this situation, based on the most favoured nation clause included in the NL-SA Treaty (“MFN”). Based on this, a qualifying South African shareholder could file an objection with the Dutch tax authorities against the Dutch DWHT return that will be filed by EPP, claiming an exemption from Dutch DWHT based on this MFN.

Corporate South African shareholders that own 5% or more of the EPP shares, but less than 10%, are referred to paragraph 2.6 below.

## Corporate shareholders owning less than 5% of the share capital of EPP

### 2.5. General tax treaty relief

Corporate shareholders that own less than 5% of the EPP shares as well as shareholders owning 5% or more of EPP shares, but less than 10% of EPP shares, may qualify for a reduction of Dutch DWHT on the basis of a tax treaty concluded by the Netherlands, which should be assessed on a case-by-case basis. Generally, the same formal requirements apply for this qualifying corporate shareholder as the requirements set out below under paragraph 2.6 for South African shareholders. Exceptions may however apply. Please note however that most tax treaties do not provide a reduction for such corporate shareholders.

## 2.6. Relief under the NL-SA Treaty

### (i) General

For corporate South African shareholders owning less than 10% of the share capital of EPP, the Dutch DWHT on the cash dividend is reduced to 10%. The reduction may be denied in cases of abuse, or if the corporate shareholder is not considered to be the beneficial owner of the dividends distributed by EPP.

In order for corporate South African shareholders owning less than 10% of the capital of EPP to apply the reduced DWHT at source, or refund the DWHT, the following formal requirements must be satisfied:

- **Applying reduced DWHT at source:** The shareholder needs to (a) complete and sign a 'request (partial) exemption of Dutch dividend withholding tax', which can be found on the website [www.belastingdienst.nl](http://www.belastingdienst.nl); (b) send the signed statement to the South African tax administration for a signature and stamp by the tax administration to certify its place of residency; and (c) send the returned statement, together with its bank account details, to EPP by sending an email to [dividend@epp-poland.com](mailto:dividend@epp-poland.com) within 15 business days following the record date for receipt of the cash dividend, being ultimately on Friday, 26 October 2018. Subsequently, this statement needs to be filed by EPP with the Dutch tax authorities as an annexure to the Dutch DWHT return and therefore, the original statement should be sent to EPP (Gustav Mahlerplein 28, 1082 MA Amsterdam, the Netherlands). This must be repeated each time EPP declares a dividend in order for corporate South African shareholders to apply the reduced Dutch DWHT at source and have EPP pay out the difference between 15% and the Dutch DWHT to be withheld to the relevant corporate South African shareholder after having filed the Dutch DWHT return.
- **Withholding 15% Dutch DWHT, followed by a Dutch DWHT refund procedure:** For this procedure, the shareholder needs to register itself through an online registration form that can be found on the website [www.belastingdienst.nl/refunddividendtax](http://www.belastingdienst.nl/refunddividendtax). The shareholder then needs to complete and submit this form online. This form and additional information on the online refund procedure can be found on [www.belastingdienst.nl/refunddividendtax](http://www.belastingdienst.nl/refunddividendtax) and on the secured website following registration.

## Individual shareholders

### 2.7. General tax treaty relief

Individual shareholders may qualify for an exemption from or reduction of Dutch DWHT on the basis of a tax treaty concluded by the Netherlands, which should be assessed on a case-by-case basis. Generally, the same formal requirements apply for this qualifying individual shareholder as the requirements for corporate shareholders set out under paragraph 2.6. Exceptions may however apply.

### 2.8. Relief under the NL-SA Treaty

For individual South African shareholders, the Dutch DWHT on the cash dividend is reduced to 10%. The reduction may be denied in cases of abuse or if the individual shareholder is not considered to be the beneficial owner of the dividends distributed by EPP.

In order for individual South African shareholders to apply the reduced Dutch DWHT at source, or refund the Dutch DWHT, the formal requirements as outlined under paragraph 2.6 should be applied. Although the registration form that can be found on [www.belastingdienst.nl/refunddividendtax](http://www.belastingdienst.nl/refunddividendtax) provides for corporate entities and authorised representatives only, this form may also be used by individuals.

### **3. SOUTH AFRICAN TAX IMPLICATIONS**

#### **3.1. General**

Cash dividends received from a foreign (non-resident) company in respect of a share that is listed on the JSE are regarded as foreign dividends for South African income tax and dividends withholding tax purposes.

As a general rule, 20% South African dividends withholding tax (“**SADWT**”) will be withheld by the regulated intermediary in South Africa (CSDP) on the cash dividend, leaving a distribution amount per share net of SADWT. This could be different if:

- (i) a shareholder qualifies for an exemption from SADWT on the basis of South African domestic law; and
- (ii) the formal requirements to apply such exemption from SADWT are satisfied (insofar applicable).

In order to qualify for any exemption from SADWT the beneficial owner of the dividend must provide the following documentation to the CSDP:

- (i) a written declaration that the dividend is exempt from SADWT in terms of South African domestic law; and
- (ii) a written undertaking to inform the regulated intermediary in writing should the circumstances affecting the exemption applicable change, or should the beneficial owner cease to be the beneficial owner,

by the date determined by the CSDP, or where no date is determined, by the date of payment of the dividend.

The requirements in order to qualify for an exemption or rebate of SADWT in terms of a tax treaty are dealt with below.

#### **3.2. Tax implications for corporate shareholders**

Where the South African resident beneficial owner of the dividend is a company, the dividend will be exempt from SADWT in terms of domestic law, provided the documentary requirements set out above are complied with.

#### **3.3. Tax implications for non-corporate shareholders**

Where the South African resident beneficial owner of the dividend is a non-corporate shareholder, the dividend may be exempt from SADWT in terms of domestic law. Where the dividend does not qualify for one of the domestic exemptions, SADWT will be suffered at an initial rate of 20%.

One would then consider the application of the rebate mechanism described below in order to determine the final amount of tax payable.

#### **3.4. Rebate on SADWT suffered**

A rebate on foreign taxes imposed on the dividend paid is available to reduce the SADWT liability. This rebate is calculated with reference to the 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 (and not the standard rate of 15% DWHT). The applicable rate of DWHT should be determined with reference to the analysis set out in paragraph 2 above.

The rebate will be limited to the SADWT imposed.

Where the dividend is exempt from DWHT in terms of Dutch domestic law as a result of the shareholder holding 5% or more of EPP’s shares, no rebate will be available.

The CSDP is responsible for withholding 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 a 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.

### **3.5. 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 paragraph 2 above in order to claim a refund in terms of the NL-SA Treaty.

The maximum SADWT to be suffered by a South African shareholder will be 20%. Whether or not there is a refund due to the shareholder should be determined with reference to the specific facts applicable to that shareholder.

Where a CSDP is satisfied that a particular shareholder has correctly suffered 15% DWHT, which is not recoverable by that shareholder from the Dutch tax authority, such CSDP should withhold 5% SADWT (being the 20% SADWT less 15% DWHT), unless a specific South African domestic exemption applies and the required documentation as set out in paragraph 3.1 has been provided to the CSDP.

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.

7 September 2018

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JSE Sponsor

The logo for Java Capital, featuring the word "JAVA" in a stylized font with a blue underline and "CAPITAL" in a simpler font.

LuxSE Listing Agent

The logo for M Partners, with "M" in red and "Partners" in grey.

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