

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

Action required

- **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 dividend re-investment alternative**
- If you wish to elect to receive Delta Property Fund Limited ("Delta" or "the Company") ordinary shares with a no par value in the share capital of Delta ("Delta shares") and you:
 - are holding certificated Delta 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 (Registration number 2004/003647/07), Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (PO Box 61763, Marshalltown, 2107) to be received by them by no later than 12:00 on Friday, 24 November 2017. Forms of election received after this date and time will not be accepted; or
 - have dematerialised your Delta shares 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.
- If you have disposed of your Delta shares on or before Friday, 20 October 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 Delta shares.
- The distribution of this circular and/or accompanying documents and the right to elect Delta shares in jurisdictions other than the Republic of South Africa 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 Delta 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.
- 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.

Delta does not accept responsibility, and will not be held liable for any action of or omission by any CSDP or broker including, without limitation, any failure on the part of any CSDP or broker of any beneficial owner of Delta shares to notify such beneficial owner of the information set out in this circular.

DELTA PROPERTY FUND LIMITED

Approved as a REIT by the JSE
(Incorporated in the Republic of South Africa)
(Registration number 2002/005129/06)
JSE share code: DLT ISIN code: ZAE000194049



Board of directors: JB Magwaza[‡] (*Chairman*) SH Nomvete (*Chief Executive Officer*) ON Tshabalala (*Chief Operating Officer*)
S Maharaj (*Chief Financial Officer*) N Khan* BA Corbett* NN Afolayan[‡] ID Macleod[‡] DN Moutau[‡] MJN Njeke[‡] (*Lead*) MCR Rampheri[‡]

*Non-executive ‡Independent, non-executive

CIRCULAR TO DELTA SHAREHOLDERS

regarding

the declaration of a cash dividend ("cash dividend") with the election to re-invest the cash dividend in return for Delta shares ("the dividend re-investment alternative")

2017

Record date to determine which shareholders are eligible to receive this circular	Friday, 20 October
Circular and form of election posted to Delta shareholders and announced on SENS	Tuesday, 31 October
Announcement of dividend re-investment alternative issue price and finalisation information	Tuesday, 7 November
Last day to trade ("LDT") cum cash dividend	Tuesday, 21 November
Delta shares to trade ex-dividend and dividend re-investment alternative	Wednesday, 22 November
Listing of maximum possible number of dividend re-investment alternative Delta shares commences on the JSE	Friday, 24 November
Last day to elect to receive the dividend re-investment alternative (no late forms of election will be accepted) by 12:00	Friday, 24 November
Record date of cash dividend and dividend re-investment alternative	Friday, 24 November
Announcement of results of cash dividend and dividend re-investment alternative on SENS	Monday, 27 November
Cheques posted to certificated shareholders and accounts credited by CSDP or broker to dematerialised shareholders electing the cash dividend on or about	Monday, 27 November
Announcement of results of cash dividend and dividend re-investment alternative in the press	Tuesday, 28 November
Share certificates posted to certificated shareholders and accounts credited by CSDP or broker to dematerialised shareholders electing the dividend re-investment alternative on or about	Wednesday, 29 November
Adjustment to Delta shares listed on or about	Friday, 1 December

Notes:

1. All dates and times indicated in this circular are South African dates and times.
2. All dates and times indicated in this circular are subject to change. Any change will be announced on SENS.
3. Delta shares may not be dematerialised or rematerialised between commencement of trade on Wednesday, 22 November 2017 and the close of trade on Friday, 24 November 2017, both dates included.
4. **Shareholders electing the dividend re-investment alternative are alerted to the fact that the new Delta shares will be listed on LDT + 3 and that these new Delta shares can only be traded on LDT + 3, due to the fact that settlement of the Delta shares will be three days after record date, which differs from the conventional one day after record date settlement process.**

Sponsor



Date of issue: 31 October 2017

This circular is available in English only. Copies may be obtained from the registered office at Delta, Silver Stream Office Park, 10 Muswell Road South, Bryanston, 2021, and on the Company's website www.deltafund.co.za from Tuesday, 31 October 2017 to Friday, 24 November 2017.

CIRCULAR TO SHAREHOLDERS

1. INTRODUCTION AND BACKGROUND

Delta's interim results for the six months ended 31 August 2017 were released on SENS on Tuesday, 31 October 2017. Delta shareholders were advised in these results that the directors of Delta have declared a cash dividend of 46.39874 cents per Delta share for the six months ended 31 August 2017. Shareholders have been provided with the election to re-invest the cash dividend in return for Delta shares. By electing the dividend re-investment alternative, shareholders will increase their shareholding in Delta without incurring securities transfer tax and other dealing costs while Delta will benefit from increased shareholders' funds available to pursue its growth strategy.

Shareholders are entitled, in respect of all or part of their shareholding, to elect the dividend re-investment alternative failing which they will receive the cash dividend of 46.39874 cents per Delta share. The number of Delta shares to which shareholders are entitled will be determined with reference to the ratio that 46.39874 cents per Delta share bears to the ratio price (i.e. the five-day volume weighted average traded price (ex-dividend) of Delta shares on the JSE prior to the finalisation date). The price will be announced on the finalisation date, which will be no later than Tuesday, 7 November 2017.

The board of directors of Delta, at its discretion, may withdraw the dividend re-investment alternative should market conditions warrant such action and such withdrawal will be communicated to shareholders prior to the finalisation announcement to be published by 11:00 on Tuesday, 7 November 2017.

2. PURPOSE OF THE CIRCULAR

The purpose of this circular is to provide shareholders with information regarding the cash dividend and the dividend re-investment alternative.

3. THE CASH DIVIDEND AND THE DIVIDEND RE-INVESTMENT 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 Delta at the close of business on the record date who have not elected to participate in the dividend re-investment 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 dividend re-investment alternative, shareholders will receive the cash dividend in respect of all the Delta shares held on the record date.

The cash dividend of 46.39874 cents per Delta share will be paid via electronic transfer into the personal bank accounts of certificated shareholders who have not elected the dividend re-investment 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 the aforesaid certificated shareholders, dividend cheques will be dispatched at the risk of such shareholders on or about Monday, 27 November 2017, to their registered addresses, or in accordance with the instructions given to the transfer secretaries, or in the case of dematerialised shareholders the cash will be credited to their accounts held at their CSDP or broker.

3.3 Procedure for shareholders who elect to receive the dividend re-investment alternative

Shareholders who hold certificated Delta shares and wish to elect to receive Delta shares under the dividend re-investment alternative 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, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, or post it to their postal address PO Box 61763, Marshalltown, 2107, to be received no later than 12:00 on the record date.

Shareholders who have dematerialised their Delta 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 Delta 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 Delta 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 Delta shares relating to the dividend re-investment alternative will be dispatched to the certificated shareholders at the risk of such shareholders on or about Wednesday, 29 November 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, 29 November 2017 in respect of the dividend re-investment alternative.

4. FRACTIONS

Trading in the Strate environment does not permit fractions or fractional entitlements. Accordingly, where a shareholder's entitlement to the Delta shares in relation to the dividend re-investment alternative calculated in accordance with the formula mentioned in paragraph 1 above gives rise to a fraction of a new Delta share, such fraction will be rounded down to the nearest whole number and the cash balance will be paid to the shareholder.

5. TAX IMPLICATIONS

In accordance with Delta's status as a Real Estate Investment Trust ("REIT"), shareholders are advised that the cash dividend meets the requirements of a "qualifying distribution" for the purposes of section 25BB of the Income Tax Act, No 58 of 1962 ("Income Tax Act").

5.1 Tax implications for South African resident shareholders

Dividends received by or accrued to South African tax residents must be included in the gross income of such shareholders and will not be exempt from income tax in terms of the exclusion to the general dividend exemption contained in Section 10(1)(k)(i)(aa) of the Income Tax Act because they are dividends distributed by a REIT. These dividends are however exempt from dividend withholding tax ("Dividend Tax") in the hands of South African resident shareholders provided that the South African resident shareholders have provided to the CSDP or broker, as the case may be, in respect of uncertificated shares, or the transfer secretaries in respect of certificated shares:

- a declaration that the distribution is exempt from dividends tax; and
- a written undertaking to inform the CSDP, broker or the transfer secretaries, as the case may be, should the circumstances affecting the exemption change or the beneficial owner ceases to be the beneficial owner,

both in the form prescribed by the Commissioner for the South African Revenue Service. If resident shareholders have not submitted the above mentioned documentation to confirm their status as a South African resident, they are advised to contact their CSDP or broker, as the case may be, to arrange for the documents to be submitted prior to the payment of the dividend.

5.2 Tax implications for non-resident shareholders

Dividends received by non-resident shareholders from a REIT will not be taxable as income and will be exempt from income tax in terms of the exemption in section (10)(1)(k)(i) of the Income Tax Act. Any dividend received by a non-resident from a REIT is 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 shareholders. Assuming Dividend Tax will be withheld at the current rate of 20%, the net dividend amount due to non-resident shareholders is 37.11899 cents per share. A reduced Dividend Tax rate in terms of the applicable DTA may only be relied on 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 transfer secretaries, 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 the CSDP, broker or the transfer secretary, 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. If applicable, non-resident shareholders are advised to contact their CSDP, broker or the transfer secretary, as the case may be, to arrange for the above mentioned documents to be submitted prior to the payment of the dividend if such documents have not already been submitted.

A worked example illustrating the impact for resident and non-resident shareholders will be announced as part of the finalisation information on SENS on Tuesday, 7 November 2017.

5.3 Other information:

- As at the date of issue of this circular, the ordinary issued share capital of Delta consists of 710 632 182 shares.
- The Income Tax Reference Number of Delta is 9464252148.
- All new Delta shares issued in terms of the dividend re-investment alternative will, upon their issue, rank pari passu in all respects with the other Delta shares already in issue.

The cash dividend or dividend re-investment 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.

6. LISTING OF NEW DELTA SHARES

Application will be made to the JSE for the maximum possible number of Delta shares to be issued in terms of the dividend re-investment alternative to be listed with effect from the commencement of business on Friday, 24 November 2017. A further application will be made to the JSE to adjust the maximum number of new Delta shares listed to take into account the actual number of Delta shares issued to shareholders under the dividend re-investment alternative on or about Friday, 1 December 2017.

7. FOREIGN SHAREHOLDERS

The distribution of this circular and/or accompanying documents and the right to elect the dividend re-investment alternative in jurisdictions other than the Republic of South Africa 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. The Delta 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 Delta 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.

9. CONSENTS

Nedbank Corporate and Investment Banking and Computershare have provided their written consents to act in the capacities stated and to their names being used in this circular in the form and context in which they appear and have not withdrawn their consents prior to the posting of this circular.

This circular is signed on behalf of all the directors in terms of the powers of attorney granted on 24 October 2017.

Shaneel Maharaj
Chief Financial Officer