

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 Reinvestment Alternative.**
- If you wish to elect to receive Delta Property Fund Limited ("Delta" or "the Company") ordinary shares with 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, 7 December 2018. 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, 2 November 2018, 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 ("EEA"), Canada, the 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 adviser, accountant or other professional adviser.

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*, NN Afolayan‡, ID Macleod‡, DN Motau‡, MJN Njike‡ (Lead) and MCR Rampheri‡

**Non-executive †Independent non-executive*

CIRCULAR TO DELTA SHAREHOLDERS

regarding

The declaration of a cash dividend ("Cash Dividend") with the election to reinvest the Cash Dividend in return for Delta Shares ("the Dividend Reinvestment Alternative")

2018

Declaration date of Cash Dividend and Dividend Reinvestment Alternative	Monday, 5 November
Circular and form of election posted to Delta shareholders	Wednesday, 7 November
Announcement of Dividend Reinvestment Alternative ratio (including reinvestment price) and finalisation information ("Finalisation Date") released on SENS by 11:00	Tuesday, 20 November
Last day to trade in order to be eligible for the Cash Dividend and Dividend Reinvestment Alternative	Tuesday, 4 December
Delta Shares commence trading ex Cash Dividend and Dividend Reinvestment Alternative	Wednesday, 5 December
Last day to elect to receive the Dividend Reinvestment Alternative (no late forms of election will be accepted) by 12:00	Friday, 7 December
Listing of maximum possible number of Delta Shares in respect of the Dividend Reinvestment Alternative commences on the JSE	Friday, 7 December
Record date of Cash Dividend and Dividend Reinvestment Alternative	Friday, 7 December
Announcement of results of Cash Dividend and Dividend Reinvestment Alternative on SENS	Monday, 10 December
Cheques posted to certificated shareholders and accounts credited by CSDP or broker to dematerialised shareholders electing the Cash Dividend on	Monday, 10 December
Announcement of results of Cash Dividend and Dividend Reinvestment Alternative in the press	Tuesday, 11 December
Share certificates posted to certificated shareholders and accounts credited by CSDP or broker to dematerialised shareholders electing the Dividend Reinvestment Alternative on	Wednesday, 12 December
Adjustment to Delta Shares listed on or about	Thursday, 13 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, 5 December 2018 and the close of trade on Friday, 7 December 2018, both dates included.
4. Shareholders electing to receive the Dividend Reinvestment Alternative should note that settlement of the Delta Shares will occur three business days after the Record Date, which differs from the conventional one business after the Record Date settlement process.

Sponsor



Date of issue: Wednesday, 7 November 2018

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, or on the Company's website www.deltafund.co.za from Wednesday, 7 November 2018 to Friday, 7 December 2018.

CIRCULAR TO DELTA SHAREHOLDERS

1. INTRODUCTION AND BACKGROUND

Delta's unaudited condensed consolidated interim results for the six months ended 31 August 2018 were released on SENS on Monday, 5 November 2018. Delta shareholders were advised in these results that the directors of Delta have declared a Cash Dividend of 39.39818 cents per Delta Share in respect of the six months ended 31 August 2018. In addition, shareholders have been provided with the election to reinvest the Cash Dividend in return for Delta Shares. By electing the Dividend Reinvestment 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 Reinvestment Alternative, failing which they will receive the Cash Dividend of 39.39818 cents per Delta Share in respect of all or part of their shareholding. The number of Delta Shares to which shareholders are entitled will be determined with reference to the ratio that 39.39818 cents per Delta Share bears to the ratio price, being the five-day volume weighted average traded price ("VWAP") (cum dividend) of Delta Shares on the JSE prior to the Finalisation Date, which will be no later than Tuesday, 20 November 2018. The price will be announced on the Finalisation Date.

The board of directors of Delta, at its discretion, may withdraw the Dividend Reinvestment Alternative should market conditions warrant such action and such withdrawal will be communicated to shareholders prior to the finalisation announcement to be published no later than 11:00 on Tuesday, 20 November 2018.

2. PURPOSE OF THE CIRCULAR

The purpose of this circular is to provide shareholders with information regarding the Cash Dividend and the Dividend Reinvestment Alternative.

3. THE CASH DIVIDEND AND THE DIVIDEND REINVESTMENT 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 Reinvestment 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 Reinvestment Alternative, shareholders will receive the Cash Dividend in respect of all the Delta Shares held on the Record Date, being Friday, 7 December 2018.

3.3. Payment of the Cash Dividend

The Cash Dividend of 39.39818 cents per Delta Share will be paid via electronic transfer into the personal bank accounts of certificated shareholders who have not elected the Dividend Reinvestment 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, 10 December 2018, 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.

3.4. Procedure for shareholders who elect to receive the Dividend Reinvestment Alternative

Shareholders who hold certificated Delta Shares and wish to elect to receive Delta Shares under the Dividend Reinvestment 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, being Friday, 7 December 2018. Forms of election may also be emailed to corporate.events@computershare.co.za.

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 no election is made.

If no election is made to participate in the Dividend Reinvestment Alternative, shareholders will receive the Cash Dividend in respect of all the Delta Shares held on the Record Date, being Friday, 7 December 2018.

3.5. Posting of share certificates and crediting of CSDP or broker accounts

Share certificates in respect of the Delta Shares relating to the Dividend Reinvestment Alternative will be dispatched to the certificated shareholders at the risk of such shareholders on or about Wednesday, 12 December 2018, 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, 12 December 2018 in respect of the Dividend Reinvestment 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 Reinvestment 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:

5.1.1. a declaration that the distribution is exempt from Dividends Tax; and

5.1.2. 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 abovementioned 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 31.51854 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:

5.2.1. a declaration that the dividend is subject to a reduced rate as a result of the application of a DTA; and

5.2.2. 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 abovementioned documents to be submitted prior to the payment of the dividend if such documents have not already been submitted.

An example illustrating the impact for resident and non-resident shareholders will be announced as part of the finalisation information on SENS on the Finalisation Date.

5.3. The Cash Dividend or Dividend Reinvestment Alternative may have tax implications for resident as well as non-resident shareholders. Shareholders are therefore encouraged to consult their professional advisers should they be in any doubt as to the appropriate action to take.

6. OTHER INFORMATION

- 6.1. As at the date of issue of this circular, the ordinary issued share capital of Delta consists of 713 793 466 shares.
- 6.2. The Income Tax Reference Number of Delta is 9464252148.
- 6.3. The source of the Cash Dividend is from distributable income.
- 6.4. All new Delta Shares issued in terms of the Dividend Reinvestment Alternative will, upon their issue, rank *pari passu* in all respects with the other Delta Shares already in issue.

7. 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 Reinvestment Alternative to be listed with effect from the commencement of trade on Friday, 7 December 2018. 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 Reinvestment Alternative on or about Thursday, 13 December 2018.

8. FOREIGN SHAREHOLDERS

The distribution of this circular and/or accompanying documents and the right to elect the Dividend Reinvestment 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. Accordingly, shareholders will not be entitled to receive the Dividend Reinvestment Alternative, directly or indirectly, in those jurisdictions and shall be deemed to have elected the Cash Dividend. More specifically, 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, EEA, Canada, the 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.

9. EXCHANGE CONTROL

In terms of the Exchange Control Regulations of South Africa:

9.1. In the case of certificated shareholders:

- 9.1.1. any new share certificate that might be issued to non-resident shareholders will be endorsed "non-resident";
- 9.1.2. any new share certificates and Cash Dividend payments based on emigrants' Delta 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
- 9.1.3. 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;

9.2. In the case of dematerialised shareholders:

- 9.2.1. 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;
- 9.2.2. 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
- 9.2.3. 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.

10. 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 2 November 2018.

Shaneel Maharaj
Chief Financial Officer

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



FORM OF ELECTION FOR DELTA SHAREHOLDERS

For use only by shareholders who hold Delta Shares in certificated form ("Certificated Shareholders") and who elect to receive the Dividend Reinvestment Alternative Delta Shares, for all or part of their shareholding in Delta ("the Election").

All terms defined in the circular to which this form of election is attached shall bear the same meanings herein.

Dematerialised shareholders must instruct their CSDP or broker accordingly in terms of the custody agreement entered into between them and their CSDP or broker. These shareholders must therefore not use this form of election.

Shareholders will be entitled, in respect of all or part of their shareholding, to elect to participate in the Dividend Reinvestment Alternative failing which they will receive the Cash Dividend of 39.39818 cents per Delta Share which will be paid to those shareholders not electing to participate in the Dividend Reinvestment Alternative.

Accordingly, shareholders who wish to receive the Cash Dividend of 39.39818 cents per Delta Share must not complete this form of election and no further action is required.

I/we

(Full names in BLOCK letters please)

Home:

Work:

Cell phone number:

Fax number:

Email address:

Regarding the Election:

- hereby irrevocably elect to receive the Dividend Reinvestment Alternative Delta Shares, the number of which will be determined with reference to the ratio that 39.39818 cents per Delta Share bears to the five-day volume weighted average price (cum dividend) prior to the Finalisation Date, to be announced no later than Tuesday, 20 November 2018 in respect of the number of Delta Shares in the capital of Delta as reflected in block (4) overleaf and on terms and conditions contained in this form of election and in the accompanying circular;
- acknowledge that this form of election is applicable only in respect of Delta Shares of which I/we was/were the registered holder(s) on the close of business on the Record Date, being Friday, 7 December 2018; and
- acknowledge that I/we am/are not entitled to a Cash Dividend of 39.39818 cents per Delta Share in respect of Delta Shares for which the Dividend Reinvestment Alternative is elected.

Signed at

on

2018

Signature(s)

Assisted by (where applicable)

PLEASE READ THE NOTES OVERLEAF

Forms of election must be lodged with, posted to or emailed to the transfer secretaries, Computershare Investor Services Proprietary Limited:

Hand deliveries to:

Computershare Investor Services Proprietary Limited
Rosebank Towers, 15 Biermann Avenue
Rosebank, 2196

Postal deliveries to:

Computershare Investor Services Proprietary Limited
PO Box 61763
Marshalltown, 2107

Emails to:

corporate.events@computershare.co.za

Computershare Investor Services Proprietary Limited will not be responsible for any loss and/or damage whatsoever in relation to or arising from the late or non-receipt of faxed or emailed forms of election or owing to forms of election being forwarded to any other facsimile or email address other than those provided above. Forms of election shall be deemed to be received on the date reflected in Computershare's electronic or facsimile systems. Notwithstanding anything to the contrary it is the shareholder's responsibility to ensure that their form of election is received by Computershare Investor Services Proprietary Limited.

To be received by no later than 12:00 on Friday, 7 December 2018.

Name and address of registered shareholder	Serial number
(1)	Enquiries in connection with this form of election should be addressed to the transfer secretaries, quoting this serial number.

Number of Delta Shares held or deemed to be held on the Record Date, being Friday, 7 December 2018, based on your shareholding at close of business on Friday, 2 November 2018.	Maximum Cash Dividend to which you will become entitled based on your deemed shareholding at close of business on Friday, 7 December 2018, should you elect not to participate in the Dividend Reinvestment Alternative.
(2)	(3)

Number of Delta Shares for which the Dividend Reinvestment Alternative is elected. The maximum number of Delta Shares for which the Dividend Reinvestment Alternative can be made is that reflected in block (2) above, or, if Delta Shares have been transacted in the period from Friday, 2 November 2018, then the number of Delta Shares registered in Delta's register on the Record Date.
(4)

Applicant's signature	Telephone number ()	
Email address	Mobile number ()	Date

Notes:

1. The Election may be made in respect of all or any of the Delta Shares registered in the name of the shareholder at the close of business on the Record Date.
2. The signature on the form of election of any person who is under legal disability shall be accompanied by the signature of such person's parent or guardian or legal representative, as the case may be.
3. In order to be valid, this form of election must be properly completed and lodged with, or posted to the transfer secretaries of Delta at the address indicated above, to be received by them by no later than 12:00 on Friday, 7 December 2018. **Late forms of election will not be accepted.**
4. Delta reserves the right in its discretion to:
 - 4.1. treat as invalid (in which case the Cash Dividend will be paid) any form of election not complying with the terms of the Election or any instruction contained herein; and/or
 - 4.2. require proof of the authority of the person signing this form of election where such proof has not yet been lodged with or recorded by the transfer secretaries, Computershare Investor Services Proprietary Limited.
5. In the case of a joint holding, the first named only is required to sign.
6. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian as applicable, unless the relevant documents establishing capacity are produced or have been registered with the transfer secretaries.

Any and every alteration or correction made to this form of election must be initialled by the signatory(ies).

