

Trencor Limited  
(Incorporated in the Republic of South Africa)  
(Registration No 1955/002869/06)  
Share code: TRE ISIN: ZAE000007506  
("Trencor")

## **REQUIRED DIVIDENDS TAX FORM: URGENT ATTENTION OF SHAREHOLDERS**

### **INTRODUCTION**

Shareholders are referred to the Stock Exchange News Service announcement made by Trencor on 18 September 2019 relating to the unbundling of inward listed Textainer shares to Trencor shareholders. Except where specified otherwise herein, defined terms which are denoted by words with a capitalised first letter, bear the same meaning as ascribed thereto in the Circular.

On 18 September 2019, Trencor announced its intention to unbundle its interest in Textainer to Trencor shareholders, in accordance with the terms and salient dates contained in the Circular distributed and published on Trencor's website ([www.trencor.net](http://www.trencor.net)) on the same date.

As further explained in 4.13.3.3 of the Circular:

- The distribution of the Unbundling Shares (i.e. the Textainer shares) will constitute a "distribution of an asset *in specie*" as such term is used for purposes of the Dividends Tax provisions contained in the Income Tax Act. Thus, as distinct from an ordinary cash dividend declared by a company, pursuant to the Income Tax Act, Trencor itself will be liable for any Dividends Tax levied in respect of the distribution of the Unbundling Shares, on the basis that Trencor is declaring and paying a dividend which consists of the distribution of an asset *in specie*;
- Trencor's liability for Dividends Tax on the *in specie* distribution of the Unbundling Shares will be reduced to the extent that any beneficial owner of Shares qualifies for an exemption from Dividends Tax, and to the extent that any beneficial owner of Shares qualifies for a reduced rate of Dividends Tax in terms of an applicable agreement for the avoidance of double taxation entered into by South Africa, if the beneficial owner of Shares, by date of distribution of the Unbundling Shares, has submitted to Trencor both the required declaration and written undertaking, in such form as may be prescribed by South African Revenue Service.

Accordingly, it is imperative that Trencor timeously be provided with the required declarations and undertakings by Shareholders in order that Trencor may, with accuracy, determine its liability for Dividends Tax on the Unbundling. Attention will be given to changes in shareholder base between the date on which the information requested herein is received and the record date to participate in the Unbundling.

It is in the financial and other interests of both Shareholders and Trencor that the requisite number of written declarations and undertakings is timeously received by Trencor, for, *inter alia*, the following reasons:

- In order for the Unbundling to be implemented as proposed in the Circular, i.e. in order that Trencor Shareholders may secure the *in specie* distribution of the Unbundling Shares as proposed in the Circular, a condition precedent of the proposed transaction is that Shareholders holding, in aggregate, that number of Shares comprising 97% of the issued Shares (or such lower percentage as the Board may determine, but not less than 80% of the issued Shares), shall have provided Trencor with their required Dividends Tax declarations and undertakings;
- To the extent that Trencor's liability for Dividends Tax on the Unbundling is not limited in proportion to the full benefit of the exemptions and reduced Dividends Tax rates available to Shareholders, such 'increased' Dividends Tax cost on Trencor will directly and negatively impact Shareholders as follows:
  - i. the net asset value per Trencor share will decrease; and
  - ii. the 'increased' Dividends Tax cost will ultimately be borne by all Shareholders (i.e. the amount of funds potentially available for distribution by Trencor will be reduced).

## **ACTION REQUIRED**

Shareholders are referred to the requests contained in 1.1 to 1.3 of the Circular and the relevant required Form of Declaration and Undertaking (as applicable), enclosed in the Circular and available for download on [www.trencor.net](http://www.trencor.net).

Note that if you are the registered holder of the shares but not the beneficial owner or the duly authorised agent of the beneficial owner, kindly procure that the beneficial owner duly completes and signs the required Form of Declaration and Undertaking (as applicable), and submit the completed and signed Form of Declaration and Undertaking by the beneficial owner to Trencor.

Please return the completed form to Trencor by Thursday, 17 October 2019 to email at [forms@trencor.net](mailto:forms@trencor.net), or in any other manner as set out in such form (notwithstanding the due date for submission of the forms in the Circular).

- **If you are *exempt* from Dividends Tax –**  
you must complete **Form I** of the Forms of Declarations and Undertakings.
- **If you are subject to Dividends Tax at a *reduced rate* –**  
you must complete **Form II** of the Forms of Declarations and Undertakings.
- **If you are *not exempt* from Dividends Tax and *not subject to Dividends Tax at a reduced rate* –**  
you must complete **Form III** of the Forms of Declarations and Undertakings.

Do not hesitate to contact [forms@trencor.net](mailto:forms@trencor.net) should you have any queries in relation to the completion of the Forms of Declarations and Undertakings.

Trencor Services Proprietary Limited  
Secretaries  
14 October 2019

**Financial Advisor and Transaction Sponsor**  
Investec Bank Limited

**Legal and Tax Advisor**  
Edward Nathan Sonnenbergs Inc.