SCRIP DIVIDEND SCHEME

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, IT IS RECOMMENDED THAT YOU SEEK YOUR OWN PERSONAL FINANCIAL ADVICE IMMEDIATELY FROM YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT FINANCIAL ADVISER.

If you have sold or otherwise transferred all of your Ordinary Shares in Capital & Counties Properties PLC ("Capital & Counties" or the "Company"), please send this document, together with the accompanying documents, as soon as possible to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the Ordinary Shares.

This document contains the terms and conditions of the Company's proposed Scrip Dividend Scheme and should be read in conjunction with the Mandate Form available on the Company's website (www.capitalandcounties.com) or obtainable on request from the UK Registrar or SA Registrar as appropriate or the terms applicable to other means of making elections under the Scrip Dividend Scheme. Please retain this document in case you need to refer to it in the future.

If you wish to receive dividends on your Ordinary Shares in cash in the usual way, you do not need to take any action and may disregard this document and the Mandate Form.

IMPORTANT INFORMATION

- Definitions of certain terms used in this document are set out on pages 16 and 17.
- The renewal of the Scrip Dividend Scheme is conditional upon approval being given by Shareholders at the Company's 2020 Annual General Meeting.
- The Scrip Dividend Scheme will apply to future interim and final dividends in respect of which a Scrip Dividend Alternative is offered.
- The operation of the Scrip Dividend Scheme is always subject to the Directors' discretion whether or not to make an offer of New Ordinary Shares in respect of any particular dividend. The Directors also have the power to suspend or terminate the Scrip Dividend Scheme generally at any time prior to the allotment of the New Ordinary Shares pursuant to it. If the Directors suspend or terminate the Scrip Dividend Scheme, Shareholders will, if a dividend is still due and payable, receive their dividend in cash in full in the usual way on or as soon as reasonably practicable after the Relevant Dividend Payment Date.

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IMPORTANT NOTICE

This document and the information contained in it are current as at 20 March 2020. Save to the extent required by applicable law, Capital & Counties shall be under no obligation to update this document or the information contained in it.

DESCRIPTION OF THE SCRIP DIVIDEND SCHEME

1. WHAT IS THE SCRIP DIVIDEND SCHEME?

The Scrip Dividend Scheme enables Shareholders to elect to receive, if they wish, New Ordinary Shares in the Company instead of a cash dividend.

The Scrip Dividend Scheme enables Shareholders to increase their shareholding in the Company in a simple manner without paying any dealing costs or stamp duty. The issuance of New Ordinary Shares under the Scrip Dividend Scheme in lieu of a cash dividend, rather than in cash, will also assist the Company in its cash flow planning and could potentially reduce short-term funding costs, to the general benefit of the Company and its Shareholders.

However, you should bear in mind that the price of the New Ordinary Shares can go down as well as up, and whether you elect to participate in the Scrip Dividend Scheme is your own decision depending on your individual circumstances. If you are in any doubt as to the action you should take, you are advised to consult your independent financial adviser.

The operation of the Scrip Dividend Scheme is subject always to the Directors' decision to make the scrip offer available in respect of any particular dividend. Should the Directors decide not to offer the scrip in respect of any particular dividend, cash will automatically be paid instead.

The Company is a UK REIT (more information on REITs is available on the Company's website). The Directors may set different proportions of a dividend payable as a PID or non-PID depending on whether the dividend is received as cash or shares. Please refer to Taxation Guidelines on pages 9 to 14 for comment on the tax treatment of PIDs and non-PIDs.

Shareholders (other than UK Certificated Shareholders) should note that any election made to participate in the Scrip Dividend Scheme will apply only to the next Relevant Dividend, and not to any subsequent Relevant Dividends. Shareholders (other than UK Certificated Shareholders) will therefore need to make a separate election in respect of each Relevant Dividend where they wish to receive New Ordinary Shares instead of a cash dividend.

UK Certificated Shareholders will be deemed to be making an election for the next Relevant Dividend only, unless they choose to make an "evergreen" election, which will result in them receiving New Ordinary Shares instead of cash dividends as a matter of routine in respect of all future Relevant Dividends, unless such instruction is subsequently cancelled. If you have already made an "evergreen" election then unless revoked, this election will apply to all future Relevant Dividends. "Evergreen" elections made by UK Certificated Shareholders will automatically remain valid for the period of this renewed authority which is until the conclusion of the AGM of the Company to be held in 2023.

Details of the procedures for making and cancelling an election to participate in the Scrip Dividend Scheme are set out in paragraphs 3 to 7 below.

2. WHO CAN PARTICIPATE IN THE SCRIP DIVIDEND SCHEME?

All Shareholders who are resident in the UK are entitled to participate in the Scrip Dividend Scheme. SA Shareholders resident in South Africa are also entitled to participate, subject to any requirements of local exchange control. Please see the section titled "Exchange Control" on page 15 of this document for details of the exchange control implications. The right to elect to join the Scrip Dividend Scheme is not transferable.

If you are a Shareholder who is resident outside the UK or South Africa, you may treat this as an invitation to elect to join the Scrip Dividend Scheme unless you could not lawfully participate without any further obligation on the part of Capital & Counties or your participation would not be in compliance with any registration or other legal requirements. Any person resident outside the UK or South Africa wishing to receive New Ordinary Shares is responsible for ensuring that their election can, without any further obligation on Capital & Counties, be validly made and for observing all formalities and any resale restrictions that may apply to the New Ordinary Shares. If you are not satisfied that this is the case, you may not participate in the Scrip Dividend Scheme or make an election under the Scrip Dividend Scheme.

3. WHAT IS THE DEADLINE FOR JOINING THE SCRIP DIVIDEND SCHEME FOR A PARTICULAR DIVIDEND?

To be eligible to receive New Ordinary Shares for a Relevant Dividend:

a. elections by SA Shareholders must be received by the SA Registrar no later than 12.00 pm (Johannesburg time) on the SA Election Date for each Relevant Dividend (which is advised in advance of each Relevant Dividend); and

b. elections by UK Shareholders must be received by the UK Registrar no later than 5.30pm on the UK Election Date for each Relevant Dividend (which is advised in advance of each Relevant Dividend) in order for your instructions to apply to that dividend.

For shares held in CREST or in the Strate system via a CSDP or broker, earlier lodgment dates will apply. Please contact your CREST provider, CSDP or broker to permit them to advise the relevant Registrar by the dates specified above.

Elections received or input after the lodgement dates above will be rejected and will not apply to any subsequent Relevant Dividend, except in relation to those UK Certificated Shareholders who have made an "evergreen" election, where such election will apply to future Relevant Dividends only.

The Ex-dividend Date, reference share prices, UK and SA Election Dates and all further information in respect of each Relevant Dividend will be announced and made available on the Capital & Counties website at www.capitalandcounties.com.

4. WHAT DOES IT MEAN TO MAKE AN ELECTION TO PARTICIPATE IN THE SCRIP DIVIDEND SCHEME?

Upon making an election to participate in the Scrip Dividend Scheme, each Shareholder will be deemed (whether the election is made by them or on their behalf) to have:

a. agreed to participate in the Scrip Dividend Scheme pursuant to the terms and conditions set out in this document; and

b. authorised the Company or its agent: (i) in the case of holdings in Certificated form, to send to the Shareholder at the Shareholder's registered address any definitive share certificate in respect of New Ordinary Shares allotted; and (ii) in the case of holdings in dematerialised form, to credit the New Ordinary Shares allotted to the Shareholder's CREST account or CSDP account (as applicable) on the date that dealings commence.

As explained in paragraph 1 above, Shareholders (other than UK Certificated Shareholders who have made an "evergreen" election) will have to make separate elections in relation to each Relevant Dividend where such Shareholder wishes to receive New Ordinary Shares instead of a cash dividend. However, elections to participate in the Scrip Dividend Scheme by UK Certificated Shareholders may be for either one Relevant Dividend or for all future Relevant Dividends (an "evergreen" election) unless and until such election is cancelled by such Shareholder or until the Scrip Dividend Scheme itself is cancelled by the Company.

The way in which Shareholders can elect to participate in the Scrip Dividend Scheme will depend on how they hold their Ordinary Shares.

5. HOW DO I JOIN (OR LEAVE) THE SCRIP DIVIDEND SCHEME IF I HOLD SHARE CERTIFICATES (NOT THROUGH CREST OR IN THE STRATE SYSTEM VIA A CSDP OR BROKER)?

How do I elect to join the Scrip Dividend Scheme?

If you are a UK Certificated Shareholder, you may join the Scrip Dividend Scheme by either: (i) completing the Mandate Form obtainable on request from the UK Registrar and returning it to the UK Registrar in accordance with the instructions contained in the Mandate Form; or (ii) online via www.signalshares.com.

If you are a SA Certificated Shareholder, you should complete the Mandate Form obtainable on request from the SA Registrar, and return it to the SA Registrar in accordance with the instructions contained in the Mandate Form.

Mandate Forms will also be made available for download from the Company's website, for completion and return to the appropriate Registrar.

How can I amend or cancel my election?

UK Certificated Shareholders may amend or cancel their election to participate in the Scrip Dividend Scheme for the next Relevant Dividend at any time up until the UK Election Date for that Relevant Dividend by a notice in writing to the UK Registrar. Cancellation instructions received after that date will be rejected, as all elections will lapse after the Relevant Dividend for which that election has been made, unless the Shareholder in question has made an "evergreen" election, in which case it will apply to subsequent Relevant Dividends only.

SA Shareholders should note that any election by them to participate in the Scrip Dividend Scheme in respect of a Relevant Dividend is irrevocable. All elections will lapse automatically after the Relevant Dividend for which the election has been made.

6. HOW DO I JOIN (OR LEAVE) THE SCRIP DIVIDEND SCHEME IF I HOLD MY SHARES ELECTRONICALLY ON THE UK REGISTER THROUGH CREST?

How do I elect to join the Scrip Dividend Scheme?

Shareholders who hold their Ordinary Shares in CREST can elect to receive dividends in the form of New Ordinary Shares through the CREST Dividend Election Input Message. By doing so Shareholders confirm their election to participate in the Scrip Dividend Scheme and their acceptance of the full terms and conditions of the Scrip Dividend Scheme, which can be found at www.capitalandcounties.com, as may be amended from time to time. Other forms of election, including paper forms of election, will not be accepted.

The CREST Dividend Election Input Message must contain the number of Ordinary Shares relating to the election. If the number of elected Ordinary Shares is zero or left blank then the election will be rejected. If the number is greater than the number of Ordinary Shares held by the relevant Shareholder at the relevant Record Date, the election will be automatically reduced to the holding at that Record Date.

Once an election is made using the CREST Dividend Election Input Message system it cannot be amended. Therefore, if a Shareholder wishes to change their election, such Shareholder would need to cancel their previous election and submit a new election.

Will I have to make separate elections to receive scrip shares for each dividend?

Yes. If you wish to receive New Ordinary Shares instead of cash in respect of a future Relevant Dividend, you must complete a CREST Dividend Election Input Message, otherwise you will receive your dividend in cash, by cheque or to any bank account previously mandated for the receipt of dividends.

How can I cancel my election?

Shareholders who hold their Ordinary Shares in CREST can only cancel their election through the CREST system. CREST Dividend Election Input Messages should not be used to change an election in respect of the Scrip Dividend Scheme that was not made through CREST. A CREST notice of cancellation will take effect on its receipt and will be processed by the UK Registrar in respect of the next Relevant Dividend payable after the date of receipt of such notice. A notice of cancellation must be received by the UK Election Date for the Relevant Dividend, Notice must be received before 5.30pm on that UK Election Date. For shares held in CREST via a broker or nominee, please contact the nominee or broker as earlier lodgement dates will apply to permit them to advise the UK Registrar by the required date.

All elections will lapse automatically after the Relevant Dividend for which the election has been made.

7. WHAT IF I HOLD MY ORDINARY SHARES ON THE SA REGISTER IN THE STRATE SYSTEM?

How do I elect to join the Scrip Dividend Scheme?

SA Shareholders who hold their Ordinary Shares in the Strate system via a CSDP or broker at 12.00 pm (Johannesburg time) on the Record Date for the Relevant Dividend should, in terms of their custody agreement with their CSDP or broker, arrange for their election to have New Ordinary Shares issued to them in the Strate system to be implemented by their CSDP or broker. Any election forms relating to holdings in the Strate system are submitted wholly at the risk of the submitting party and the SA Registrar reserves the right to reject any election forms received relating to these holdings.

How can I cancel my election?

Any election to participate in the Scrip Dividend Scheme in respect of a Relevant Dividend is irrevocable. All elections will lapse automatically after the Relevant Dividend for which the election has been made.

8. CAN I PARTICIPATE IN THE SCRIP DIVIDEND SCHEME IN RESPECT OF PART OF MY HOLDING?

No, an election will only be accepted in relation to the whole of a Shareholder's shareholding, however paragraph 10 sets out the position where shares are held in separate holdings.

The Directors may, at their discretion, allow Shareholders to elect in respect of part of their shareholding where they are acting on behalf of more than one beneficial holder:

- For nominee shareholdings held in CREST, the CREST Dividend Election Input Message must contain the number of Ordinary Shares for which the election is being made. Such mandate must be received for each Relevant Dividend.
- For nominee shareholdings held in the Strate system via a CSDP or broker in accordance with the rules and procedures of the Strate system, the Dividend Election instruction to the SA Registrar must contain the number of Ordinary Shares for which the election is being made. Such mandate must be received for each Relevant Dividend.
- A cash dividend will be paid on any remaining Ordinary Shares not included in the CREST Dividend Election Input Message or other form of instruction.

9. WHAT ABOUT ORDINARY SHARES HELD IN JOINT NAMES?

Ordinary Shares held in joint names are eligible to participate in the Scrip Dividend Scheme, but all joint Shareholders must sign the Mandate Form or notify their election via CREST or their CSDP or broker, as applicable.

10. WHAT HAPPENS IF I HAVE MORE THAN ONE HOLDING?

If a Shareholder's Ordinary Shares are registered in more than one holding and they want to receive New Ordinary Shares instead of cash dividends in respect of each holding, they must complete a separate Mandate Form or notify their election via CREST or their CSDP or broker, as applicable, for each holding.

Shareholders who hold some of their Ordinary Shares in Certificated form and some in dematerialised form will be required to elect to participate in the Scrip Dividend Scheme for each of their certificated and dematerialised holdings separately.

11. HOW MANY NEW ORDINARY SHARES WILL I RECEIVE?

In accordance with the Company's articles of association, a Shareholder who elects for the Scrip Dividend Alternative is entitled to New Ordinary Shares whose value is as near as possible to the cash dividend which they would have otherwise received. To achieve this, in a case where no UK withholding tax has to be accounted for, a Shareholder's entitlement to New Ordinary Shares for the Relevant Dividend will be calculated by taking the amount of the cash dividend to which they are entitled (i.e. the number of Ordinary Shares held by that Shareholder at the Record Date for the Relevant Dividend multiplied by the gross value of the dividend per Ordinary Share) and dividing it by the Scrip Calculation Price. When UK withholding tax has to be accounted for (i.e. when the dividend is paid wholly or partly as a PID except when exemptions apply), the calculation will be by reference to the gross amount of the dividend less the applicable withholding tax at the current rate of 20 per cent (i.e. 80 per cent of the cash amount).

To calculate the cash value SA Shareholders would otherwise receive per Ordinary Share, the applicable Exchange Rate for the Rand equivalent of the Relevant Dividend in South Africa will be determined by the Company on the Currency Conversion Date.

For Shareholders whose Ordinary Shares are traded on the LSE, the Scrip Calculation Price will be the average of the middle market quotations of an Ordinary Share derived from the Daily Official List for the last five dealing days ending on the Currency Conversion Date, less the gross value of the Relevant Dividend per Ordinary Share. For Shareholders whose Ordinary Shares are traded on the exchange operated by the JSE, the Scrip Calculation Price will be the average of the middle market quotations of an Ordinary Share as provided by the JSE for the last five dealing days on the exchange operated by the JSE ending on the Currency Conversion Date, less the gross value of the Relevant Dividend per Ordinary Share as converted into Rand at the Exchange Rate. The results of these calculations will be announced by the Company on the day following the Currency Conversion Date for each Relevant Dividend and will be available on the Company's website at www.capitalandcounties.com.

In a case where UK withholding tax has to be allowed for, the formula to determine the number of New Ordinary Shares that a Shareholder would receive pursuant to the Scrip Dividend Scheme is set out below:

$$\frac{\text{Number of Ordinary Shares held at the relevant time on the Record Date for the Relevant Dividend} \times \text{Net value (i.e. after deduction of the 20 per cent withholding tax) of the Relevant Dividend per Ordinary Share}}{\text{Scrip Calculation Price}}$$

When UK withholding tax is not required to be taken into account in respect of a particular Shareholder or Relevant Dividend, the formula is modified so that the calculation is by reference to the gross value of the Relevant Dividend per Ordinary Share. When UK withholding tax only applies to part of a dividend, the calculation will be by reference to the actual value receivable (i.e. part net and part gross added together).

As no fraction of a New Ordinary Share will be issued, any residual Cash Balance will be paid immediately to relevant Shareholders (subject to "evergreen" elections) in cash.

Where the Cash Balance due to a Shareholder is less than a minimum figure that may be determined by the Directors from time to time, that cash amount may at the Directors' discretion be retained by the Company and used for general corporate purposes or distributed to a charity organisation.

Worked example of the Scrip Dividend Alternative

Assuming the following:

- a PID Scrip Dividend Alternative with a gross value of £0.05 per Ordinary Share;
- an automatic 20 per cent UK withholding tax being applied, resulting in SA Shareholders and UK Shareholders who have not submitted a Tax Exemption Declaration Form receiving a cash value of £0.04 per ordinary share;
- a holding of 1,000 Ordinary Shares; and
- a Scrip Calculation Price of £2.51,

the Shareholder would be entitled to a total amount of cash dividend of £40.00 (i.e. 1,000 Ordinary Shares multiplied by the £0.04 post-tax cash value of the Relevant Dividend). The number of New Ordinary Shares that the Shareholder would receive pursuant to the Scrip Dividend Scheme would be calculated as follows:

$$\frac{1{,}000 \times £0.04}{£2.51} = £15.94$$

The Shareholder (other than a UK Certificated Shareholder who has made an "evergreen" election) would be entitled to 15 New Ordinary Shares with a cash value of £37.65 (i.e. 15.94 rounded down to the nearest whole number). The residual cash balance of £2.35 will be paid out to the Shareholder in cash.

UK Certificated Shareholders who have made an "evergreen" election will have any residual Cash Balance retained by the Company on their behalf and carried forward (without interest) to be included in the calculation of the next dividend entitlement.

Certain UK Shareholders may be eligible for an exemption from the automatic 20 per cent tax withholding. For these Shareholders, the worked example above would be altered, with a £0.05 cash value and an entitlement to 19.92 shares, rounded down to 19 shares and a residual Cash Balance of £2.31. For further details, see the section titled "Taxation Guidelines" on pages 9 to 14 of this document.

12. HOW WILL I KNOW HOW MANY NEW ORDINARY SHARES I HAVE RECEIVED?

Once the New Ordinary Shares have been issued, a Dividend Confirmation will be sent to Shareholders along with new share certificates (where relevant), showing the number of New Ordinary Shares issued, the reference share price, and the total cash equivalent of the New Ordinary Shares for tax purposes. If your cash dividend entitlement, together with (for UK Certificated Shareholders who have made an "evergreen" election) any Cash Balance brought forward, is insufficient to acquire at least one New Ordinary Share, the Dividend Confirmation will explain that no New Ordinary Shares have been issued and will show the total amount of cash to be paid out to relevant Shareholders in cash or (for UK Certificated Shareholders who have made an "evergreen" election) carried forward, as appropriate.

13. ARE THE NEW ORDINARY SHARES INCLUDED IN THE NEXT DIVIDEND?

Yes. All New Ordinary Shares issued as scrip dividends will automatically increase a Shareholder's shareholding on which the next entitlement to a dividend (whether cash or scrip) will be calculated.

14. WILL THE NEW ORDINARY SHARES HAVE THE SAME RIGHTS?

Yes. The New Ordinary Shares will carry the same voting rights as existing Ordinary Shares, will rank equally in all respects with the existing Ordinary Shares and will qualify for all future dividends.

15. WHEN WILL I RECEIVE MY NEW ORDINARY SHARES?

Subject to the New Ordinary Shares being admitted (i) to the official list of the FCA and to trading on the London Stock Exchange and (ii) to listing and trading on the exchange operated by the JSE, definitive share certificates (in the case of Shareholders holding their Ordinary Shares in Certificated form only) and/or Dividend Confirmations will be sent by post at the risk of the relevant Shareholder on or about the same day as the Relevant Dividend Payment Date.

CREST members who have elected to receive New Ordinary Shares will have their CREST accounts credited directly with the relevant New Ordinary Shares and will be notified via the Euroclear Service on the same day as the Relevant Dividend Payment Date. If the Company is unable to do this under the provisions of the Uncertificated Securities Regulations 2001 or the facilities and requirements of the Euroclear Service, the relevant New Ordinary Shares will be issued as certificated shares and definitive share certificates will be posted to the relevant Shareholder at that Shareholder's risk, on or as soon as reasonably practicable after the Relevant Dividend Payment Date.

SA Shareholders who hold their Ordinary Shares in the Strate system through a CSDP or broker and who have made a valid election to receive the Scrip Dividend Alternative in respect of a Relevant Dividend will have their CSDP accounts credited directly with the relevant New Ordinary Shares and will be notified by their CSDP or broker in accordance with the relevant custody agreement. If the Company is unable to do this under the provisions of the applicable law and regulation and the facilities and requirements of the Strate system, the relevant New Ordinary Shares will be issued as certificated shares and definitive share certificates will be posted to the relevant Shareholder at that Shareholder's risk, on or as soon as reasonably practicable after the Relevant Dividend Payment Date.

Applications will be made: (i) to each of the FCA and the LSE for any New Ordinary Shares issued under the Scrip Dividend Scheme to be admitted to the FCA's Official List and the LSE's main market for listed securities respectively; and (ii) to the JSE for any New Ordinary Shares issued under the Scrip Dividend Scheme to be admitted to listing and trading on the Main Board of the exchange operated by the JSE. In the unlikely event that the New Ordinary Shares are not admitted to listing and listing does not become effective or the New Ordinary Shares are not admitted to trading in a jurisdiction, then those Shareholders in that jurisdiction who have chosen to receive New Ordinary Shares under the Scrip Dividend Scheme will be paid in cash in the usual way on or as soon as reasonably practicable after the Relevant Dividend Payment Date.

16. WHAT HAPPENS IF I BUY MORE SHARES?

If a Shareholder buys Ordinary Shares prior to the Ex-dividend Date for any Relevant Dividend, that Shareholder may be entitled to the dividend on those shares and they are advised to contact their stockbroker or other agent through whom the purchase was made without delay so as to ensure that the purchased shares are registered promptly in their name before the Record Date for the Relevant Dividend. For certificated Shareholders, any additional Ordinary Shares which the Shareholder buys, and which are registered in their name prior to the Record Date for the Relevant Dividend for any dividend they are entitled, will be covered by the election they have made and such Shareholder will receive New Ordinary Shares instead of cash dividends for their entire holding. Where shares are held in CREST or in the Strate system via a CSDP or broker, Shareholders should contact the appropriate party as any newly acquired shares may not be covered by the election instruction given to the relevant Registrar by the CREST provider, CSDP or broker.

If a Shareholder buys Ordinary Shares on or after the Ex-dividend Date for any Relevant Dividend, that Shareholder will not be entitled to receive that dividend in respect of those Ordinary Shares.

17. WHAT HAPPENS IF I SELL PART OF MY HOLDINGS?

If a Shareholder sells any of their Ordinary Shares prior to the Ex-dividend Date for any Relevant Dividend, they may not be entitled to the dividend on those Ordinary Shares and they are advised to contact their stockbroker or other agent through whom the sale was effected without delay as there may be a claim for the cash amount of the dividend by the purchaser.

If a certificated Shareholder sells part of their shareholding prior to the Record Date for the Relevant Dividend for any dividend and such sale is registered in the Company's register of members prior to the Record Date for the Relevant Dividend, the Scrip Dividend Scheme will only apply to their remaining Ordinary Shares. Where shares are held in CREST or in the Strate system via a CSDP or broker, Shareholders should contact the appropriate party to ensure that any recently sold shares are not included in the election instruction given to the relevant Registrar by the CREST provider, CSDP or broker.

18. WHEN WILL MY ELECTION BE CANCELLED?

Elections will be regarded as cancelled in respect of any Ordinary Shares which a Shareholder sells or otherwise transfers to another person and regarded as fully cancelled on the sale or transfer of the whole of a Shareholder's shareholding. This will take effect from registration of the relevant share transfer.

Elections will be regarded as cancelled immediately on notice being given to the relevant Registrar of the death, bankruptcy, liquidation or mental incapacity of a Shareholder, unless the Shareholder was a joint Shareholder, in which case participation of the other joint Shareholder(s) will continue.

All elections will be cancelled at the conclusion of the annual general meeting of the Company to be held in 2023, unless the authority to offer the Scrip Dividend Scheme is renewed at that meeting, in which case Shareholders will be able to continue to elect to participate in the Scrip Dividend Scheme for future Relevant Dividends. "Evergreen" elections made by UK Certificated Shareholders will automatically remain valid for the period of this renewed authority.

As explained above, elections by Shareholders (other than those UK Certificated Shareholders who have made an "evergreen" election) will apply to one Relevant Dividend only, and will automatically lapse thereafter.

Elections may also be cancelled voluntarily by a UK Shareholder. Elections made by SA Shareholders are irrevocable. Please see paragraphs 5 to 7 above for further details.

19. CAN THE COMPANY CANCEL OR AMEND THE SCRIP DIVIDEND SCHEME?

Yes. The operation of the Scrip Dividend Scheme is always subject to the Directors' decision to make an offer of New Ordinary Shares in respect of any particular dividend. The Directors may also, after such an offer is made, revoke the offer generally at any time prior to the issue of New Ordinary Shares under the Scrip Dividend Scheme. The Scrip Dividend Scheme may be modified, suspended or terminated at any time at the discretion of the Directors without notice to Shareholders individually.

In the case of any modification, existing Scrip Dividend Scheme elections (unless otherwise specified by the Directors) will be deemed to remain valid under the modified arrangements unless and until, for UK Shareholders, the UK Registrar receives a cancellation from non-CREST participants in writing or via the UK Registrar's website, www.signalshares.com, or CREST participants input their instructions to cancel, and for SA Shareholders unless and until the SA Registrar receives a cancellation notification, which must be received by no later than 12.00 pm (Johannesburg time) on the Record Date for the Scrip Dividend Scheme in respect of certificated Shareholders; dematerialised Shareholders need to advise their relevant CSDPs or Brokers in a manner stipulated in their agreement and adhere to their timeframe. In the case of termination of the Scrip Dividend Scheme, existing elections will be deemed to have been cancelled as at the date of such termination. If the Directors revoke an offer (or otherwise suspend or terminate the Scrip Dividend Scheme), Shareholders will receive their dividends in cash on or as soon as possible after the Relevant Dividend Payment Date. Any announcement of any cancellation or modification of the terms of the Scrip Dividend Scheme will be made on the Company's website at www.capitalandcounties.com.

The Scrip Dividend Scheme will remain in place until the annual general meeting of the Company to be held in 2023. Authority to continue the Scrip Dividend Scheme may be sought at that annual general meeting.

20. WHAT ARE THE TAX EFFECTS OF A SCRIP DIVIDEND ELECTION?

The tax consequences for a Shareholder electing to receive New Ordinary Shares instead of a cash dividend will depend on the applicable tax rules in each relevant jurisdiction as well as the personal circumstances of that Shareholder. If Shareholders are in any doubt as to their own taxation position, they should consult their professional advisers before taking any action.

A summary of certain UK and South African tax consequences of the Scrip Dividend Scheme is set out in the section titled "Taxation Guidelines" on pages 9 to 14 of this document, but this summary is for information purposes only and does not constitute advice.

Shareholders who are individuals or certain kinds of trustees resident for tax purposes in the UK and who receive New Ordinary Shares instead of a cash dividend (whether or not the cash dividend would have been payable as a PID) from the Company should note that they will be subject to tax by reference to the "cash equivalent" of the New Ordinary Shares (as defined in paragraph 1 of the UK Taxation section of the Taxation Guidelines on pages 9 to 14 of this document). As the "cash equivalent" is not determined by reference to the market value of the New Ordinary Shares received except in certain circumstances (as described further in the Taxation Guidelines on pages 9 to 14 of this document), fluctuations in the market value of the New Ordinary Shares could mean that Shareholders may be taxed by reference to a cash equivalent that is greater than the market value of the New Ordinary Shares received. When the cash dividend would have been payable as a PID then the UK tax position of all other categories of Shareholder will also generally be determined by reference to this "cash equivalent".

21. WHAT SHOULD I DO IF I HAVE ANY QUESTIONS?

If you have any queries, please contact the applicable party using the contact details set out below:

United Kingdom:

Address: Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU

Telephone: 0371 664 0321

Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am - 5.30pm, Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Email: shareholder.services@linkgroup.co.uk

South Africa:

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TAXATION GUIDELINES

The following summaries are included only as a general guide to taxation for Shareholders resident in the UK and South Africa. They are based on Capital & Counties' understanding of the law and practice as at 20 March 2020 and are subject to legislative change. The taxation summaries have been prepared from the perspective of Shareholders who are the beneficial owners of Ordinary Shares and hold such Ordinary Shares for investment purposes and not from the perspective of dealers in securities. Shareholders who are not resident in the UK or South Africa or any Shareholders who are in any doubt as to their tax position should seek independent professional advice.

INTRODUCTION

The Company may distribute dividends to Shareholders either in the form of a PID, an ordinary dividend (non-PID) or a mixture of the two. One of the requirements of the REIT regime is that the principal company of a group REIT (being here the Company) must, in respect of each accounting period, distribute to Shareholders at least 90 per cent of the UK profits (as defined in section 530(2) of the Corporation Tax Act 2010) from the Group's property rental business in the form of PIDs.

New Ordinary Shares received in lieu of a cash dividend under the Scrip Dividend Scheme may be paid as a PID, a non-PID or a mixture of the two. Where a dividend is to be paid under the Scrip Dividend Scheme as a PID, it will be paid net of withholding tax unless one of the exceptions set out in section 2(vi) below applies. The Company will indicate whether the Scrip Dividend Alternative in respect of any Relevant Dividend will be paid as a PID, non-PID or mixture of the two when the offer of a Scrip Dividend Alternative is announced.

UK TAXATION

1. OVERVIEW

The following statements are intended to apply only as a general guide to current UK tax law as applied in England and Wales and to the current published practice of HMRC (which may not be binding on HMRC), both of which are subject to change at any time, possibly with retroactive effect. They are not advice. Except insofar as express reference is made to the treatment of non-UK residents, the following statements are intended to apply only to Shareholders who are resident (and, in the case of an individual, domiciled) in the UK for UK tax purposes and to whom "split year" treatment does not apply, who hold their Ordinary Shares as investments and who are the absolute beneficial owners of such Ordinary Shares. The statements do not apply to certain classes of Shareholders, such as dealers in securities or distributions, broker-dealers, insurance companies, collective investment schemes, persons who hold their shares by virtue of an interest in any partnership and persons who have acquired (or are deemed for tax purposes to have acquired) their shares by reason of office or employment.

Subject to certain exceptions, a PID will generally be treated in the hands of Shareholders as profits from a UK property rental business, whereas a non-PID will be treated as dividend income. Shareholders who receive New Ordinary Shares under the Scrip Dividend Scheme may be regarded as having received a payment equal to the "cash equivalent" of the New Ordinary Shares and will be taxed on that payment as described below. In respect of that part of any Scrip Dividend Alternative payable as a PID these rules will apply to all categories of Shareholders.

The "cash equivalent" of the New Ordinary Shares will be the amount of the cash dividend the Shareholder would have received in respect of that part of a dividend paid by the Company in the form of New Ordinary Shares (the value of such New Ordinary Shares being grossed-up for any withholding tax deducted) had they not elected to receive New Ordinary Shares instead, unless the market value of the New Ordinary Shares on the first day of dealings on the London Stock Exchange (the "Opening Value") (in accordance with section 412 of the Income Tax (Trading and Other Income) Act 2005) differs by 15 per cent or more of that market value from the Scrip Calculation Price, in which case the Opening Value will be used to determine the cash equivalent of the New Ordinary Shares for taxation purposes (the "Market Value Rule"). Where Cash Balances representing fractional entitlements to New Ordinary Shares are paid in cash to Shareholders in accordance with paragraph 11 of the section titled "Description of the Scrip Dividend Scheme" above, such amounts will result in cash dividends being paid in the same way (i.e. as a PID or a non-PID) as the Relevant Dividend would have been paid had those Shareholders not elected to receive New Ordinary Shares under the Scrip Dividend Scheme.

2. UK TAXATION OF PIDS

The statements made in this Section 2 relate only to certain limited aspects of the UK taxation treatments of PIDs paid by the Company in the form of New Ordinary Shares or, in the case of Cash Balances (to the extent that the Relevant Dividend is a PID) paid to Shareholders in accordance with paragraph 11 of the section titled "Description of the Scrip Dividend Scheme" above, in cash pursuant to the Scrip Dividend Scheme. In circumstances where a Cash Balance is paid in respect of a Relevant Dividend (or any part thereof) which is payable as a non-PID, see Section 3 below.

(i) Amount received

Shareholders who receive New Ordinary Shares in PID form pursuant to a Scrip Dividend Alternative election will be regarded as having received a PID equal to the cash equivalent of the New Ordinary Shares (as defined in Section 1 above). Where withholding tax applies to a particular Shareholder, a reduced number of New Ordinary Shares will be issued to reflect this withholding tax and the cash equivalent will fall to be determined by grossing up the value of that reduced number of New Ordinary Shares at the Scrip Calculation Price or the Opening Value (where the Market Value Rule applies) by reference to the withholding tax rate, currently 20 per cent. This equates to multiplying the value of the New Ordinary Shares which are issued by 1.25.

When references are made below to a PID, the amount of that PID is (i) in the case of a PID in the form of New Ordinary Shares, the cash equivalent (as determined above) of the New Ordinary Shares (i.e. taking into account any applicable withholding tax)

and (ii) in the case of a Cash Balance paid to a Shareholder in cash to the extent that the Relevant Dividend is a PID, the amount of that Cash Balance (grossed up to reflect any applicable withholding tax i.e. where withholding tax applies, a £1.00 Cash Balance as calculated under paragraph 11 above would be paid as a cash dividend, which results in a gross PID of £1.25, withholding tax of £0.25, and a net receipt of £1.00).

(ii) Individuals

(a) Income tax

Subject to certain exceptions, a PID (whether in the form of New Ordinary Shares or, in the case of a Cash Balance to the extent that the Relevant Dividend is a PID, cash) will generally be treated in the hands of Shareholders who are individuals as the profit of a single UK property business (as defined in section 264 of the Income Tax (Trading and Other Income) Act 2005). A PID is, together with any PID from any other REIT, treated as a separate UK property rental business from any other UK property business (a "different UK property business") carried on by the relevant Shareholder. This means that any surplus expenses from a Shareholder's different UK property business cannot be offset against a PID as part of a single calculation of the profits of the Shareholder's UK property business.

No tax credit will be available in respect of PIDs, however, individual Shareholders who are liable to income tax at the basic rate will have no further income tax to pay if withholding is applied to the PID as the tax withheld will fully discharge their liability to income tax.

Individuals who are subject to higher or additional rates of income tax will be liable to pay further tax on the gross income they are treated as receiving; the rate of income tax applying to the PID is 40 per cent for higher rate taxpayers and 45 per cent for additional rate taxpayers, with credit for the 20 per cent tax withheld at source in each case.

Where tax has been withheld at source, individual Shareholders who are not liable to tax, including those who hold their Ordinary Shares in an Individual Savings Account ("ISA") but who have not submitted a valid declaration form to receive PIDs gross, may be entitled to claim repayment of some or all of the tax withheld on their PID.

Neither the dividend allowance nor the property income allowance apply to the receipt of PIDs.

(b) Taxation of Capital Gains

A Shareholder who is an individual resident (for tax purposes) in the UK and who receives New Ordinary Shares in PID form pursuant to a Scrip Dividend Alternative election will be treated as having acquired those New Ordinary Shares for an amount equal to the cash equivalent (as defined in Section 1 above).

(iii) Corporate Shareholders (other than pension funds and charities)

Subject to certain exceptions, a PID (whether in the form of New Ordinary Shares or, in the case of a Cash Balance to the extent that the Relevant Dividend is a PID, cash) will generally be treated in the hands of Shareholders who are within the charge to corporation tax as profit of a UK property business (as defined in Part 4 of the Corporation Tax Act 2009). A PID is, together with any PIDs from any other REIT, treated as a separate UK property business from any other UK property business (a "different UK property business") carried on by the relevant Shareholder. This means that any surplus expenses from a Shareholder's different UK property business cannot be off-set against a PID as part of a single calculation of the Shareholder's UK property business profits.

A Shareholder which is a company resident for tax purposes in the UK and who receives New Ordinary Shares in PID form pursuant to a Scrip Dividend Alternative election will be treated as having acquired those New Ordinary Shares for an amount equal to cash equivalent (as defined in Section 1 above) for the purposes of calculating any chargeable gain or allowable loss on a future disposal of those New Ordinary Shares.

(iv) Registered pension schemes and charities

A registered pension scheme, or charity, resident (for tax purposes) in the UK should generally have no liability to UK tax in respect of a PID (whether in the form of New Ordinary Shares or, in the case of a Cash Balance to the extent that the Relevant Dividend is a PID, cash).

(v) Withholding tax on PIDs

Subject to certain exemptions summarised below, the Company is required to withhold tax at source at the basic rate (currently 20 per cent) from its PIDs. This is the case whether PIDs are paid in cash or in the form of New Ordinary Shares pursuant to the Scrip Dividend Scheme.

For Shareholders who are not tax resident in the UK, it is not possible for such a Shareholder to make a claim under a double taxation treaty for a PID to be paid by the Company gross or at a withholding tax rate lower than the basic rate of UK income tax (currently 20 per cent). The right of a Shareholder to claim repayment of any part of the tax withheld from a PID will depend on the existence and terms of any double taxation treaty between the UK and the country in which the Shareholder is resident and the ability of the Shareholder to secure the benefits of the relevant articles of the relevant double taxation treaty. Shareholders who are not resident for tax purposes in the United Kingdom should obtain their own tax advice concerning tax liabilities on PIDs received from the Company.

(vi) Exceptions to requirement to withhold tax on PIDs

Shareholders should note that in certain circumstances the Company is not required to withhold tax at source from a PID. These include where the Company reasonably believes that the person beneficially entitled to the PID is a company resident for corporation tax purposes in the UK or a charity. They also include where the Company reasonably believes that the PID is paid to the scheme administrator of a registered pension scheme, the sub-scheme administrator of certain pension sub-schemes, the account manager of an Individual Savings Account ("ISA"), or the account provider for a child trust fund, in each case, provided the Company reasonably believes that the PID will be applied for the purposes of the relevant fund, scheme or account. In order to pay a PID without withholding tax, the Company will need to be satisfied that the Shareholder concerned is entitled to that treatment. For that purpose, the Company will require such Shareholder to submit a valid declaration form (available on the Company's website at www.capitalandcounties.com) to the Company's UK Registrar. Shareholders should note that the Company may seek recovery from Shareholders if the statements made in their declaration

form are incorrect and the Company suffers tax as a result. The Company will, in some circumstances, suffer tax if its reasonable belief as to the status of the Shareholder turns out to have been mistaken.

3. UK TAXATION OF NON-PIDS

The statements made in this Section 3 relate only to certain limited aspects of the UK taxation treatments of non-PIDs paid by the Company in the form of New Ordinary Shares or, in the case of Cash Balances (to the extent that the Relevant Dividend is a non-PID) paid to Shareholders in accordance with paragraph 11 of the section titled "Description of the Scrip Dividend Scheme" above, in cash pursuant to the Scrip Dividend Scheme. In circumstances where a Cash Balance is paid in respect of a Relevant Dividend (or any part thereof) which is payable as a PID, see Section 2 above.

The statements made in this Section 3 assume that the New Ordinary Shares will be paid up out of share premium and not out of distributable reserves.

(i) Individuals

(a) Income tax

A Shareholder who is an individual resident (for tax purposes) in the UK and who receives New Ordinary Shares in non-PID form pursuant to a Scrip Dividend Alternative election will be subject to tax on the amount (the "gross amount") which is equal to the cash equivalent (as defined in Section 1 above) of those New Ordinary Shares or, in the case of a Cash Balance paid in cash to the extent that the Relevant Dividend is a non-PID, is the actual cash non-PID paid by the Company to the Shareholder. From 6 April 2016 the old dividend tax credit system has been replaced with a tax-free dividend allowance. For the tax year commencing 6 April 2019, UK resident individual shareholders are taxed at a rate of 0 per cent on the first £2,000 of dividend income each year. Above that level, broadly, UK resident shareholders will pay tax at the following rates (and in determining which tax band dividends fall within, dividend income is treated as forming the highest part of the individual's income, with the tax-free allowance also counting towards the band limits):

- 7.5 per cent on dividend income within the basic rate (20 per cent) band;
- 32.5 per cent on dividend income within the higher rate (40 per cent) band; and
- 38.1 per cent on dividend income within the additional rate (45 per cent) band.

(b) Taxation of Capital Gains

A Shareholder who is an individual resident (for tax purposes) in the UK and who receives New Ordinary Shares in non-PID form pursuant to a Scrip Dividend Alternative election will be treated as having acquired those New Ordinary Shares for an amount equal to the cash equivalent (as defined in Section 1 above).

(ii) Corporate Shareholders (other than pension funds and charities)

To the extent that a company which is resident (for tax purposes) in the UK receives New Ordinary Shares in non-PID form pursuant to a Scrip Dividend Alternative election, the issue of the New Ordinary Shares should be treated as a bonus issue for which there is no acquisition cost. Consequently, the calculation of any chargeable gain or allowable loss on a future disposal of, or of part of, that company's enlarged holding should fall to be made by reference to the base cost of the original holding only. Corporate Shareholders should therefore note that there will be no addition to the base cost of the increased shareholding and, in particular, no addition to the base cost representing the cash equivalent.

Subject to special rules for small companies, UK resident Shareholders within the charge to UK corporation tax will be subject to UK corporation tax on the amount of any Cash Balance to the extent that the Relevant Dividend is a non-PID paid by the Company, unless such non-PID falls within an exempt class and certain conditions are met. It is expected that any cash non-PIDs paid by the Company would generally fall within such an exempt class and therefore be exempt from UK corporation tax. Shareholders within the charge to UK corporation tax are nevertheless advised to consult their independent professional tax advisers in relation to the implications of the legislation.

(iii) Registered pension schemes and charities

Generally, a registered pension scheme, or charity, resident (for tax purposes) in the UK which receives a non-PID (whether in the form of New Ordinary Shares or, in the case of a Cash Balance, to the extent that the Relevant Dividend is a non-PID, cash) will not be subject to tax on receipt of the non-PID nor will it be entitled to a tax credit in respect of such New Ordinary Shares or Cash Balance.

Accordingly, no payment in respect of such a tax credit can be claimed from HMRC. Registered pension schemes, or charities, resident (for tax purposes) in the UK should not generally be subject to UK taxation on any chargeable gain arising on a subsequent disposal of their New Ordinary Shares.

(iv) Withholding tax on non-PIDs

Under current UK tax law, the Company will not be required to withhold tax at source from non-PIDs. This is the case whether the non-PID is paid in the form of New Ordinary Shares or, in the case of Cash Balances to the extent that the Relevant Dividend is a non-PID, cash.

4. TAXATION OF CAPITAL GAINS: NON-UK RESIDENT SHAREHOLDERS

As a result of changes introduced by the Finance Act 2019, Shareholders who are resident for tax purposes outside the UK may be within the scope of UK tax on chargeable gains arising on a sale or other disposal of their New Ordinary Shares on or after 6 April 2019 (subject to the availability of any exemptions, for example under the relevant article of an applicable double taxation treaty). In such circumstances, the comments above in relation to the capital gains tax or corporation tax on chargeable gains treatment of Shareholders who are tax resident in the UK will also be relevant to Shareholders who are tax resident outside the UK (as applicable). Shareholders who are tax resident in South Africa should note that Article 13 (Capital Gains) of the United Kingdom and South Africa Income Double Taxation Convention should enable a Shareholder who is entitled to the benefit of that article to claim an exemption from UK tax on chargeable gains on the basis that the New Ordinary Shares will be quoted on the London Stock Exchange.

5. STAMP DUTY AND STAMP DUTY RESERVE TAX

No stamp duty or stamp duty reserve tax will generally be payable on the issue of New Ordinary Shares pursuant to the Scrip Dividend Scheme.

SOUTH AFRICAN TAXATION

1. OVERVIEW

The following statements are intended to apply only as a general guide to current South African tax law and practice, which are subject to change at any time. They apply only to Shareholders who are resident in South Africa for South African tax purposes, who hold their Ordinary Shares as investments and who are the absolute beneficial owners of such Ordinary Shares. The statements do not apply to certain classes of Shareholders, such as share-dealers, collective investment schemes and persons who have acquired their Ordinary Shares by virtue of office or employment. The statements are not intended to be and do not constitute advice to any Shareholder.

The analysis set out below has been drafted as a general guide to Shareholders and should not be relied upon without seeking further independent professional tax advice.

The following statements relate only to certain limited aspects of the South African taxation treatment of PIDs and non-PIDs, whether paid in cash or settled in the form of New Ordinary Shares.

The Company is a foreign company for South African tax purposes. The South African tax treatment of distributions received from a foreign company is generally dependent on whether the distribution comprises of a "foreign dividend" or a "foreign return of capital". The determination of the nature of the distribution is made with reference to the treatment of the distribution in terms of UK tax laws. Cash dividends, whether in the form of PIDs and non-PIDs, are treated as dividends (or a payment similar in nature to dividends) for tax purposes in the UK and consequently, it follows that they should be regarded as foreign dividends for South African tax purposes. Excluded from the ambit of the concept of a "foreign dividend" or a "foreign return of capital" is the issue of a share by a company. The issue of New Ordinary Shares by the Company in terms of the Scrip Dividend Scheme will accordingly not comprise a 'foreign dividend' or a 'foreign return of capital'.

As noted above, Shareholders will receive fractional entitlements as cash dividends in terms of the Scrip Dividend Scheme (whether they are PIDs or non-PIDs), in the event that an election is made to receive new Ordinary Shares.

2. TAXATION OF PIDS

A 20 per cent UK withholding tax is applicable to a PID, whether it is paid in cash or settled in the form of New Ordinary Shares. A SA Shareholder may claim a rebate of 5 per cent from HMRC in terms of the double taxation treaty, resulting in an effective withholding tax rate of 15 per cent.

(i) Individuals

(a) Income tax

An exemption from income tax applies to any foreign dividend which is paid in respect of a listed share. All cash dividends received by South African individual Shareholders will accordingly be exempt from income tax.

The receipt of New Ordinary Shares will not have any immediate income tax consequences.

(b) Capital gains tax

The receipt of a cash PID will not have any capital gains tax implications.

The base cost of New Ordinary Shares received will be treated as nil for capital gains tax purposes. An individual Shareholder will be subject to capital gains tax in the event of a disposal of the New Ordinary Shares, at a maximum effective rate of 18 per cent.

(c) Dividends tax

Dividends tax is levied at a rate of 20 per cent on any cash dividend paid by a foreign company in respect of a listed share. There are no exemptions available for South African resident individual Shareholders.

An individual Shareholder will qualify for a reduction of dividends tax, in the context of a cash PID, to the extent that the payment of the dividend is subject to a foreign withholding tax. South Africa will grant a rebate for foreign dividend withholding tax paid in relation to shares listed on the JSE. As the UK withholding tax will be applicable at an effective rate of 15 per cent, the South African dividends tax liability will be reduced from 20 per cent to 5 per cent.

The issue of a New Ordinary Share will not constitute a dividend and there are accordingly no dividends tax implications.

(ii) Corporate Shareholders

(a) Income tax

An exemption from income tax applies to any foreign dividend which is paid in respect of a listed share. All cash dividends received by South African corporate Shareholders will accordingly be exempt from income tax.

The receipt of New Ordinary Shares will not have any immediate income tax consequences.

(b) Capital gains tax

The receipt of a cash PID will not have any capital gains tax implications.

The base cost of New Ordinary Shares received will be treated as nil for capital gains tax purposes. A corporate Shareholder will be subject to capital gains tax in the event of a disposal of the New Ordinary Shares, at a maximum effective rate of 22.4 per cent.

(c) Dividends tax

Cash dividends paid in respect of listed shares are exempt from dividends tax to the extent that the beneficial owner of the dividend is a company which is a South African tax resident.

In order to qualify for the exemption, the recipient of the dividend must submit to the Company (or a Regulated Intermediary, as the case may be) a declaration by the beneficial owner in the prescribed form, that the dividend is exempt from dividends tax as well as a written undertaking to forthwith inform the Company (or the Regulated Intermediary, as the case may be) should the circumstances affecting the applicable exemption change.

The issue of a New Ordinary Share will not constitute a dividend and there are accordingly no dividends tax implications.

(iii) Trusts

(a) Income tax

An exemption from income tax applies to any foreign dividend which is paid in respect of a listed share. All cash dividends received by South African Shareholders which are trusts will accordingly be exempt from income tax.

The receipt of New Ordinary Shares will not have any immediate income tax consequences.

(b) Capital gains tax

The receipt of a cash PID will not have any capital gains tax implications.

The base cost of New Ordinary Shares received will be treated as nil for capital gains tax purposes. A Shareholder which is a trust will be subject to capital gains tax in the event of a disposal of the New Ordinary Shares, at an effective rate of 36 per cent.

(c) Dividends Tax

Dividends tax is levied at a rate of 20 per cent on any cash dividend paid by a foreign company in respect of a listed share. There are no exemptions available for South African Shareholders which are trusts.

A Shareholder which is a trust will qualify for a reduction of dividends tax, in the context of a cash PID, to the extent that the payment of the dividend is subject to a foreign withholding tax. As UK withholding tax will be applicable at an effective rate of 15 per cent, the dividends tax liability will be reduced to 5 per cent.

The issue of a New Ordinary Share will not constitute a dividend and there are accordingly no dividends tax implications.

(iv) Retirement funds and approved public benefit organisations

(a) Income tax

Retirement funds and approved public benefit organisations are exempt from income tax. There are accordingly no income tax implications.

(b) Capital gains tax

Retirement funds and approved public benefit organisations are exempt from capital gains tax. There are accordingly no capital gains tax implications.

(c) Dividends tax

Cash dividends are exempt from dividends tax to the extent that the beneficial owner of the dividend is a pension fund, provident fund, retirement annuity fund or approved public benefit organisation.

In order to qualify for the exemption, the recipient of the dividend must submit to the Company (or a Regulated Intermediary, as the case may be) a declaration by the beneficial owner in the prescribed form, that the dividend is exempt from dividends tax as well as a written undertaking to forthwith inform the Company (or the Regulated Intermediary, as the case may be) should the circumstances affecting the applicable exemption change.

The issue of a New Ordinary Share will not constitute a dividend and there are accordingly no dividends tax implications.

3. TAXATION OF NON-PIDS

(i) Individuals

(a) Income tax

An exemption from income tax applies to any foreign dividend which is paid in respect of a listed share. All cash dividends received by South African individual Shareholders will accordingly be exempt from income tax.

The receipt of New Ordinary Shares will not have any immediate income tax consequences.

(b) Capital gains tax

The receipt of a cash non-PID will not have any capital gains tax implications.

The base cost of New Ordinary Shares received will be treated as nil for capital gains tax purposes. An individual Shareholder will be subject to capital gains tax in the event of a disposal of the New Ordinary Shares, at a maximum effective rate of 18 per cent.

(c) Dividends tax

Dividends tax is levied at a rate of 20 per cent on any cash dividend paid by a foreign company in respect of a listed share. There are no exemptions available for South African resident individual Shareholders.

The issue of a New Ordinary Share will not constitute a dividend and there are accordingly no dividends tax implications.

(ii) Corporate Shareholders

(a) Income tax

An exemption from income tax applies to any foreign dividend which is paid in respect of a listed share. All cash dividends received by South African corporate Shareholders will accordingly be exempt from income tax.

The receipt of New Ordinary Shares will not have any immediate income tax consequences.

(b) Capital gains tax

The receipt of a cash non-PID will not have any capital gains tax implications.

The base cost of the New Ordinary Shares received will be treated as nil for capital gains tax purposes. A corporate Shareholder will be subject to capital gains tax in the event of a disposal of the New Ordinary Shares, at a maximum effective rate of 22.4 per cent.

(c) Dividends tax

Cash dividends paid in respect of listed shares are exempt from dividends tax to the extent that the beneficial owner of the dividend is a company which is a South African tax resident.

In order to qualify for the exemption, the recipient of the dividend must submit to the Company (or a Regulated Intermediary, as the case may be) a declaration by the beneficial owner in the prescribed form, that the dividend is exempt from dividends tax as well as a written undertaking to forthwith inform the Company (or the Regulated Intermediary, as the case may be) should the circumstances affecting the applicable exemption change.

The issue of a New Ordinary Share will not constitute a dividend and there are accordingly no dividends tax implications.

(iii) Trusts

(a) Income tax

An exemption from income tax applies to any foreign dividend which is paid in respect of a listed share. All cash dividends received by South African Shareholders which are trusts will accordingly be exempt from income tax.

The receipt of New Ordinary Shares will not have any immediate income tax consequences.

(b) Capital gains tax

The receipt of a cash non-PID will not have any capital gains tax implications.

The base cost of the New Ordinary Shares will be treated as nil for capital gains tax purposes. A Shareholder which is a trust will be subject to capital gains tax in the event of a disposal of the New Ordinary Shares, at an effective rate of 36 per cent.

(c) Dividends tax

Dividends tax is levied at a rate of 20 per cent on any cash dividend paid by a foreign company in respect of a listed share. There are no exemptions available for South African Shareholders which are trusts.

The issue of a New Ordinary Share will not constitute a dividend and there are accordingly no dividends tax implications.

(iv) Retirement funds and approved public benefit organisations

(a) Income tax

Retirement funds and approved public benefit organisations are exempt from income tax. There are accordingly no income tax implications.

(b) Capital gains tax

Retirement funds and approved public benefit organisations are exempt from capital gains tax. There are accordingly no capital gains tax implications.

(c) Dividends tax

Cash dividends are exempt from dividends tax to the extent that the beneficial owner of the dividend is a pension fund, provident fund, retirement annuity fund or approved public benefit organisation.

In order to qualify for the exemption, the recipient of the dividend must submit to the Company (or a Regulated Intermediary, as the case may be) a declaration by the beneficial owner in the prescribed form, that the dividend is exempt from dividends tax as well as a written undertaking to forthwith inform the Company (or the Regulated Intermediary, as the case may be) should the circumstances affecting the applicable exemption change.

The issue of a New Ordinary Share will not constitute a dividend and there are accordingly no dividends tax implications.

4. SECURITIES TRANSFER TAX

No securities transfer tax will be payable in respect of the issue of New Ordinary Shares to SA Shareholders.

EXCHANGE CONTROL

The following is a general summary of the current exchange control regulations in South Africa and is intended as a guide only and is therefore not comprehensive. Persons who are in any doubt as to the position in any particular case should consult their independent professional advisers. Please note that Capital & Counties is not responsible for obtaining any exchange control consents that any investor may need to obtain.

SOUTH AFRICA

The South African exchange control regulations are used principally to control capital movements by South African residents to countries outside the CMA and are enforced by EXCON. In broad terms, all foreign currency transactions of South African residents are subject to South African exchange control regulations.

(i) Share registers

Non-SA Shareholders who hold Ordinary Shares on the SA Register through South African nominees (i.e. a CSDP or broker) who wish to register their holdings in their own names or to remove their registrations from the SA Register to the UK Register (either into their own names or into the name of a non-South African nominee) in CREST will be required to obtain the consent of the SARB to do so, for which purpose they should approach an Authorised Dealer.

It should also be noted that new non-South African resident investors in the Company who wish to participate in the Scrip Dividend Scheme on the SA Register will need to appoint a South African resident nominee (i.e. a CSDP or broker). In the case of non-CMA residents, the appointment of such nominee must be referred to the exchange control division of an Authorised Dealer.

South African resident Shareholders who hold Ordinary Shares listed on the London Stock Exchange and who acquired such shares either through their foreign investment allowance or through other legitimate offshore funds will be entitled to participate in the Scrip Dividend Scheme without restriction. Further, scrip dividends received under the Scrip Dividend Scheme will not be placed in a Shareholders Blocked Account upon emigration, should such South African resident Shareholder decide to emigrate.

Aligned with Exchange Control Circular No.22/2011, published on 7 December 2011, the Ordinary Shares will be classified as domestic assets in the hands of investors for EXCON purposes.

(ii) South African individuals

South African individuals (excluding Emigrants) can acquire Ordinary Shares listed on the JSE without restriction. An acquisition by an individual will not affect such individual's foreign investment allowance and will not create a "loop structure".

(iii) South African corporates and trusts

South African companies, trusts, partnerships and banks are permitted to invest in inward-listed (foreign) instruments on the JSE without restriction. South African institutional investors and corporate entities will be allowed to participate in the Scrip Dividend Scheme for holdings on the SA Register as these shares are domestic assets for EXCON purposes.

Institutional investors comprising of, inter alia, retirement funds, long-term insurers, collective investment scheme management companies and investment managers are allowed to transfer funds from South Africa for investment abroad subject to the various SARB prudential regulations and foreign exposure thresholds.

(iv) Non-residents of the CMA

Non-residents (excluding Emigrants) may acquire Ordinary Shares listed on the exchange operated by the JSE. Proceeds from a sale of the Ordinary Shares by non-residents are freely transferable.

(v) Emigrants

Emigrants may elect to participate in the Scrip Dividend Scheme for Ordinary Shares on the exchange operated by the JSE and after the endorsement has been annotated (if certificated), the securities will be returned to the broker, buyer or Authorised Dealer controlling the Blocked Account of the Emigrant concerned, whichever is applicable. Former residents of the CMA who have emigrated may not use funds from their Blocked Account to acquire Ordinary Shares listed on the London Stock Exchange.

New Ordinary Shares received by Emigrants who elect to participate in the Scrip Dividend Scheme in respect of Ordinary Shares that are blocked or acquired with funds retained in an Emigrant's Blocked Account will form part of the Emigrant's blocked assets controlled by an Authorised Dealer.

DEFINITIONS

The following definitions apply throughout this document and to the accompanying documents unless the context otherwise requires:

Authorised Dealer	a person (usually a commercial bank) appointed as an agent of EXCON to assist in administering exchange control in the relevant jurisdiction under the applicable foreign exchange regulations
Blocked Account	an account to which exchange control restrictions have been applied
Business Day	a day other than a Saturday, Sunday or public holiday in South Africa or the UK, as the context requires
Cash Balances	any residual cash balance held by the Company on behalf of a Shareholder being the cash value of any fractions of New Ordinary Shares which were not issued to that Shareholder pursuant to the Scrip Dividend Scheme
Certificated form	recorded in physical paper form without reference to CREST or the Strate system
CMA	means the Common Monetary Area consisting of Lesotho, Swaziland and South Africa
Company or Capital & Counties	Capital & Counties Properties PLC
CREST or Euroclear Service	the relevant system as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755) in respect of which Euroclear UK & Ireland Limited is the operator
CREST Dividend Election	the procedure to elect to participate in the Scrip Dividend Scheme as set out in the CREST Manual
CREST Manual	the manual issued by Euroclear UK & Ireland concerning the CREST system and available on the Euroclear website
CSDP	in respect of dematerialised shares held on the SA Register, a Central Securities Depository Participant
Currency Conversion Date	the day the Exchange Rate is set for the Relevant Dividend
Daily Official List	the daily publication of official quotations for all securities traded on the LSE
Directors	the directors of the Company from time to time
Dividend Confirmation	the written statement delivered to each Shareholder who has elected to participate in the Scrip Dividend Scheme, which sets out, among other things, details of the New Ordinary Shares issued to the Shareholder
Emigrant Blocked Account	the account of an Emigrant from the CMA to which the exchange control restrictions have been applied
Emigrants	South African exchange control residents who have left South Africa to take up permanent residence in any country outside the CMA
Exchange Rate	the exchange rate selected by the Directors for any currency conversions required
EXCON	Exchange controls regulated by the Financial Surveillance Department of the SARB
Ex-dividend Date	the day the Ordinary Shares are first quoted "ex" for the Relevant Dividend
FCA	the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000
HMRC	Her Majesty's Revenue & Customs
JSE	JSE Limited (formerly the JSE Securities Exchange South Africa), registration number 2006/022939/06, a public company incorporated in South Africa, licensed as an exchange in terms of the South African Financial Markets Act, 29 of 2012 as amended
London Stock Exchange or LSE	the London Stock Exchange plc
Mandate Form	a mandate, in the form provided to Shareholders who hold their Ordinary Shares in Certificated form, authorising the Directors to allot New Ordinary Shares under the Scrip Dividend Scheme in respect of Relevant Dividends
New Ordinary Shares	new Ordinary Shares to be issued, credited as fully paid up, pursuant to the Scrip Dividend Scheme
Ordinary Shares	shares of 25p each in the ordinary share capital of the Company
PID or Property Income Distribution	a dividend, generally subject to deduction of UK withholding tax at the basic rate of income tax, that a UK REIT is required to pay its Shareholders from its qualifying rental profits
Rand	the lawful currency of South Africa

Record Date	the date on which Ordinary Shares must be held in order for a Shareholder to be eligible to receive a declared dividend
Registrars	the UK Registrar and the SA Registrar
Regulated Intermediary	as defined in Section 64D of the Income Tax Act (No. 58 of 1962), as applicable
REIT or Real Estate Investment Trust	a listed property company which qualifies for and has elected into a tax regime, which exempts qualifying UK property rental income and gains on investment property disposals from corporation tax
Relevant Dividend	any dividend proposed or declared by the Company to which the Shareholders are entitled for which a Scrip Dividend Alternative is offered
Relevant Dividend Payment Date	in respect of a Relevant Dividend, the date on which the Relevant Dividend is proposed to be paid
SA Election Date	the deadline by which elections must be received by the SA Registrar, as announced by the Company as the respective applicable deadline for the dividend concerned, (generally expected to align with the UK Election Date but at 12.00 pm (Johannesburg time))
SA or South Africa	the Republic of South Africa
SA Certificated Shareholders	SA Shareholders who hold Ordinary Shares that are in Certificated form
SARB	the South African Reserve Bank
SA Register	the branch register of members of the Company in South Africa
SA Registrar	Computershare Investor Services Proprietary Limited
SA Shareholder	a Shareholder on the SA Register
Scrip Calculation Price	(i) for Ordinary Shares traded on the LSE, the average of the middle market quotations of an Ordinary Share derived from the Daily Official List for the last five dealing days ending on the Currency Conversion Date, less the amount of the Relevant Dividend per Ordinary Share; and (ii) for Ordinary Shares traded on the JSE, the average of the middle market quotations of an Ordinary Share as provided by the JSE for the last five dealing days on the JSE ending on the Currency Conversion Date, less the amount of the Relevant Dividend per Ordinary Share as converted into Rand at the Exchange Rate
Scrip Dividend Alternative	the offer by the Company to Shareholders to receive New Ordinary Shares instead of a cash dividend in respect of the Relevant Dividend pursuant to the Scrip Dividend Scheme
Scrip Dividend Scheme	the offer to receive New Ordinary Shares instead of a cash dividend for Relevant Dividends, comprising the terms and conditions contained in this document as amended from time to time
Shareholder	a holder (whether registered or beneficial) of Ordinary Shares
South African	a person (natural or juristic) who is regarded as a South African resident for exchange control purposes
Strate	the licensed central securities depository for the electronic settlement of financial instruments in South Africa
Tax Exemption Declaration Form	the form with respect to withholding tax exemption found on the Company's website
UK	the United Kingdom of Great Britain and Northern Ireland
UK Certificated Shareholders	Shareholders on the UK Register who hold Ordinary Shares that are in certificated form
UK Election Date	the deadline by which elections must be received by the UK Registrar, as announced by the Company as the respective applicable deadline for the dividend concerned, (generally expected to be 5.30 pm on the fifth Business Day after the Record Date for each Relevant Dividend)
UK Register	the register of members of the Company in the UK excluding, for the avoidance of doubt, the SA Register
UK Registrar	Link Asset Services
UK Shareholder	a Shareholder on the UK Register

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