

RECM and Calibre Limited

Incorporated in the Republic of South Africa)

Registration number 2009/012403/06)

Preference share code: RACP

ISIN: ZAE000145041

("RAC" or "the Company")



RECM AND CALIBRE

APPORTIONMENT OF TAX COST IN RESPECT OF THE DISTRIBUTION IN SPECIE OF 90.1% OF RAC'S SHAREHOLDING IN ASTORIA INVESTMENTS LTD TO RAC SHAREHOLDERS

1. Introduction

Shareholders are referred to the declaration and finalisation announcement published on SENS by RAC on 24 March 2021 ("the **Announcement**"), wherein shareholders were advised of the details pertaining to the proposed distribution of 51 150 000 Astoria Investments Ltd ("**Astoria**") shares ("the **Distribution Shares**") by RAC to its shareholders in the ratio of one Astoria share for every one RAC participating preference share or ordinary share (both a "**RAC Share**") held on the distribution record date ("the **Distribution**").

The Distribution, which was made out of the contributed tax capital of RAC, was finalised on Monday, 19 April 2021.

2. Deemed base cost or expenditure apportionment

The Distribution Shares were held by RAC on capital account. In accordance with the eighth schedule to the Income Tax Act, No 58 of 1962 ("the **Income Tax Act**"), Shareholders will be deemed to have acquired the Distribution Shares for an amount equal to the market value thereof on the date of the Distribution for purposes of determining the base cost thereof.

Shareholders are notified that the deemed expenditure or base cost in respect of the Distribution Shares they received is 390 cents per Distribution Share ("the **Base Cost Apportionment Amount**"), which was the closing market value of the Astoria Shares on the JSE Limited on Monday, 19 April 2021.

The base cost of each RAC Share held by Shareholders that qualified for the Distribution will need to be reduced by the Base Cost Apportionment Amount.

Shareholders are advised to seek independent advice in relation to the potential tax implications regarding their future holding and/or disposal of their RAC Shares or Distribution Shares, with reference to their relevant circumstances and applicable legislation at the time.

Shareholders who are not a 'resident' as defined in the Income Tax Act are advised to consult their own professional advisors to ascertain the South African tax treatment and the tax treatment of the Distribution in their country of tax residence, having regard *inter alia* to any applicable agreement between South Africa and their country of tax residence.

Cape Town
20 April 2021



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