

## **TAX INFORMATION FOR SIRIUS SHAREHOLDERS (“SHAREHOLDERS”) ELIGIBLE TO RECEIVE THE CASH DIVIDEND OR PARTICIPATE IN THE DIVIDEND REINVESTMENT PLAN FOR THE SIX-MONTH PERIOD ENDED 30 SEPTEMBER 2023**

### **1. TAX IMPLICATIONS FOR UNITED KINGDOM (“UK”) SHAREHOLDERS**

The following paragraphs are intended as a general guide only and constitute a high-level summary of the Company’s understanding of current UK tax law and His Majesty’s Revenue & Customs (“**HMRC**”) practice based on published guidance to date, each of which is subject to change, possibly with retrospective effect. The following paragraphs are not advice and should not be relied upon as such. They relate only to certain limited aspects of the United Kingdom taxation treatment of non-Property Income Distribution (“**non-PID**”) dividends paid by the Company. They apply only to Shareholders who are resident for tax purposes in the United Kingdom and who are the absolute beneficial owners of their shares and who hold their shares as investments. They do not apply to Substantial Shareholders i.e., any shareholder who owns more than 10% of the Sirius share register.

Shareholders who are in any doubt about their tax position, or who are subject to tax in a jurisdiction other than the United Kingdom, should consult their own appropriate independent professional adviser without delay, particularly concerning their tax liabilities, whether they are entitled to claim any repayment of tax, and, if so, the procedure for doing so.

#### **1.1 Taxation of Property Income Distribution (“PID”)**

The Company is required to withhold UK income tax at source at the basic rate (currently 20%) from its PIDs unless the Company has a reasonable belief that the recipient is entitled to receive such distributions gross.

Shareholders with gross entitlement include a company resident for tax purposes in the UK, certain charities, and the manager of an Individual Savings Account (“**ISA**”). The full list of categories of gross recipients can be found in the HMRC guidance:

<https://www.gov.uk/hmrc-internal-manuals/investment-funds/ifm28125>

In order to pay PIDs gross, the Company will require such Shareholders to submit a valid declaration form specifying their gross payment status (copies of which may be obtained on request from the Company’s registrars or downloaded from the Company’s website).

Where applicable, the Company will provide Shareholders with a certificate setting out the amount of tax withheld from the relevant PID.

#### UK resident individuals

Subject to certain exceptions, a PID 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 property income distribution from any other company to which Part 12 of the CTA 2010 applies, 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 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 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% for higher rate taxpayers, with credit for the 20% tax withheld at source. Where tax has been withheld at source, individual Shareholders who are not liable to tax, including those who hold their shares in an 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.

#### UK resident corporates

UK Companies are entitled to receive PIDs gross. The PID will generally be treated as profits of a property rental business. This means that, subject to the availability of any exemptions or reliefs, such Shareholders should be liable to UK corporation tax on the entire amount of their PID. A PID is, together with any property income distribution from any other company to which Part 12 of the CTA 2010 applies, treated as a separate business for the purposes of Part 4 of the Corporation Tax Act 2009 from any other Part 4 business (a “different Part 4 business”) carried on by the relevant Shareholder. This means that any surplus expenses from a Shareholder’s different Part 4 business cannot be offset against a PID as part of a single calculation of the Shareholder’s Part 4 profits.

#### **1.2 Taxation of Non-PIDs**

Non-PID dividends paid by the Company will be taxed in the same way as dividends paid by the Company prior to entry into the UK REIT Regime, whether in the hands of individual or corporate Shareholders and regardless of whether the Shareholder is resident for tax purposes in the UK.

#### General Tax Summary

Included below is a summary of United Kingdom legislation and HMRC practice. It is believed that the taxation consequences for Shareholders resident in the United Kingdom for taxation purposes of receiving a non-PID cash dividend are broadly as outlined below. Shareholders should note that the summary is a general guide to the UK tax regime currently in force and is not exhaustive.

#### UK resident individuals

UK tax resident individuals are entitled to a “Dividend Allowance” which for the 2023/24 tax year is £1,000. This means the first £1,000 of dividends will be taxed at 0%. Dividends in excess of £1,000 will be taxed according to which income band they fall into.

Basic rate: Individuals whose total income for tax purposes exceeds the £1,000 tax-free Dividend Allowance but is below the threshold for higher rate income tax (“**the higher rate threshold**”), will pay tax on the excess at the current basic rate of 8.75%.

Higher rate: Individuals whose total income for tax purposes exceeds the higher rate threshold but is below the threshold for the additional rate of income tax (“**the additional rate threshold**”), will pay tax on the excess dividend income (above £1,000 tax-free Dividend Allowance) at the current higher rate of 33.75%.

Additional rate: Individuals whose total income for tax purposes exceeds the additional rate threshold will pay tax on the excess dividend income (above £1,000 tax-free Dividend Allowance) at the current additional rate of 39.35%.

This summary of the likely tax treatment is based on United Kingdom law applied to the period after 6 April 2023 and is not exhaustive. Although this summary is believed to be correct at the time of preparation of this announcement, if you are not sure how you will be affected, you should consult your professional adviser without delay.

## **2. TAX IMPLICATIONS FOR SOUTH AFRICAN (“SA”) SHAREHOLDERS**

The following paragraphs are intended as a general guide only and constitute a high-level summary of the Sirius’ understanding of current South African tax law and practice based on published guidance to date, each of which is subject to change, possibly with retrospective effect.

These paragraphs only apply to Shareholders who are resident in South Africa for South African tax purposes, who hold their shares as investments and who are the absolute beneficial owners of such shares. These paragraphs do not apply to certain classes of Shareholders, such as share-dealers, collective investment schemes and persons who have acquired their shares by virtue of office or employment.

The following paragraphs are not advice and should not be relied upon as such. South African Shareholders who are in any doubt about their tax position should consult their own professional tax advisor without delay.

### **2.1 Dividends paid in respect of shares listed on the JSE**

The dividend is subject to an SA dividend withholding tax (“**South African dividend tax**”) rate of 20%, unless the SA Shareholder is exempt from paying dividend withholding tax and the requirements for effecting the exemption are in place by the requisite date. The Company confirms that the net cash dividend received by SA Shareholders who are not exempt from South African dividend tax of 20% is expected to be 45.51928 (ZAR cents) per share.

Being paid as a 82% PID and 18% non-PID, both the cash non-PID and cash PID portions will be exempt from South African income tax but will constitute foreign dividends for South African dividend withholding tax purposes, as they will be declared in respect of a share listed on the exchange operated by the JSE. South African dividends tax will therefore be withheld from the final dividend at a rate of 20%, unless a Shareholder qualifies for an exemption and the prescribed requirements for effecting the exemption are in place by the requisite date.

Certain SA shareholders may also qualify for a reduction of the SA dividends tax rate to 5% (being the difference between the SA dividends tax rate of 20% and the effective UK withholding tax rate of 15% in terms of the UK/South African DTA) as a result of a rebate of any UK tax paid if the prescribed requirements for the rebate are in place by the requisite date. This will only apply to the cash PID portion since no UK taxes apply to the non-PID portion.

### **2.2 Dividend reinvestment plan**

Those SA Shareholders who wish to participate in the DRIP should note that a DRIP dividend is subject to UK withholding tax and to SA dividends tax. Therefore, SA dividends tax is deducted for SA Shareholders in this instance. SA Shareholders may claim back 5% from HMRC under the DTA in respect of the UK withholding tax. To the extent that the UK withholding tax is applicable at an effective rate of 15% depending on the application of the DTA, the SA dividends tax levied could generally be reduced from 20% to 5% provided that the prescribed requirements for effecting the reduction are in place by

the requisite date. To the extent that the UK withholding tax is not applicable, the SA dividends tax levied could be 20%.

SA Shareholders which are exempt from dividends tax could generally be exempt from dividends tax even if they participate in the DRIP provided that the prescribed requirements for effecting the exemption are in place by the requisite date.

### **2.3 Further Taxation Information - Important notice**

This summary of tax consequences for shareholders is intended to provide only a general outline of the subjects covered, each of which is subject to change, possibly with retrospective effect. It should not be used in place of professional tax advice. If you are in any doubt as to your tax position, then you should consult your own professional tax advisors.

### **2.4 Tax Declaration Forms**

The S.A. non-resident would have to submit a declaration and written undertaking in the prescribed form to the relevant regulated intermediary for the exemption to apply. The declaration and written undertaking must be submitted before the due date for the payment of the dividend.