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Summary

TO	Shareholders of EPP N.V.
FROM	Loyens & Loeff N.V.
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RE	Procedure for relief of Dutch dividend withholding tax as of 18 January 2019 for cash dividend distributions

1 Introduction

This document summarizes certain Dutch dividend withholding tax (**DWHT**) relief aspects in relation to cash dividend distributions made by EPP N.V. (**EPP**) to its shareholders as of 18 January 2019.

This is a general summary for information purposes only and cannot be relied on as tax advice. Tax matters are complex, and the tax consequences of the cash distribution to a particular shareholder will depend in part on such shareholder's circumstances. Accordingly, a shareholder is urged to consult his own tax advisor for a full understanding of the tax consequences of a cash distribution to him, including the applicability and effect of Dutch tax laws.

This summary is based on the tax law of the Netherlands (unpublished case law not included) as it stands at the date of this summary. The tax law upon which this summary is based, is subject to changes, possibly with retroactive effect. Any such change may invalidate the contents of this summary, which will not be updated to reflect such change.

The summary does not address the Dutch DWHT consequences for a shareholder who is subject to a special tax regime, including pension funds, investment institutions or others under which it may, in whole or in part, be exempt from tax in connection with income from its shares in EPP.

2 Dutch DWHT

2.1 General

As a general rule, 15% DWHT will be withheld by EPP on dividend distributions, leaving a distribution amount per share net of Dutch DWHT. This could be different if:

(i) a shareholder qualifies for an exemption from or a reduction of Dutch DWHT on the basis of Dutch domestic law (including implementation of EU Directives) and/or a tax treaty concluded by the Netherlands; and

(ii) the formal requirements to apply such exemption from or reduction of Dutch DWHT are satisfied (insofar applicable).

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EPP shall as a general rule initially withhold 15% on all dividends that it will distribute as of 18 January 2019 on the payable date of the respective cash dividend distribution. As a subsequent step, if and to the extent EPP has been provided with proof that the shareholder qualifies for the exemption from or a reduction of Dutch DWHT following the above under (i) and (ii), the difference between 15% and the DWHT to be withheld shall be paid out to the relevant shareholder, after the DWHT return has been filed by EPP with the Dutch tax authorities (**DTA**). EPP shall remit the DWHT to be withheld to the DTA based on the DWHT return.

EPP, listed on the (**JSE**) and the Luxembourg Stock Exchange, has a variety of shareholders, residing in different countries. The following paragraphs contain certain general remarks in relation to the DWHT relief aspects for certain individual and corporate shareholders.

2.2 South African shareholders

In view of EPP's listing on the JSE, a relatively large proportion of its shares are expected to be held by shareholders tax resident in South Africa (**South African shareholders**). The position of South African shareholders is therefore specifically addressed.

South African shareholders' attention is drawn to the fact that from 1 January 2018, South African shareholders owning 5% or more in the share capital of EPP may qualify for a new domestic exemption from Dutch DWHT, as addressed below in paragraph 3.1.2 of this summary.

South African shareholders are in a unique position in that the tax treaty concluded between the Netherlands and South Africa (**NL-SA Treaty**) provides for a reduction to portfolio shareholders, whereas most other tax treaties concluded by the Netherlands do not.

The exemption from or reduction of Dutch DWHT on the basis of the NL-SA Treaty and corresponding formal requirements for qualifying South African shareholders are set out in more detail in paragraph 3.2.2 and 4.2 of this summary.

3 Corporate shareholders owning 5% or more of the share capital of EPP

3.1 <u>Domestic exemption from Dutch DWHT</u>

3.1.1 Dutch corporate shareholders owning 5% or more

If a shareholder is a company that is tax resident[1] in the Netherlands, an exemption from Dutch DWHT may apply under Dutch domestic law, if, as a general rule, this corporate shareholder owns 5% or more of the share capital of EPP and certain other conditions to apply the Dutch participation exemption are met.

[1] Special rules may apply for corporate shareholders that are considered tax transparent in their country of residence, or considered tax transparent from a Dutch tax perspective.

If a Dutch corporate shareholder qualifies for this exemption from Dutch DWHT at source, in order to benefit from it and have EPP pay out the 15% to the relevant Dutch corporate shareholder after having filed the DWHT return, the shareholder should provide EPP via dividend@epp-poland.com with: (i) its name, address and place of residency, and corresponding extract from the Dutch Chamber of Commerce; (ii) the amount, number and percentage of shares owned in EPP; (iii) its bank account details; and (iv) a statement confirming that the Dutch participation exemption applies to the dividend at the level of the Dutch corporate shareholder by no later than 13 business days following the record date for receipt of the cash dividend. Subsequently, this statement needs to be filed by EPP with the DTA as an annexure to the Dutch DWHT return.

3.1.2 EU/EEA or tax treaty country resident corporate shareholders owning 5% or more of the EPP shares

If a shareholder is a company that is considered a tax resident within the EU or EEA[2] or is a tax resident in a country for domestic purposes with which the Netherlands has concluded a tax treaty containing an article on taxation of dividends (including South Africa), an exemption from Dutch DWHT applies under Dutch domestic law, if, as a general rule, this corporate shareholder owns 5% or more of the share capital of EPP and, had the corporate shareholder been a Dutch tax resident, certain other conditions to apply the Dutch participation exemption would have been met and provided the corporate shareholder is considered the beneficial owner of the dividends distributed by EPP.

The exemption is not available in cases of abuse, for which a main purposes test and artificial arrangement test applies.

If a corporate shareholder qualifies for this exemption from Dutch DWHT at source, in order to benefit from it and have EPP pay out the 15% to the relevant corporate shareholder after having filed the DWHT return, the shareholder should provide EPP via dividend@epp-poland.com with: (i) its name, address and place of residency; (ii) the amount, number and percentage of shares owned in EPP; (iii) a tax residency certificate issued by its country of residence; (iv) its bank account details; and (v) a statement confirming that all relevant conditions of the DWHT exemption are met by no later than 13 business days following the record date for receipt of the cash dividend. Subsequently, this statement needs to be filed by EPP with the DTA as an annexure to the Dutch DWHT return.

3.2 Tax treaty relief

3.2.1 General tax treaty relief

If a corporate shareholder does not qualify for a domestic exemption from Dutch DWHT as outlined in paragraph 3.1.2, but qualifies for an exemption from or reduction of Dutch DWHT on the basis of a tax treaty concluded by the Netherlands, which should be assessed on a case-by-case basis,

[2] E.g. Luxembourg.

generally the same formal requirements apply for this qualifying corporate shareholder as the requirements set out below under paragraph 3.2.2, or 4.2 (depending on the percentage of shares owned by the corporate shareholder in EPP) for South African shareholders. Exceptions may however apply.

3.2.2 Relief under the NL-SA Treaty for corporate shareholders that own 10% or more of the EPP shares

Where the domestic DWHT exemption as discussed in paragraph 3.1.1 is not available, a reduced Dutch DWHT rate of 5% may be available under the NL-SA Treaty for corporate South African shareholders that own 10% or more of the capital of EPP. Furthermore, based on the most favoured nation clause included in the NL-SA Treaty (**MFN**), an exemption from Dutch DWHT is available for corporate South African shareholders that own 10% or more of the capital of EPP. This was confirmed by the Dutch Supreme Court on 18 January 2019.[3] The reduction and exemption may be denied in cases of abuse, taking into account that the NL-SA Treaty contains a principal purposes test, or if the corporate shareholder is not considered the beneficial owner of the dividends distributed by EPP.

For these qualifying corporate South African shareholder to apply the reduced DWHT at source and have EPP pay out the difference between 15% and the DWHT to be withheld to the relevant corporate South African shareholder after having filed the DWHT return, or be refunded the DWHT, a specific procedure would need to be followed, whereby a decision would need to be obtained from the DTA by no later than 13 business days following the record date for receipt of the cash dividend, in case the DWHT reduction at source would be applied. For this specific procedure to be followed, the respective qualifying corporate South African shareholders can contact EPP via dividend@epp-poland.com.

Corporate South African shareholders that own 5% or more of the EPP shares, but less than 10%, are referred to paragraph 4.2.1 below.

4 Corporate shareholders owning less than 5% of the share capital of EPP

4.1 General tax treaty relief

Corporate shareholders owning less than 5% of the share capital of EPP may qualify for a reduction of Dutch DWHT on the basis of a tax treaty concluded by the Netherlands, which should be assessed on a case-by-case basis. Generally the same formal requirements apply for this qualifying corporate shareholder as the requirements set out below under paragraph 4.2 for South African shareholders. Exceptions may apply, though. Please note however that most tax treaties do not provide a reduction for such corporate shareholders.

3 Dutch Supreme Court, 18 January 2019, no. 17/04584, ECLI:NL:HR:2019:57.

4.2 Relief under the NL-SA Treaty

4.2.1 General

For corporate South African shareholders owning less than 5% of the capital of EPP as well as corporate South African shareholders owning 5% or more of EPP shares, but less than 10% of EPP shares (as outlined in paragraph 3.2.2 above), the Dutch DWHT on the dividend distributions is reduced to 10%. The reduction may be denied in cases of abuse, or if the corporate shareholder is not considered to be the beneficial owner of the dividends distributed by EPP.

In order for corporate South African shareholders owning less than 10% of the capital of EPP to apply the reduced DWHT at source and have EPP pay out the difference between 15% and the DWHT to be withheld to the relevant corporate South African shareholder after having filed the DWHT return, or be refunded the DWHT, the following formal requirements must be satisfied:

(a) *Applying reduced DWHT at source and have EPP pay out the difference between 15% and the DWHT to be withheld to the relevant corporate South African shareholder after having filed the DWHT return:* The shareholder needs to (a) complete and sign a 'request (partial) exemption from Dutch dividend withholding tax', which can be found on the website www.belastingdienst.nl; (b) send the signed statement to the South African tax administration for a signature and stamp by the tax administration to certify its place of residency; and (c) send the returned statement to EPP via dividend@epp-poland.com, together with its bank account details, by no later than 13 business days following the record date for receipt of the cash dividend. Subsequently, this statement needs to be filed by EPP with the DTA as an annexure to the Dutch DWHT return and therefore, the original statement should be sent to EPP (Gustav Mahlerplein 28, 1082 MA Amsterdam, the Netherlands). This must be repeated each time EPP declares a dividend in order for corporate South African shareholders to apply the reduced DWHT at source and have EPP pay out the difference between 15% and the DWHT to be withheld to the relevant corporate South African shareholder after having filed the DWHT return.

(b) *Withholding 15% Dutch DWHT, followed by a Dutch DWHT refund procedure:* For this procedure, the shareholder needs to register itself through an online registration form that can be found on the website www.belastingdienst.nl/refunddividendtax. Subsequently, the shareholder needs to complete a form and submit this form online. This form and additional information on the online refund procedure can be found on www.belastingdienst.nl/refunddividendtax and on the secured website following registration.

5 Individual shareholders

5.1 General tax treaty relief

Individual shareholders may qualify for an exemption from or reduction of Dutch DWHT on the basis of a tax treaty concluded by the Netherlands, which should be assessed on a case-by-case basis. Generally the same formal requirements apply for this qualifying individual shareholder as the requirements for corporate shareholders set out under paragraph 4.2. Exceptions may however apply.

5.2 Relief under the NL-SA Treaty

For individual South African shareholders, the Dutch DWHT on the dividend distribution is reduced to 10%. The reduction may be denied in cases of abuse, or if the individual shareholder is not considered to be the beneficial owner of the dividends distributed by EPP.

In order for individual South African shareholders to apply the reduced DWHT at source and have EPP pay out the difference between 15% and the DWHT to be withheld to the relevant individual South African shareholder after having filed the DWHT return, or refund the DWHT, the formal requirements as outlined under paragraph 4.2 should be applied. Although the registration form that can be found on www.belastingdienst.nl/refunddividendtax provides for corporate entities and authorised representatives only, this form may also be used by individuals.

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