

Metrofile Holdings Limited
(Incorporated in the Republic of South Africa)
(Registration number 1983/012697/06)
Share code: MFL
ISIN: ZAE000061727
("Metrofile" or the "Company")

SCRIP DIVIDEND

Shareholders of Metrofile are referred to the Company's interim results for the period ended 31 December 2018 published on the Stock Exchange News Service ("SENS") on Friday, 15 March 2019 and in the press on Monday, 18 March 2019, wherein the board of directors of Metrofile ("Board") informed shareholders that it had resolved to declare a distribution of fully-paid Metrofile ordinary shares with a par value of 0.6146 cent each ("Ordinary Shares") (the "Scrip Distribution"). The Scrip Dividend will be to ordinary shareholders ("Shareholders") recorded in the securities register of the Company at the close of business on Thursday, 18 April 2019 ("Record Date"). Shareholders will, however, be entitled to elect to receive a gross cash dividend of 5 cents per Metrofile Ordinary Share held on the Record Date, in respect of all or part of their ordinary shareholding, instead of the Scrip Distribution (the "Cash Dividend").

The Cash Dividend will, unless exempt, be subject to Dividend Withholding Tax ("DWT"). South African resident Shareholders who are liable for DWT will be subject to DWT at a rate of 20% of the Cash Dividend; to be withheld from the Cash Dividend with the result that Shareholders will receive a net amount of 4 cents per share.

The Cash Dividend will be paid only to those:

- certificated Shareholders whose forms of election ("Form of Election") to receive the Cash Dividend, in respect of all or part of their shareholding, are received by the Transfer Secretaries on or before 12:00 on the Record Date; and
- dematerialised Shareholders who have instructed their Central Securities Depository Participant ("CSDP") or broker accordingly and in the manner and time stipulated in their agreement with such CSDP or broker.

Shareholders not electing to receive the Cash Dividend in respect of all or part of their ordinary shareholding will, without any action on their part, be entitled to receive the Scrip Distribution in proportion to their ordinary shareholding as at the close of business on the Record Date and, in accordance with the ratio set out in the circular and Form of Election to be distributed to shareholders on Monday, 1 April 2019 ("Circular").

The number of Scrip Distribution shares to which each Shareholder will become entitled pursuant to the Scrip Distribution (to the extent that such Shareholders have not elected to receive the Cash Dividend) will be determined by reference to such Shareholder's ordinary shareholding in Metrofile (at the close of business on the Record Date) in relation to the ratio that 5 cents bears to the Volume Weighted Average Price ("VWAP") of Metrofile Ordinary Shares traded on

the JSE during the 10-day trading period ending on Wednesday, 3 April 2019, provided that, where the application of this ratio gives rise to a fraction of an Ordinary Share, the fraction will be rounded down and settled in cash at the VWAP of Metrofile Ordinary Shares on Tuesday, 16 April 2019 (being the day on which the Ordinary Shares begin trading "ex" the entitlement to receive the Scrip Distribution or the Cash Dividend alternative), less 10%, in accordance with the JSE Listings Requirements.

Example of Scrip Distribution entitlement:

This example assumes that a Shareholder holds 100 Metrofile Ordinary Shares at the close of business on the Record Date and does not elect to receive the Cash Dividend alternative for all or part of such Metrofile Ordinary Shares, and that the VWAP of Metrofile Ordinary Shares traded on the JSE for the 10-day trading period ending Wednesday, 3 April 2019 is 185 cents per ordinary share. This example is prior to any DWT being paid. Shareholders are referred to the paragraph headed Tax Implications for details regarding DWT.

New ordinary share entitlement = 100 x 5 cents

185 cents

= 2.70270 Scrip Distribution share[s] per 100 Metrofile Ordinary Shares held, subject to the rounding principles described above. This would result in a shareholder with 100 shares receiving a new ordinary share entitlement of two (2) Scrip Distribution shares and a cash payment for the fraction.

The Cash Dividend will be paid out of the Company's distributable retained profits while the issue price of the Scrip Distribution (which will equal the VWAP of Metrofile Ordinary Shares traded on the JSE for the 10-day trading period ending on Wednesday, 3 April 2019) will be settled by way of capitalisation of the Company's distributable retained profits. The Scrip Distribution shares will, upon their issue, rank *pari passu* in all respects with the other ordinary Metrofile shares of 0.6146 cent each then in issue.

RATIONALE

The Board believes that a Scrip Distribution, with the election to receive the Cash Dividend, allows Metrofile the opportunity to conserve cash to support its ongoing growth initiatives and Shareholders a chance to reinvest whilst still affording Shareholders a choice to receive the Cash Dividend, if preferred.

The Board has, nonetheless, considered and is satisfied that the Group is sufficiently solvent and liquid to support a full Cash Dividend.

TAX IMPLICATIONS

The Scrip Distribution and the Cash Dividend alternative may have tax implications for both resident and non-resident

Shareholders. Shareholders are therefore encouraged to consult their professional tax advisers, should they be in any doubt as to the appropriate action to take.

In terms of the Income Tax Act, 58 of 1962, as amended (**the Income Tax Act**), the Cash Dividend will, unless exempt, be subject to DWT. South African resident Shareholders that are liable for DWT will be subject to DWT at a rate of 20% of the Cash Dividend and this amount will be withheld from the Cash Dividend with the result that they will receive a net amount of 4 cents per share. Non-resident Shareholders may be subject to DWT at a rate of less than 20%, depending on their country of residence and the applicability of any Double Tax Agreement between South Africa and their country of residence.

The Scrip Distribution is not subject to DWT in terms of the Income Tax Act, but the subsequent disposal of Metrofile Ordinary Shares obtained as a result of the Scrip Distribution is likely to have Income Tax or Capital Gains Tax (**CGT**) implications. Where any future disposals of Metrofile Ordinary Shares obtained as a result of the Scrip Distribution falls within the CGT regime, the base cost of such shares will be deemed to be zero in terms of the Income Tax Act (or the value at which such Metrofile Ordinary Shares will be included in the determination of the weighted average base cost method will be zero).

The rights to receive the Scrip Distribution shares in jurisdictions other than the Republic of South Africa, may be restricted by law and any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdictions. Accordingly, Shareholders will not be entitled to receive the Scrip Distribution shares, directly or indirectly, in those jurisdictions and shall be deemed to have elected the Cash Dividend alternative. Such non-resident Shareholders should inform themselves about and observe any applicable legal requirements in such jurisdictions. It is the responsibility of non-resident Shareholders to satisfy themselves as to the full observance of the laws and regulatory requirements of the relevant jurisdictions in respect of the Scrip Distribution, including the obtaining of any governmental, exchange control or other consents or the making of any filing which may be required, compliance with other necessary formalities and payment of any issue, transfer or other taxes or other requisite payments due in such jurisdictions. Shareholders who have any doubts as to their position, including, without limitation, their tax status, should consult an appropriate adviser in the relevant jurisdictions without delay.

Shareholders in the United States or US persons as defined in Regulation S under the US Securities Act of 1933 who wish to receive the Scrip Distribution must be qualified institutional buyers (**QIBs**) as defined in Rule 144A under the Securities Act and also qualified purchasers (**QPs**) within the meaning of Section 2(a)(51)(A) of the US Investment Company Act of 1940.

PROCEDURE FOR CERTIFICATED SHAREHOLDERS WHO ELECT TO RECEIVE THE CASH DIVIDEND ALTERNATIVE

Shareholders who wish to receive the Cash Dividend must take the

following action:

- 1 Certificated Shareholders wishing to receive the Cash Dividend:

Shareholders who hold certificated Metrofile Ordinary Shares (**``Certificated Shareholders``**) and who wish to receive the Cash Dividend must complete the Form of Election included in the Circular in respect of all or part of their shareholding in accordance with the instructions contained therein and lodge it with, or post it to, Computershare Investor Services Proprietary Limited, Rosebank Tower, 15 Biermann Avenue, Rosebank, 2196, Gauteng, South Africa (P O Box 61763, Marshalltown, 2107, Gauteng, South Africa) so as to be received no later than 12:00 on Thursday, 18 April 2019. Forms of Election received after this date and time will not be accepted. Forms of Election may also be emailed to corporate.events@computershare.co.za.

- 2 Dematerialised Shareholders wishing to receive the Cash Dividend:

Shareholders who have dematerialised their Metrofile Ordinary Shares (**``Dematerialised Shareholders``**) must **not** complete the Form of Election. Dematerialised Shareholders are required to notify their duly appointed CSDP or broker if they wish to receive the Cash Dividend, in the manner and the time stipulated in the agreement governing the relationship between such Shareholders and their CSDP or broker, failing which they will receive the Scrip Distribution.

- 3 Election in respect of all or part of the Shareholders' ordinary shares

Shareholders may make the election, using the Form of Election, in respect of all or any part of their Metrofile Ordinary Shares held on the Record Date. If an election is made in respect of part of an ordinary shareholding, the Shareholder concerned will receive the Scrip Distribution in respect of the Metrofile Ordinary Shares for which the election to receive the Cash Dividend is **not** made. Shareholders who do not wish to receive any Cash Dividend do not need to take any further action and will receive the Scrip Distribution. Shareholders electing to receive the Cash Dividend should note that the election is irrevocable and, once an election to receive the Cash Dividend is made, such election cannot be cancelled.

SALIENT DATES AND TIMES

	2019
Interim results information released on the Stock Exchange News Service (``SENS``) of the JSE Limited (``JSE``)	Friday, 15 March
Interim results information published in the press	Monday, 18 March
Circular and Form of Election posted to Shareholders and released on SENS by 11:00	Monday, 1 April

Finalisation of information, including the ratio applicable to the Scrip Distribution, released on SENS by 11:00	Thursday, 4 April
Finalisation of information, including the ratio applicable to the Scrip Distribution, published in the press	Friday, 5 April
Last day to trade in order to be eligible to participate in the Scrip Distribution/Cash Dividend alternative (''CUM'')	Monday, 15 April
Metrofile Ordinary Shares trade ''Ex'' the entitlement to the Scrip Distribution/Cash Dividend	Tuesday, 16 April
Maximum listing of shares	Tuesday, 16 April
Last day to elect the Cash Dividend alternative <i>in lieu</i> of the Scrip Distribution, by 12:00 for Certificated Shareholders and for Dematerialised Shareholders (in accordance with the mandate between the Shareholder and their CSDP/broker)	Thursday, 18 April
Record date in respect of the Scrip Distribution/Cash Dividend alternative, Offer closes	Thursday, 18 April
Announcement released on SENS in respect of the results of the Scrip Dividend and director's dealings by 11:00	Tuesday, 23 April
Share certificates, electronic funds transfers and/or dividend cheques posted, and CSDP/broker accounts credited/updated	Tuesday, 23 April
Adjustment of Metrofile Ordinary Shares in terms of the Scrip Distribution	Wednesday, 24 April

Notes to salient dates:

1. All times provided are South African standard times quoted on a 24-hour basis, unless specified otherwise. The above dates and times are subject to change. If applicable, any changes will be released on SENS and published in the South African press; and
2. Share certificates may not be dematerialised or rematerialised between Tuesday, 16 April 2019 and Thursday, 18 April 2019, both days inclusive.

Accordingly, the Circular will be distributed to Shareholders on Monday, 1 April 2019 in which the full terms of the Scrip Distribution and Cash Dividend alternative will be detailed.

Metrofile directors have advised that, to the extent they or any of their associates have shares in Metrofile, they intend to accept the Scrip Distribution.

The Company's issued share capital at the dividend declaration date, being Friday, 15 March 2019, was as follows:

Issued Ordinary Shares	435 140 268
Treasury Ordinary Shares	18 949 158
Net issued Ordinary Shares	416 191 110

The Company's tax number is 9375/066/71/0.

Johannesburg
20 March 2019

Sponsor
The Standard Bank of South Africa Limited

Transaction Advisor
Apex Partners Proprietary Limited