

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 should 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, 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 (provided with this booklet for certificated shareholders) or the terms applicable to other means of making elections under the 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 (where supplied).

IMPORTANT INFORMATION

- Definitions of certain terms used in this document are set out on pages 16 and 17.
- The introduction of the Scrip Dividend Scheme is conditional upon approval being given by Shareholders at the Company's 2012 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 12 March 2012. Save to the extent regarding 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.

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.

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.

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. Shareholders resident in South Africa and on the SA Register 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 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 noon on the Record Date for each Relevant Dividend; and
- (b) elections by UK Shareholders must be received by the UK Registrar no later than 5.30 p.m. on the fifth business day after the Record Date for each Relevant Dividend,

in order for your instructions to apply to that dividend.

For shares held in CREST or via a CSDP or broker, earlier lodgement 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 price, Election Date 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 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 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 enclosed with this document or 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) through www.capitashareportal.com.

If you are a certificated Shareholder on the SA Register, you should complete the Mandate Form enclosed with this document or obtainable on request from the SA Registrar and return it to the SA Registrar in accordance with the instructions contained in the Mandate Form.

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 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 such cancellation instructions will apply to subsequent Relevant Dividends only.

Shareholders on the SA Register 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 form 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 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 Election Date for the Relevant Dividend, which will normally be five business days after the Record Date for that Relevant Dividend, for it to be effective. Notice must be received before 5.30 p.m. (London time) on that Election Date. For shares held in CREST via a broker or nominee, earlier lodgement dates will apply. Please contact the nominee or broker 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 Strate?

How do I elect to join the Scrip Dividend Scheme?

SA Shareholders who hold their Ordinary Shares in Strate through a CSDP or broker at 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 Strate to be implemented by their CSDP or broker. Any election forms relating to holdings in Strate 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.

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 via a CSDP or broker in accordance with the rules and procedures of Strate, 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 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 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 cash value of the dividend per Ordinary Share) and dividing it by the Scrip Calculation Price.

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 cash value of the Relevant Dividend per Ordinary Share. For Shareholders whose Ordinary Shares are traded on 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 JSE ending on the Currency Conversion Date, less the cash 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 shortly after the last dealing day with respect to the Relevant Dividend and will be available on the Company's website at www.capitalandcounties.com.

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:

Number of Ordinary Shares held at the Record Date for the Relevant Dividend	X	Cash value of the Relevant Dividend per Ordinary Share
Scrip Calculation Price		

As no fraction of a New Ordinary Share will be issued, any residual Cash Balance will be paid immediately to relevant Shareholders (other than UK Certificated Shareholders who have made an "evergreen" election) 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.

Worked example of the Scrip Dividend Alternative

Assuming the following:

- a holding of 1,000 Ordinary Shares;
- a dividend with a cash value of £0.01; and
- a Scrip Calculation Price of £1.90,

the Shareholder would be entitled to a total amount of cash dividend of £10.00 (i.e. 1,000 Ordinary Shares multiplied by the £0.01 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:

$$\frac{1,000 \times £0.01}{£1.90} = 5.26$$

The Shareholder (other than a UK Certificated Shareholder who has made an "evergreen" election) would be entitled to 5 New Ordinary Shares with a cash value of £9.50 (i.e. 5.26 rounded down to the nearest whole number). The residual cash balance of £0.50 will be paid out to the Shareholder in cash.

A UK Certificated Shareholder who has made an "evergreen" election would be entitled to 5 New Ordinary Shares with a cash value of £9.50 (i.e. 5.26 rounded down to the nearest whole number). The residual 0.26 New Ordinary Shares will be carried forward and incorporated within the Shareholder's next dividend calculation.

12. How will I know how many New Ordinary Shares I have received?

Once the New Ordinary Shares have been issued, a Scrip Statement 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 Scrip Statement 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 scrip dividend?

Yes. All New Ordinary Shares issued as scrip dividends will automatically increase a Shareholder's shareholding on which the next entitlement to a scrip dividend 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 UK Listing Authority and to trading on the London Stock Exchange and (ii) to the official list of the Johannesburg Stock Exchange main board and to trading on the JSE trading system, definitive share certificates (in the case of Shareholders holding their Ordinary Shares in certificated form only) and/or Scrip Statements 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.

South African resident Shareholders who hold their Ordinary Shares in Strate 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.

Applications will be made: (i) to each of the UK Listing Authority and the LSE for any New Ordinary Shares issued under the Scrip Dividend Scheme to be admitted to the UK Listing Authority's Official List and the LSE's main market for listed securities respectively; and (ii) to the main board of the JSE for any New Ordinary Shares issued under the Scrip Dividend Scheme. In the unlikely event that the New Ordinary Shares are not admitted to listing, a 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 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 Registrars 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.

Notice of meeting

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 Strate 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 Registrars 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 on the fifth annual general meeting following the date of this document, pursuant to the Company's articles of association, 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 the 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 the Registrars receive a cancellation from non-CREST participants in writing or via the UK Registrar's website, www.capitalshareportal.com or CREST participants input their instructions to cancel. 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 relevant exchanges' news service and on the Company's website at www.capitalandcounties.com.

Pursuant to the Company's articles of association, the Scrip Dividend Scheme will remain in place until the fifth annual general meeting following the date of this document. Authority to continue the Scrip Dividend Scheme may be sought at that 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 10 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 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 the UK Taxation section of the Taxation Guidelines on pages 10 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 below), 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.

22. 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: Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU

Telephone (UK only): 0871 664 0300
(calls cost 10p per minute plus network extras)

Telephone (outside the UK): +44 20 8639 3399

Fax: +44 20 8639 2342

(lines are open 9.00 a.m. to 5.30 p.m. Monday to Friday except on public holidays)

Email: ssd@capitaregistrars.com

South Africa:

Address: Computershare Investor Services (Pty) Ltd, Ground Floor, 70 Marshall Street, Johannesburg 2001, South Africa

Postal address: PO Box 61763, Marshalltown 2107, South Africa

Telephone: +27 11 370 5000 and, in South Africa only, 086 1100 634

Fax: +27 11 688 5210

Email: corporate.events@computershare.co.za

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 currently in force. 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.

UK TAXATION

1. Overview

The following statements are intended to apply only as a general guide to current UK tax law and to the current practice of HMRC, both of which are subject to change at any time, possibly with retrospective 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 (or, in the case of an individual, domiciled and resident or ordinarily resident) in the UK for UK 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 dealers in securities or distributions, broker-dealers, insurance companies, collective investment schemes, persons who hold their Ordinary Shares by virtue of an interest in any partnership and persons who have acquired (or are deemed for tax purposes to have acquired) their Ordinary Shares by reason of office or employment.

Shareholders who are individuals and who receive New Ordinary Shares under the Scrip Dividend Scheme will 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. 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 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 as the Relevant Dividend would have been paid had those Shareholders not elected to receive New Ordinary Shares under the Scrip Dividend Scheme. In the case of UK Certificated Shareholders who have made an "evergreen" election, Cash Balances which are carried forward will increase such Shareholders' future divided entitlements. These increased future dividend entitlements will be subject to tax as and when the Shareholder becomes entitled to the future dividend entitlement either in the manner described below, where New Ordinary Shares are issued under the Scrip Dividend Scheme, or as cash dividends (as the case may be).

2. Individuals

(a) Income tax

A Shareholder who is an individual resident (for tax purposes) in the UK and who receives New Ordinary Shares instead of a cash dividend from the Company will be subject to tax on the amount (the "gross amount") which, where the dividend is received in the form of New Ordinary Shares, 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, is the actual cash amount of the Cash Balance paid by the Company to the Shareholder, in each case grossed up by income tax at the dividend ordinary rate (currently 10 per cent.). The gross amount will be regarded as the top slice of the individual's income and the individual will be subject to tax on it as dividend income.

Basic rate. An individual Shareholder who pays tax at the basic rate will not be subject to any further tax. The individual will be treated as having paid tax at the dividend ordinary rate on the gross amount (except to the extent that the individual is not taxable on the gross amount as a result of the availability of a relief or allowance). The tax which the individual will be deemed to have paid will therefore discharge the individual's liability to tax in respect of the gross amount.

Higher rate. To the extent that the gross amount falls above the threshold for the higher rate of income tax, but below the threshold for the additional rate of income tax, the individual will pay tax on the gross amount at the dividend higher rate (currently 32.5 per cent.) less the tax which the individual will

be treated as having paid at the dividend ordinary rate (an effective rate of 25 per cent. of the dividend received).

Additional rate. To the extent that the gross amount falls above the threshold for the additional rate of income tax, the individual will pay tax on the gross dividend at a current rate of 42.5 per cent., less the tax which the individual will be treated as having paid at the dividend ordinary rate (an effective rate of approximately 36.1 per cent. of the dividend received).

Worked example. So, for example, a UK resident Shareholder who is an individual receiving New Ordinary Shares with a cash equivalent of £90 will be treated as having paid tax of £10. If the individual is liable to income tax at the basic rate, that individual's liability in respect of the scrip dividend will be 10 per cent. of the gross amount of £100, or £10. Consequently, that individual's liability will be discharged in full by the tax of £10 which that individual will be treated as having paid and so that individual will have no further liability to tax in respect of the scrip dividend.

If the individual is liable to income tax at the higher rate, that individual's tax liability in respect of the scrip dividend will be 32.5 per cent. of the gross amount of £100, or £32.50. After taking into account the tax of £10 which that individual will be treated as having paid, this will leave a net tax charge of £22.50.

If the individual is liable to income tax at the additional rate, that individual's tax liability in respect of the scrip dividend will be 42.5 per cent. of the gross amount of £100, or £42.50. After taking into account the tax of £10, which that individual will be treated as having paid, this will leave a net charge of £32.50.

A UK resident Shareholder who is an individual who is not liable to income tax in respect of the gross dividend will not be entitled to any payment from HMRC in respect of any part of the tax that is deemed to have been paid.

(b) Capital gains tax

A Shareholder who is an individual resident (for tax purposes) in the UK and who receives New Ordinary Shares instead of a cash dividend from the Company will be treated as having acquired those New Ordinary Shares for an amount equal to the cash equivalent (as defined in section 1 above).

3. 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 instead of a cash dividend from the Company, 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 paid in cash in respect of dividends paid by the Company, unless the dividends fall within an exempt class and certain conditions are met. It is expected that the cash dividends paid by the Company would generally 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.

4. Registered pension schemes and charities

Generally, a registered pension scheme, or charity, resident (for tax purposes) in the UK, which receives a dividend (whether in the form of New Ordinary Shares or, in the case of a Cash Balance paid in cash by the Company, cash) will not be subject to tax on receipt of the dividend 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.

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.

It is envisaged that fractional entitlements to New Ordinary Shares under the Scrip Dividend Scheme will be paid out to all Shareholders (other than UK Certificated Shareholders who have made “evergreen” elections) in cash.

As a result of this, certain Shareholders who elect to receive New Ordinary Shares under the Scrip Dividend Scheme may receive an element of the dividend in cash. The two portions will be dealt with distinctly as a potential cash and share dividend.

2. Taxation of cash dividends

The Company is a foreign company for South African tax purposes. The tax treatment of a cash dividend is therefore dependent on whether the dividend is a foreign dividend for South African tax purposes.

A foreign dividend is any amount paid or payable by a foreign company in respect of a share in that company, where such amount is treated as a dividend for purposes of *inter alia* the laws relating to tax on income in the country where the foreign company is tax resident. As cash dividends are treated as dividends for tax purposes in the UK, it follows that they will be regarded as foreign dividends for South African tax purposes.

(i) Individuals

(a) Income tax

An exemption from income tax is available in respect of a foreign dividend received in respect of a listed share, which exemption will apply to all cash dividends received by South African individual shareholders.

(b) Capital gains tax

There are no capital gains tax consequences.

(c) Dividends tax

Dividends tax is levied at a rate of 15 per cent on any foreign dividend paid by a foreign company in respect of a listed share. All cash dividends will therefore be subject to dividends tax.

(ii) Corporate Shareholders

(a) Income tax

An exemption from income tax is available in respect of a foreign dividend received in respect of a listed share, which exemption will apply to all cash dividends received by South African corporate shareholders.

(b) Capital gains tax

There are no capital gains tax consequences.

(c) Dividends Tax

Dividends (including foreign 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.

(iii) Trusts

(a) Income tax

An exemption from income tax is available in respect of a foreign dividend received in respect of a listed share, which exemption will apply to all cash dividends received by South African shareholders which are trusts.

(b) Capital gains tax

There are no capital gains tax consequences.

(c) Dividends Tax

As noted above, cash dividends received would constitute foreign dividends for South African tax purposes. The cash dividends will accordingly be subject to dividends tax at a rate of 15 per cent.

(iv) Retirement funds and approved public benefit organisations

(a) Income tax

The receipts and accruals of pension funds and benefit funds are exempt from income tax.

(b) Capital gains tax

The receipts and accruals of pension funds and benefit funds are exempt from capital gains tax.

(c) Dividends Tax

Dividends (including foreign dividends paid in respect of listed shares) are exempt from dividends tax to the extent that the beneficial owner of the dividend is a pension fund or benefit fund.

3. Taxation of New Ordinary Shares

The Company is a foreign company for South African tax purposes.

The tax treatment of New Ordinary Shares which are issued is dependent on whether the dividend is a foreign dividend or a foreign return of capital for South African tax purposes.

A foreign dividend is any amount paid or payable by a foreign company in respect of a share in that company, where such amount is treated as a dividend for purposes of *inter alia* the laws relating to tax on income in the country where the foreign company is tax resident. The receipt of the New Ordinary Shares is treated as a dividend for tax purposes in the UK, in the hands of individuals and trusts (but not in the hands of corporate shareholders).

A foreign return of capital is any amount paid or payable by a foreign company in respect of a share in that company, where such amount is treated as a distribution or similar payment (other than a foreign dividend) for purposes of *inter alia* the laws relating to tax on income in the country where the foreign company is tax resident. A receipt of New Ordinary Shares will be treated as a distribution or similar payment for tax purposes in the UK in the hands of corporate shareholders.

It should be noted that the legislation in this regard is complex and there is an element of uncertainty regarding its application in practice. 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.

(i) Individuals*(a) Income tax*

The receipt of the New Ordinary Shares will constitute a foreign dividend for South African tax purposes, as such receipt is treated as a dividend for tax purposes in the UK.

The New Ordinary Shares will be subject to income tax in the hands of the individual shareholders, at a rate of 15 per cent.

(b) Capital gains tax

The New Ordinary Shares will be treated as having been acquired for nil, however, and will therefore have no base cost which may be deducted from the proceeds on a future sale of such New Ordinary Shares.

(c) Dividends Tax

No dividends tax will be payable.

(ii) Corporate Shareholders*(a) Income tax*

There are no immediate tax implications.

(b) Capital gains tax

The receipt of the New Ordinary Shares will constitute a foreign return of capital for South African tax purposes, as such receipt is treated as a distribution or similar payment for tax purposes in the UK.

The New Ordinary Shares will be treated as having been acquired for nil, however, and will therefore have no base cost which may be deducted from the proceeds on a future sale of such New Ordinary Shares. Further, the base cost of a Shareholder's existing shares will have to be reduced by the market value of the New Ordinary Shares which are received.

(c) Dividends Tax

No dividends tax will be payable.

(iii) Trusts*(a) Income tax*

The receipt of the New Ordinary Shares will constitute a foreign dividend for South African tax purposes, as such receipt is treated as a dividend for tax purposes in the UK.

The New Ordinary Shares will therefore be subject to income tax in the hands of the South African shareholders which are trusts, at a rate of 15 per cent.

(b) Capital gains tax

The New Ordinary Shares will be treated as having been acquired for nil, however, and will therefore have no base cost which may be deducted from the proceeds on a future sale of such New Ordinary Shares.

(c) Dividends Tax

No dividends tax will be payable.

(iv) Retirement funds and approved public benefit organisations

(a) Income tax

The receipts and accruals of pension funds and benefit funds are exempt from income tax.

(b) Capital gains tax

The receipts and accruals of pension funds and benefit funds are exempt from capital gains tax.

(c) Dividends Tax

No dividends tax will be payable.

4. Securities transfer tax

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

Exchange Control

The following is a general summary of the current exchange control positions 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 moneys 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.

(ii) South African individuals

South African individuals (excluding Emigrants) can acquire or subscribe for Ordinary Shares listed on the SA Register without restriction as the Ordinary Shares are domestic assets for EXCON purposes. An election to participate in the Scrip Dividend Scheme by an individual will not affect such individual's foreign investment allowance.

(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 the Ordinary 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 elect to participate in the Scrip Dividend Scheme for Ordinary Shares on the JSE provided they settle the purchase consideration from funds received in foreign currency and payment for which is made from a non-resident account. Proceeds from a sale of the Ordinary Shares by non-residents are freely transferable.

(v) Emigrants

Emigrants may freely acquire or subscribe for Ordinary Shares by using their legitimate offshore currency (unblocked funds) also may elect to participate in the Scrip Dividend Scheme in the same manner as non-residents of the CMA. Emigrants may also acquire or subscribe for such shares from funds retained in an Emigrant's Blocked Account. In the latter case, 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
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 Strate
CMA	means the Common Monetary Area consisting of Lesotho, Swaziland, South Africa and Namibia
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 Input Message	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	a person that holds in custody and administers securities or an interest in securities and that has been accepted by a central securities depository as a participant in terms of the Securities Services Act (Act 36 of 2004);
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
Election Date	the deadline by which elections must be received by the relevant Registrar, as announced by the Company as the respective applicable deadline for the dividend concerned (generally the Record Date for the Relevant Dividend) for Shareholders on the SA Register and five business days after the Record Date for Shareholders on the UK Register
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	the Financial Surveillance Department of the SARB
Ex-dividend Date	the day the Ordinary Shares are first quoted "ex" for the Relevant Dividend
HMRC	Her Majesty's Revenue & Customs
JSE	JSE Limited, registration number 2006/022939/06, a public company incorporated in South Africa, licensed as a securities exchange in terms of the (South African) Securities Services Act, 36 of 2004
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
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
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 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 register of members of the Company in South Africa
SA Registrar	Computershare Investor Services (Pty) 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
Scrip Statement	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
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	Strate Limited (Registration number 1998/022242/06), a public limited company incorporated in South Africa and a registered central securities depository in terms of the Securities Services Act (Act 36 of 2004), as amended, and being the clearing and settlement system used by the JSE for share transactions to be settled and transfer of ownership to be recorded electronically
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 Listing Authority	the UK Listing Authority, being the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000
UK Register	the register of members of the Company in the UK excluding, for the avoidance of doubt, the SA Register
UK Registrar	Capita Registrars
UK Shareholder	a Shareholder on the UK Register