



BRAIT SE

(Registered in Malta as a European Company)

(Registration number SE1)

4th Floor, Avantech Building

St Julian's Road

San Gwann, SGN 2805, Malta

Listed in Luxembourg and South Africa

Share code: BAT ISIN: LU0011857645

LEI code: 549300VB8GBX4UO7WG59

Bond code: WKN: A1Z6XC ISIN: XS1292954812

(the "Company" or "Brait")

CIRCULAR TO SHAREHOLDERS

Relating to a renounceable Rights Offer to Qualifying Shareholders in respect of 795,454,545 New Shares in the ratio of 1.6870 New Shares for every 1 Existing Share held on the First Record Date, at a price of ZAR6.60 (EUR 0.41) per New Share to raise in aggregate ZAR5,250,000,000 and including Forms of Instruction for use by Certificated Shareholders, and incorporating a prospectus for the purposes of listing 795,454,545 Rights and a maximum of 848,484,848 New Shares on the Euro MTF market of the LuxSE.

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT ABOUT ITS CONTENTS, YOU SHOULD IMMEDIATELY CONSULT A DULY AUTHORISED FINANCIAL ADVISOR.

If you are in any doubt as to what action to take, please consult your CSDP, Participant, broker, banker, attorney or other professional advisor immediately. Brait does not accept responsibility, and will not be held liable, for any action of, or omission by, any CSDP, Participant or broker including, without limitation, any failure on the part of the CSDP, Participant or broker of a beneficial owner of ordinary shares ("Shares") to notify such beneficial owner of the details set out in this Circular.

The distribution of this Circular and the transfer of Rights and New Shares into jurisdictions other than Malta, Luxembourg and South Africa may be restricted by law. Persons into whose possession this Circular comes should inform themselves about and observe any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws or regulations of such jurisdictions. In particular, subject to certain exceptions, this Circular, the enclosures, and any other such documents should not be distributed, forwarded to or transmitted in or into the United States or the other Restricted Territories.

This document does not constitute an invitation or offer to sell or the solicitation of an invitation or an offer to buy New Shares or to take up entitlements to Rights in any jurisdiction in which such offer or solicitation is unlawful.

Nothing in this Circular constitutes (or forms part of) any offer for the sale of, or solicitation of any offer to purchase or subscribe for, any securities of Brait in any jurisdiction, nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever in any jurisdiction.

If you have disposed of all of your Shares on or before 28 January 2020, please forward this Circular to the purchaser to whom you disposed of such Shares or the CSDP, Participant, broker, banker, attorney or agent through whom you disposed of such Shares.

Certain capitalised terms are defined the first time they appear in this Circular, although definitions may be repeated more than once for ease of reference. Refer to Part 5 (*Glossary of Defined Terms*) of this Circular for definitions of other capitalised terms and for certain legal and technical terms used in this Circular (some of which are also defined in other sections of this Circular).

The current Board, whose names are set out in Part 3 (*Corporate Information and Advisors*) of this Circular, collectively and individually, accept full responsibility for the accuracy of the information contained in this Circular, and certify that, to the best of their knowledge and belief, there are no facts that have been omitted that would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Circular contains all information required by law, the Rules and Regulations of the LuxSE, and the JSE Listings Requirements, insofar as they apply to companies with secondary listings.

This Circular incorporates a prospectus and is issued in compliance with the Rules and Regulations of the LuxSE, for the purpose of providing information to the public with regard to the Company.

This Rights Offer does not constitute an "offer to the public" as envisaged in Chapter 4 of the South African Companies Act and accordingly this Circular does not, nor does it intend to, constitute a registered prospectus, as contemplated in Chapter 4 of the South African Companies Act.

Issue date of this Circular: 27 January 2020

Financial Advisor, Joint Underwriter and Sponsor



International Counsel

Luxembourg Listing Agent

Malta Counsel

South Africa Counsel

Linklaters

HARNEYS

MAMO TCV
ADVOCATES



Circular to Shareholders

(incorporating a prospectus for purposes of listing Rights and New Shares on the Euro MTF market operated by the LuxSE)

relating to, amongst other things:

- a fully committed and underwritten renounceable rights offer by Brait to Shareholders (on the terms and subject to the conditions set out in this Circular) of 795,454,545 New Shares at an offer price of ZAR6.60 (EUR 0.41) each (the “Offer Price”) in the ratio of 1.6870 New Shares for every 1 Existing Share held (the “Rights Offer”), in terms of which each Qualifying Shareholder will be issued their proportionate number of Rights (taking into account the ratio mentioned above). On and subject to the terms of the Rights Offer, each Right will entitle the holder to subscribe for a New Share at the Offer Price pursuant to the Rights Offer. The Rights: (i) will be listed on the Exchanges; (ii) will be renounceable; and (iii) will be capable of being traded on the Exchanges during the Rights Trading Period;
- a firm underwriting of 321,552,572 New Shares to be issued pursuant to the Rights Offer, equal to an aggregate value of ZAR2,122,246,975, by the Underwriters on the terms and subject to the conditions contained in the Underwriting Agreement;
- an irrevocable undertaking by Titan that it shall, and procure that any relevant affiliates shall, subscribe for 113,636,364 New Shares, at the Offer Price, having an aggregate value of ZAR750,000,000;
- agreement by the Ethos Underwriters:
 - to exercise entitlements in the Rights Offer in respect of 151,515,152 New Shares having an aggregate value of ZAR1,000,000,000 at the Offer Price, which have been transferred to them by Titan and its affiliates;
 - pursuant to the Top-Up Subscription, to non-pre-emptively subscribe for up to 53,030,303 New Shares at the Offer Price having an aggregate value at the Offer Price of up to ZAR350,000,000, such that the aggregate New Shares subscribed by them, including those otherwise taken up under the Underwriting Agreement, have an aggregate value at the Offer Price of ZAR1,350,000,000;
- irrevocable undertakings from major institutional shareholders to subscribe for all, or a portion, of their respective entitlements to New Shares pursuant to the Rights Offer, subject to certain exceptions for compliance with investment mandates, having an aggregate value of ZAR1,377,753,025 at the Offer Price; and
- listing of a maximum of 848,484,848 New Shares on both the Euro MTF market operated by the LuxSE and on the JSE.

No person has been authorised to give any information or to make any representations, other than those contained in this Circular, in connection with the issue and/or sale of the Rights or New Shares and, if given or made, such information or representations must not be relied upon as having been authorised by Brait. Neither the delivery of this Circular nor any sale, subscription or issue made or implemented in terms of or in connection with this Circular shall, under any circumstances, create any impression that the information herein is correct as of any time subsequent to the date hereof.

The Existing Shares are admitted on the official list of the LuxSE and admitted to trading on the Euro MTF market and the JSE. Application has been made to the LuxSE and the JSE for the Rights and the New Shares to be admitted to trading on the Euro MTF market operated by the LuxSE (primary listing) and the JSE (secondary listing). It is expected that admission to trading will become effective and that trading in the Rights on the Euro MTF market and the JSE will commence at 09:00 (CET)/09:00 (SAST) on 29 January 2020.

This Circular has been prepared in reliance on the ordinary and extraordinary resolutions passed at the EGM held on 14 January 2020.

The distribution of this Circular, the Forms of Instruction, and the issue and/or transfer of the Rights and New Shares into jurisdictions other than Malta, Luxembourg and South Africa, may be restricted by law and therefore persons into whose possession this Circular comes should inform themselves about and observe such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws or regulations of any such jurisdiction. Hence no person receiving a copy of this Circular and/or a Form of Instruction in any territory other than Malta, Luxembourg and South Africa may accept any invitation or offer to him nor should he in any event exercise or attempt to exercise any Rights pursuant to the Rights Offer unless, in the relevant territory, any such invitation, offer or acceptance could lawfully be made to or by him, without contravention of any registration or other legal requirements. In such circumstances, this Circular and the Forms of Instruction, if applicable, are to be treated as sent for information only and should not be copied or redistributed.

Neither this Circular nor a Form of Instruction will be sent to Shareholders with registered addresses or who are resident, in any of the Restricted Territories nor to their respective agents or intermediaries, except where the Company is satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction. Shareholders with registered addresses or who are resident in any of the Restricted Territories will not be entitled to accept the Rights Offer, except where the Company is satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction. The Rights attributable to Shareholders with registered addresses or who are resident in any of the jurisdictions named in the definition of Restricted Territories, who fail to satisfy the Company that they may participate in the Rights Offer without contravention of any registration or other legal requirement in any jurisdiction, will instead be delivered to RMB who will act as nominee for the Shareholders. RMB will, to the extent that a premium can be realised over the costs associated with the sale, sell the Rights on the JSE on a best efforts basis on behalf and for the benefit of the relevant Shareholders and will remit the proceeds to such Shareholders. Each relevant Shareholder will receive that proportion of the net proceeds realised by RMB which is equal to the proportion of the Rights to which that Shareholder is entitled bears to the aggregate number of Rights to which Shareholders (with registered addresses or who are resident in the Restricted Territories and have failed to satisfy the Company that they may participate in the Rights Offer) are entitled.

The New Shares and the Rights have not been and will not be registered under the US Securities Act or under any relevant securities laws of any state or other jurisdiction of the United States and, accordingly, may not be offered, sold, pledged, taken up, exercised, resold, transferred or delivered, directly or indirectly, except pursuant to an applicable exemption from or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws.

Accordingly, Shareholders with registered addresses in, or who are resident or located in, the United States, may not participate in the Rights Offer unless an exemption from the registration requirements of the US Securities Act is available. Subject to certain exceptions, neither this Circular nor the Forms of Instruction constitutes or will constitute or form any part of an offer or an invitation to apply for or an offer or an invitation to acquire any New Shares in the United States. Subject to certain exceptions, neither this Circular nor a Form of Instruction will be sent to any Shareholder having a registered address in the United States.

Subject to certain exceptions, Rights or renunciations thereof sent from or post-marked from Restricted Territories will be deemed to be invalid. Subject to certain exceptions, any person who acquires any New Shares will be deemed to have declared, warranted and agreed, by accepting delivery of this Circular or the Rights, taking up their entitlement or accepting delivery of the New Shares, that they are not, and that at the time of acquiring the New Shares they will not be, in any of the Restricted Territories or acting on a non-discretionary basis for a person located within any of the Restricted Territories.

The EUR:ZAR exchange rate as quoted on Bloomberg in Luxembourg at 16:00 (CET) on 20 January 2020, being the Latest Practicable Date, was EUR 0.0622/ZAR (ZAR16.0714/EUR). The Euro amounts indicated in this Circular in respect of the ZAR6.60 Offer Price are based on the aforementioned EUR:ZAR exchange rate. These Euro amounts are included for informational purposes only and payments of the Offer Price must be made in either ZAR or EUR as stated in this Circular.

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PART 1 IMPORTANT INFORMATION

1. ABOUT THIS CIRCULAR

This Circular has been produced in connection with the Rights Offer. In making any investment decision regarding the Rights Offer, prospective investors must rely on their own examination of the Company, including the merits and risks involved in an investment in the Company.

Prospective investors should rely only on the information contained in this Circular. The Company has not authorised any other person to provide prospective investors with any information or to make any representations in connection with the Rights Offer. If anyone provides prospective investors with any information or makes any representations, such information or representations should not be relied upon. Prospective investors should assume that the information appearing in this Circular is accurate only as of the date on the front cover of this Circular, regardless of the time of delivery of this Circular or of any future offer, issue, subscription or sale of the Rights and/or the New Shares. The business, financial condition, results of operations and prospects of the Company could have changed since that date. The Company expressly disclaims any duty to update this Circular, except as required by applicable law. A supplement to this Circular will be issued should events between the date of this Circular and the admission of the Rights and the New Shares to trading on the Euro MTF market and JSE require significant changes to be made to the substance of this Circular or if required by either of the Exchanges.

The Company makes no representation to prospective investors as to the legality of an investment in the New Shares and prospective investors should not construe anything in this Circular as legal, business or tax advice. Prospective investors should consult their own advisors as to the legal, tax, business, financial and related aspects of an investment in the New Shares.

2. FORWARD-LOOKING STATEMENTS

This Circular includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “anticipates”, “intends”, “considers”, “expects”, “seeks”, “target”, “strategy”, “objective”, “aim”, “continue”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places throughout this Circular and include statements regarding the intentions, beliefs or current expectations of the Company concerning, among other things, the investment objective and investment policy, financing strategies, investment performance, results of operations, financial condition, liquidity, prospects and dividend payments and policy of the Company and the markets in which they, directly and indirectly, will invest and the resources available to them. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The actual investment performance of the Company, its results of operations, financial condition, liquidity, dividend payments and the development of its financing strategies and the operation of the markets in which it is, directly or indirectly, invested and the actual resources available to them, may differ materially from the impression created by the forward-looking statements contained in this Circular. In addition, even if the investment performance, results of operations, financial condition, liquidity and dividend payments of the Company, the development of the financing strategies and the operation of the markets in which they are, directly or indirectly, invested are consistent with the forward-looking statements contained in this Circular, those results or developments or markets or resources may not be indicative of results or developments or markets or resources in subsequent periods. Important factors that may cause these differences include, but are not limited to, the risk factors set forth in Part 14 (*Risk Factors*) of this Circular, changes in economic conditions generally, legislative/regulatory changes, changes in taxation regimes, the Company’s ability to dispose of its Portfolio Companies in a suitable manner on a timely basis, the availability and cost to its Portfolio Companies of suitable financing, the continued provision of services by the Company and the ability of the Company to attract and retain suitably qualified personnel.

Prospective investors are advised to read this Circular in its entirety and, in particular, Part 2 (*Information Incorporated by Reference*) and Part 14 (*Risk Factors*) of this Circular for a further discussion of the factors that could affect the future performance of the Company. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this Circular may not occur.

These forward-looking statements speak only as at the date of this Circular. Subject to its legal and regulatory obligations, the Company expressly disclaims any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

The Company qualifies all of its forward-looking statements by these cautionary statements.

3. **CERTAIN DEFINED TERMS**

Certain capitalised terms are defined the first time they appear in this Circular, although definitions may be repeated more than once for ease of reference. See also Part 5 (*Glossary of Defined Terms*) of this Circular for definitions of other capitalised terms and for certain legal and technical terms used in this Circular (some of which are also defined in other sections of this Circular).

4. **NO INCORPORATION OF WEBSITES**

Unless otherwise indicated, the contents of any website of the Company do not form part of this Circular.

5. **PRESENTATION OF FINANCIAL INFORMATION**

Unless otherwise indicated, the financial information in this Circular, including that which is incorporated by reference herein, has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

PART 2 INFORMATION INCORPORATED BY REFERENCE

This Circular should be read and construed in conjunction with the information set out in the table below as contained in:

1. The Brait 2020 Unaudited Interim Results Presentation Booklet (the “**2020 Interim Presentation Booklet**”);
2. The Brait 2019 Integrated Annual Report for the year ended 31 March 2019 (the “**2019 Integrated Annual Report**”);
3. The Brait 2018 Integrated Annual Report for the year ended 31 March 2018 (the “**2018 Integrated Annual Report**”); and
4. The Brait 2017 Integrated Annual Report for the year ended 31 March 2017 (the “**2017 Integrated Annual Report**”),

which have been previously published by the Company and can be accessed at the following website: <https://brait.investoreports.com/investor-relations/results-and-reports/>.

Parts of those documents which are specifically referenced in the table below shall be incorporated in, and form part of, this Circular, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Circular to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Circular. Those parts of the documents incorporated by reference in this Circular which are not specifically incorporated by reference in this Circular are either not relevant for prospective investors in the Rights or the New Shares or the relevant information is included elsewhere in this Circular. Any documents referred to in the documents incorporated by reference in this Circular do not form part of this Circular.

Copies of the documents incorporated by reference in this Circular may be obtained (without charge) from Brait’s website at <https://brait.investoreports.com/investor-relations/results-and-reports/>.

Reference document	Information incorporated by reference	Page numbers in the reference document
2020 Interim Presentation Booklet	Brait’s interim results presentation, appendices and notice to recipients	2-116
	Consolidated interim financial statements	117-132
2019 Integrated Annual Report	Consolidated annual financial statements	83-129
	Company annual financial statements	130-135
	Definitions	136-137
2018 Integrated Annual Report	Consolidated annual financial statements	79-122
	Company annual financial statements	123-128
	Definitions	129-130
2017 Integrated Annual Report	Consolidated annual financial statements	78-119
	Company annual financial statements	120-125
	Definitions	126-127

PART 3 CORPORATE INFORMATION AND ADVISORS

Directors

PJ Moleketi (Chairman), Dr CH Wiese (Alternate:
P Roelofse), CS Seabrooke, JC Botts, AS Jacobs,
Dr LL Porter, HRW Troskie

Brait South Africa Proprietary Limited

Office Level 7, Rosebank Towers
15 Biermann Ave
Rosebank, Johannesburg, 2196
South Africa

Financial advisor, joint underwriter and sponsor

Rand Merchant Bank
1 Merchant Place
Corner Fredman Drive and Rivonia Road
Sandton, 2196, South Africa

International Counsel

Linklaters LLP
One Silk Street
London
EC2Y 8HQ
United Kingdom

Maltese Counsel

MAMO TCV Advocates
Palazzo Pietro Stiges
103, Strait Street
Valletta VLT1436
Malta

Luxembourg Listing Agent

Harney Westwood & Riegels SARL
56, rue Charles Martel
L-2134
Luxembourg

Luxembourg Registrar and Transfer Agent

Maitland Luxembourg SA
58, rue Charles Martel
L-2134 Luxembourg

Registered Office of Brait

4th Floor, Avantech Building
St Julian's Road, San Gwann
SGN 2805, Malta

Brait Advisory Services UK Limited

3rd Floor
55 Blandford Street
London W1U 7HW
United Kingdom

Auditors to Brait

PricewaterhouseCoopers
78 Mill St
Qormi, QRM310
Malta

South African Counsel

DLA Piper Advisory Services Proprietary Limited
6th Floor
61 Katherine Street
Sandton, 2196
Johannesburg, South Africa

Maltese Advisor

Maitland Malta Limited
4th Floor, Avantech Building
St Julian's Road
San Gwann
SGN 2805, Malta

South African Registrar and Transfer Agent

Computershare Investor Services
Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank, 2196
South Africa

PART 4 THE OVERVIEW

1. INTRODUCTION

On 27 November 2019, it was announced on SENS and on the website of the LuxSE that the Board had approved a recapitalisation plan that will result in Brait reducing its net debt by up to ZAR5,300,000,000 via the following initiatives:

- a partial repurchase of the Outstanding Bonds to be funded by the issuance of the Bonds and cash balances held by Brait;
- an equity capital raise (the “**Equity Capital Raise**”) of at least ZAR5,250,000,000 and up to ZAR5,600,000,000 comprising a fully committed and underwritten, renounceable rights offering of ZAR5,250,000,000 to existing Shareholders on a pre-emptive basis (subject to adjustment for rounding in respect of fractional entitlements) and a potential non-pre-emptive specific issue to the Ethos Underwriters of fully paid Shares of up to ZAR350,000,000 issued at the Offer Price (by way of the Top-Up Subscription); and
- a partial repayment and extension of the maturity of the BML committed revolving credit facility (the “**BML RCF**”),

(collectively, the “**Recapitalisation**”).

On the same day, the Company announced that the Bonds were successfully placed, raising aggregate proceeds of GBP150,000,000. The proceeds of the Bonds, along with GBP30,000,000 of cash on hand, were used on 4 December 2019 to repurchase GBP180,000,000 in aggregate principal amount of the Outstanding Bonds, resulting in GBP170,000,000 of the Outstanding Bonds remaining outstanding.

Pursuant to the Recapitalisation, the Ethos Underwriters will be introduced as a new strategic equity partner and investment advisor to Brait through their participation in the Rights Offer and Top-Up Subscription. With effect from the first day of the month following the completion of the Rights Offer, the Board will terminate the Advisory Agreement and enter into a new investment advisory agreement with EPE. The advisory costs and other operating costs of the Company will be substantially reduced.

2. RATIONALE FOR THE RECAPITALISATION

Brait intends to use the net proceeds of the Equity Capital Raise (after costs, fees and expenses related to the Equity Capital Raise) for the repayment of the remaining GBP170,000,000 in aggregate principal amount of the Outstanding Bonds and to partially repay the BML RCF. As part of the overall Recapitalisation, this provides Brait with a de-gearred balance sheet and extended debt maturities, providing an opportunity to drive value in its core portfolio of assets.

The Rights Offer provides all Shareholders the opportunity to participate in any future upside in the Share price as a result of a strengthened Brait balance sheet.

3. DETAILS OF THE RECAPITALISATION

Brait’s net debt as at 30 September 2019 of ZAR11,965,000,000 included two large debt maturities in 2020 comprised of:

- the GBP350,000,000, 2.75 per cent senior, unsecured Outstanding Bonds maturing on 18 September 2020; and
- the BML RCF maturing on 6 December 2020 which, as at 30 September 2019, was drawn at ZAR6,402,000,000.

The Board and the Company’s existing Corporate Advisors have engaged in an extensive process to materially reduce the debt and extend the maturities of debt on Brait’s balance sheet as part of the strategy of maximising shareholder value. These processes have led to the Board approving the Recapitalisation plan comprising:

3.1 The Outstanding Bonds and the Bonds

On 27 November 2019, the Company launched and successfully priced the GBP150,000,000, 6.5 per cent unsubordinated, unsecured Bonds which were issued on 4 December 2019 and are due on 4 December 2024. The proceeds of the issue of the Bonds, along with GBP30,000,000 of cash on hand, were used to concurrently repurchase GBP180,000,000 in aggregate principal amount of the Outstanding Bonds through a reverse bookbuilding process, resulting in GBP170,000,000 of the Outstanding Bonds remaining outstanding.

Key terms of the Bonds include:

- interest of 6.5 per cent payable semi-annually in equal instalments in arrears;
- holders of the Bonds will have the option to require the early redemption of their Bonds on 18 September 2020, at par and plus accrued and unpaid interest, if the Rights Offer is not completed on or before 20 August 2020;
- the initial conversion price of GBP0.9375, a premium of 25 per cent above the VWAP of the Shares on the JSE between open and close of trading on 27 November 2019, converted at the prevailing ZAR:GBP spot rate at the time of pricing;
- the conversion price will be subject to customary adjustments, including anti-dilution adjustment for any rights offer (which will include the Rights Offer) and for cash dividends paid out of internally generated cash flows. Cash dividends paid by the Company out of the proceeds of any sale or disposal of any of its investments will not result in a conversion price adjustment but will, following the operation of the provisions described below in relation to the requirement to make a repurchase offer to holders of the Bonds, instead be paid out by way of an additional interest amount to holders of the Bonds, *pro rata* to the Shares underlying the Bonds (as if they had converted);
- the conversion price will potentially be adjusted (but only if the conversion price so adjusted is lower than the then prevailing conversion price) based on the average daily VWAP on the ten consecutive dealing days starting on the sixth London business day following the settlement of the Rights Offer and according to a pre-determined formula as defined in the terms and conditions of the Bonds;
- the Company has the right to redeem all outstanding Bonds at par plus accrued interest if 85 per cent or more of the aggregate principal amount of the Bonds originally issued have been previously redeemed, cash settled, converted or purchased and cancelled; and
- if the Company wishes to declare, announce, make or pay a special dividend to Shareholders out of the proceeds of the sale or disposal of any investment, then the Company shall by notice to the holders of the Bonds make an offer to the holders of the Bonds to tender for repurchase an aggregate principal amount of Bonds up to a maximum amount equal to the Pound Sterling equivalent of the aggregate amount of the proposed special dividend at a price per Bond equal to its principal amount together with accrued interest to the special dividend put date, as further described in the terms and conditions of the Bonds.

3.2 The refinancing of the BML RCF

RMB and Standard Bank as the existing lenders under the BML RCF have agreed and signed a credit approved termsheet to amend the terms of the BML RCF and extend its maturity by three years. Pending execution of the long form legal documentation, an addendum to the BML RCF has been entered into. The new BML RCF will be conditional upon the completion of the Rights Offer.

The key terms of the refinancing of the BML RCF are:

- 3.2.1 facility limit of ZAR6,960,000,000 to be reduced to ZAR6,310,000,000 after completion of the Rights Offer;
- 3.2.2 revised three-year tenor from the date that the legal agreements are signed;
- 3.2.3 interest at JIBAR plus 4.6 per cent repayable quarterly (with a right to rollup the quarterly payments);
- 3.2.4 agreed reductions will apply to the limit of the facility as Brait de-gears;
- 3.2.5 the interest rate margin of 4.6 per cent will reduce as Brait de-gears:
 - (a) 0.6 per cent reduction while the facility utilisation is less than or equal to ZAR5,250,000,000;
 - (b) a further 0.4 per cent reduction while the facility utilisation is less than or equal to ZAR3,500,000,000; and
 - (c) a further 0.4 per cent reduction while the facility utilisation is less than or equal to ZAR2,000,000,000,applicable from the date on which utilisation reduces below the relevant level;
- 3.2.6 covenants remain NAV-based and will be set with sufficient headroom for short-term volatility; and
- 3.2.7 continue to be secured on a senior basis by the assets of BML.

The amendment and extension of the BML RCF is intended to achieve the stabilisation of Brait's balance sheet and provide time for the execution of Brait's new strategy. The BML RCF is available for Brait's general corporate and working capital purposes, as well as selected investment into its portfolio of assets.

3.3 The fully committed and underwritten Rights Offer and Top-Up Subscription

Brait has launched an equity capital raise comprising a fully committed and underwritten, renounceable Rights Offer of approximately ZAR5,250,000,000 to existing Shareholders (subject to adjustment for rounding in respect of fractional entitlements) and a potential non-pre-emptive specific issue of Shares of up to ZAR350,000,000 pursuant to the Top-Up Subscription.

The Rights Offer will consist of a fully committed and underwritten renounceable rights offer by Brait to Shareholders of 795,454,545 New Shares at the Offer Price, in the ratio of 1.6870 New Shares for every 1 Existing Share held, in terms of which each Qualifying Shareholder will be issued their proportionate number of Rights (taking into account the ratio mentioned above). On and subject to the terms of the Rights Offer, each Right will entitle the holder to subscribe for a New Share at the Offer Price pursuant to the Rights Offer. The Rights: (i) will be listed on the Exchanges; (ii) will be renounceable; and (iii) will be capable of being traded on the Exchanges during the Rights Trading Period.

Pursuant to the Rights Offer, Qualifying Shareholders will be issued their proportionate number of Rights based on their holding of Existing Shares. On and subject to the terms of the Rights Offer, each Right will entitle the holder to subscribe for a New Share at the Offer Price pursuant to the Rights Offer.

New Shares representing fractional entitlements will not be issued to Qualifying Shareholders. Where necessary, entitlements to New Shares of 0.5 or greater will be rounded up and entitlements to New Shares of less than 0.5 will be rounded down to the nearest whole number.

The Offer Price per New Share represents a 48.6 per cent discount to the JSE closing price of a Share of ZAR12.85 on 20 January 2020 and a 27.0 per cent discount to the TERP of a Share of ZAR9.04 (EUR 0.56) calculated by reference to the 5 (five) day volume-weighted average price of a Share on the JSE immediately preceding the Finalisation Date of ZAR13.17 (EUR 0.82). Subject to rounding down for any fractional entitlements and assuming that there is no Top-Up Subscription, Qualifying Shareholders who take up their *pro rata* entitlements to New Shares in full will suffer no dilution of their shareholdings in the Company as a result of the Rights Offer. Assuming that the Top-Up Subscription occurs in full, those Qualifying Shareholders who take up their *pro rata* entitlements to New Shares in full will have their proportionate shareholdings in the Company diluted by approximately 4.0 per cent. However, if a Qualifying Shareholder does not (or is unable) to take up the offer of New Shares, its proportionate shareholding will be diluted by approximately 62.8 per cent as a result of the Rights Offer.

The Rights and the New Shares will be listed on both the Euro MTF market operated by the LuxSE and on the JSE. The Rights will be renounceable and will be capable of being traded on the Exchanges during the Rights Trading Period.

The Equity Capital Raise will see the introduction of the Ethos Underwriters as a new strategic equity partner through their investment of ZAR1,350,000,000 in Brait.

The Ethos Underwriters have entered into an agreement with Titan, whereby Titan and its affiliates will undertake in favour of the Ethos Underwriters to irrevocably and unconditionally renounce part of Titan's entitlements to New Shares with an aggregate subscription price of ZAR1,000,000,000 in favour of the Ethos Underwriters, and the Ethos Underwriters have irrevocably and unconditionally undertaken to subscribe for these New Shares.

Additionally, the Ethos Underwriters have (amongst others) entered into the Underwriting Agreement with Brait in terms of which the Ethos Underwriters will underwrite New Shares not taken up under the Rights Offer having an aggregate value at the Offer Price of up to ZAR350,000,000. To the extent that the Ethos Underwriters do not subscribe for New Shares having a value at the Offer Price of ZAR350,000,000 through their underwriting commitment in the Rights Offer, Brait will undertake a non-pre-emptive specific issue to the Ethos Underwriters of up to 53,030,303 Shares having a value at the Offer Price of up to ZAR350,000,000 by way of the Top-Up Subscription. Any Shares acquired by the Ethos Underwriters and Titan and its affiliates will be subject to a customary lock up for 90 days post the Rights Offer and may not be disposed of, whether directly or indirectly, without the prior written consent of Brait.

The following scenarios have been considered by the Board as possible estimates of the Shares to be taken up by Ethos Underwriters under both the Rights Offer and the Top-Up Subscription (if any):

	Scenario 1⁽¹⁾	Scenario 2⁽²⁾
	Base case	Low case
Current number of Shares ⁽³⁾	471,507,956	471,507,956
New Shares issued under the Rights Offer	795,454,545	795,454,545
Number of New Shares issued under the Top-Up Subscription	53,030,303	–
Number of Shares in issue post the Rights Offer and the Top-Up Subscription	1,319,992,804	1,266,962,501
	<i>of which (number of Shares):</i>	
The Ethos Underwriters	204,545,455	204,545,455
Titan and its affiliates	302,367,113	340,245,901

Notes:

- (1) Scenario 1 assumes that the Ethos Underwriters will need to acquire ZAR350,000,000 worth of New Shares at the Offer Price pursuant to the Top-Up Subscription.
- (2) Scenario 2 assumes that the Ethos Underwriters and Titan subscribe for ZAR350,000,000 and ZAR250,000,000, respectively, pursuant to their underwriting commitments.
- (3) Excluding the Treasury Shares.

Titan and its affiliates own 188,730,749 Shares, equating to a 40.0 per cent shareholding (excluding Treasury Shares), and is committed to investing up to ZAR1,000,000,000 in the Rights Offer via a combination of following its Rights (ZAR750,000,000) and underwriting New Shares not taken up under the Rights Offer having an aggregate value at the Offer Price of up to ZAR250,000,000. This demonstrates Titan's commitment to Brait, the Recapitalisation, the Company's new strategy and the appointment of EPE as the new investment advisor to Brait.

In addition to undertakings from Titan (ZAR750,000,000) and the Ethos Underwriters (ZAR1,000,000,000) to take up the Rights mentioned above, Brait has secured irrevocable undertakings from major institutional Shareholders (ZAR1,377,753,025) to follow all, or a portion, of their Rights pursuant to the Rights Offer, subject to certain exceptions for compliance with investment mandates. Brait has also secured underwriting commitments of ZAR2,122,246,975 under the Underwriting Agreement from a combination of Titan (ZAR250,000,000), the Ethos Underwriters (ZAR350,000,000), and RMB (ZAR1,522,246,975) resulting in a fully committed and underwritten Rights Offer.

For a summary of the key terms of the Underwriting Agreement, see paragraph 12 (*Material Contracts*) of Part 15 (*Additional Information*).

Dematerialised Shareholders who wish to participate in the Rights Offer must inform their CSDP, Participant or broker of the action they wish to take, in accordance with their mandate with such CSDP, Participant or broker.

Certificated Shareholders wishing to participate in the Rights Offer are required to complete the relevant Form of Instruction and return it to the Luxembourg Transfer Secretaries or the South African Transfer Secretaries, as applicable, together with payment or proof of payment (if they decide to accept the Rights Offer, in whole or in part).

The Offer Price has been determined following extensive discussions with investors, the Company and the Underwriters and reflect terms that are considered reasonable and proportionate taking into account market conditions, demand from investors and the availability of underwriting commitments to secure the funding requirements of the Company.

3.4 Use of proceeds

The net proceeds of the Equity Capital Raise (after costs, fees and expenses related to the Equity Capital Raise) are intended to be used by the Company for the repayment of the remaining portion of the Outstanding Bonds at, or before, their maturity on 18 September 2020 and to partially repay the BML RCF. In connection therewith, Brait has entered into a forward exchange contract with RMB and Standard Bank to purchase sufficient Pounds Sterling in cash to the aggregate value of GBP170,000,000 to repurchase the remaining Outstanding Bonds by their 18 September 2020 maturity. The GBP170,000,000 of cash will be held by Brait for the sole purpose of the repurchase of the Outstanding Bonds.

4. **CURRENT PROSPECTS**

It is the opinion of the Directors that, following the Rights Offer, Brait will have sufficient funding headroom and flexibility to execute its new strategy that will focus on maximising value through the realisation of its Portfolio Companies over the next five years and returning capital to Shareholders.

5. **DETAILS OF THE NEW BRAIT STRATEGY**

The strategy of Brait has been that of a strategic, long-term investment holding company seeking to drive growth and value creation via its portfolio of sizeable, unlisted businesses in the broad consumer sector while targeting growth in NAV and the realisation of its Portfolio Companies at the appropriate time.

The Board has resolved to adopt a new strategy that will focus on maximising value through the realisation of its existing Portfolio Companies over the next five years and returning capital to Shareholders. The Board, Titan and EPE have committed to implement the new strategy and believe that the Recapitalisation materially reduces and extends the maturities of Brait's debt, providing the Company with sufficient flexibility to manage its portfolio of investments and execute the new strategy in an optimal manner.

Post the Recapitalisation, a new Board is intended to be constituted and proposed to Shareholders for approval.

6. **THE NEW INVESTMENT ADVISORY AGREEMENT AND COST STRUCTURE**

The Board has selected the Ethos Underwriters as a new strategic equity partner and EPE as the new investment advisor to BML. EPE has a 35-year history of generating realised returns for investors and will bring a different perspective to the Brait portfolio, leveraging its value-add expertise, execution capability and exit track record to execute the Company's new strategy.

BML has entered into a new investment advisory agreement with EPE, which will take effect from the first day of the month following the completion of the Rights Offer and incorporates the following key principles:

- an initial three-year tenor, with an annual renewal thereafter;
- the advisory team responsible for advising the Board will consist of executives from the Ethos Underwriters and certain employees of the existing Corporate Advisors to ensure continuity;
- EPE will provide accounting, administration, corporate finance, investment advisory, investor relations and general corporate secretarial services to BML; and
- an initial cost of ZAR100,000,000 per annum, with annual inflation linked increases. In addition, the Board and EPE have undertaken to assess on an annual basis the appropriateness of the annual cost in the context of the resources required to implement the strategic business plans for that year.

A new incentive structure will be developed to align the interests of EPE and Shareholders in terms of value creation based on annual, pre-determined key performance indicators. A new share incentive structure, which will be proposed to Shareholders for their consideration and approval at a future meeting of the Shareholders will also be developed, aligning the interests of EPE and the Shareholders.

Brait and its existing Corporate Advisors have agreed to terminate the Advisory Agreement. The existing Corporate Advisors will continue in their role of providing investment advisory services to Brait until the date on which EPE assumes the mandate. Brait has agreed with the existing Corporate Advisors that fees payable in terms of the Advisory Agreement for the period from 1 October 2019 to the last day of the month following the completion of the Rights Offer, together with the cost of terminating the Advisory Agreement (including retrenchments and possible office closure costs) shall be approximately ZAR200,000,000.

The Board, with the assistance of EPE, will focus on strategies for the Portfolio Companies to realise value from the portfolio over the next five years and return capital to Shareholders. In addition, Brait will also re-evaluate the costs and efficiencies of the overall Group structure.

7. **CANCELLATION OF TREASURY SHARES**

The Treasury Shares comprise 54,091,259 Shares, of which 36,616,189 are held by BML and 17,475,070 are held by Maitland Malta Limited as trustee of BIT. At the EGM, the Shareholders approved a resolution to disapply pre-emption rights in connection with the Rights Offer so as, amongst other things, to disapply pre-emption rights in respect of entitlements under the Rights Offer in respect of the Treasury Shares. As a result, BML and Maitland Malta Limited as trustee of BIT will not be entitled to Rights in respect of the Treasury Shares.

Furthermore, at the EGM, the Shareholders approved the reduction of the share capital of the Company through the cancellation of the Treasury Shares subject to the provisions of article 83 of the Maltese Companies Act. The purpose of the proposed reduction is to simplify the Company's capital structure and adjust it to the Company's needs and thereby contribute to increased shareholder value.

The resolution to reduce the share capital of the Company through the cancellation of the Treasury Shares was delivered to the Malta Business Registry on or about 23 January 2020 and will subsequently be published thereafter (the "**Publication Date**"). Provided that no creditor of the Company objects to the reduction of share capital, the reduction shall take effect three months after the Publication Date, at which time, the Company will deposit an updated memorandum and articles of association with the Malta Business Registry to, *inter alia*, reflect the changes to the Company's share capital.

8. **OVERSEAS SHAREHOLDERS**

The attention of Shareholders who have registered addresses in the Restricted Territories, or who are resident in or located in, or who are citizens of, countries other than Malta, Luxembourg or South Africa, or who hold Shares for the benefit of such persons (including, without limitation, custodians, nominees, trustees and agents) or who have a contractual or other legal obligation to forward this Circular, a Form of Instruction and any other document in relation to the Rights Offer to such persons, is drawn to the information which appears in paragraph 1.9 (*Overseas Shareholders*) of Part 7 (*Rights Offer Details*) of this Circular. In particular, Shareholders who have registered addresses in or who are resident in or located in, or who are citizens of, countries other than Malta, Luxembourg or South Africa should consult their professional advisors whether they require any governmental or other consents or need to observe any other formalities to permit them to accept the Rights Offer and enable them to take up their entitlements to the Rights Offer. In addition, Qualifying LuxSE Shareholders that are Dematerialised Shareholders and located in a Restricted Territory should specifically refer to paragraph 1.7.2(d) of Part 7 (*Rights Offer Details*) of this Circular.

The Company reserves the right to treat as invalid and will not be bound to issue any New Shares in respect of any acceptance or purported acceptance of the offer of New Shares where to do so would constitute a violation of the relevant laws or regulations of any jurisdiction or require the Company to observe any other formalities or registration requirements.

PART 5 GLOSSARY OF DEFINED TERMS

In this Circular, unless the context otherwise requires, the following words and expressions have the meanings set out opposite them:

“Advisory Agreement”	the investment and advisory services agreement concluded on or about 7 November 2018 between BML, BSAL and BUK;
“BIT”	Brait Investment Trust, a Malta-based trust;
“BIT Treasury Shares”	the 17,475,070 Shares in the Company held by Maitland Malta Limited as trustee of the BIT;
“BML”	Brait Mauritius Limited, registration number C60342 C1/GBL, a company incorporated under the laws of Mauritius;
“BML RCF”	has the meaning given in paragraph 1 (<i>Introduction</i>) of Part 4 (<i>The Overview</i>) of this Circular;
“BML Treasury Shares”	the 36,616,189 Shares in the Company held by BML;
“Board”	the board of Directors of the Company;
“Bonds”	the GBP150,000,000, 6.50 per cent convertible bonds due on 4 December 2024 issued by the Company, which, as at the Latest Practicable Date, were in the process of being listed on the Open Market (<i>Freiverkehr</i>) segment of the Frankfurt Stock Exchange;
“Brait Malta”	Brait Malta Limited, registration number C49644, a private limited liability company incorporated in accordance with the laws of Malta and with its registered office address at 4th Floor, Avantech Building, St Julian’s Road, San Gwann, SGN 2805, Malta;
“BSAL”	Brait South Africa Proprietary Limited, registration number 1960/003893/07, a limited liability company duly incorporated in accordance with the laws of South Africa and registered and regulated by the Financial Sector Conduct Authority of South Africa under licence FSP No: 820;
“BUK”	Brait Advisory Services UK Limited, registration number 10086702, a limited liability company duly incorporated in accordance with the laws of England and Wales and registered and regulated by the Financial Conduct Authority of the United Kingdom under license FRN No: 753548;
“Certificated Shareholders”	holders of Certificated Shares;
“Certificated Shares”	Shares which are not dematerialised, title to which is represented by share certificates;
“CET”	Central European Time;
“Circular”	this Circular, dated 27 January 2020, including the annexures hereto (and any supplementary circular published in connection herewith);
“Clearstream”	Clearstream Banking, société anonyme, a limited liability company incorporated under the laws of Luxembourg or any successor thereto;
“Common Monetary Area”	the Common Monetary Area comprising South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Eswatini;
“Company” or “Brait”	Brait SE, registered in Malta as a European Company under the legal form of a <i>Societas Europaea</i> with registration number SE1;
“Company Secretary”	Anjelica Camilleri de Marco;
“Corporate Advisors”	BSAL and BUK;

“CSDP”	a central securities depository participant, accepted as a participant in terms of the Financial Markets Act, appointed by a shareholder for purposes of dematerialisation and to hold and administer securities or an interest in securities on its behalf;
“Declaration Date”	the date on which the terms of the Rights Offer including any conditions precedent are announced and released through the Exchanges;
“Dematerialised Shareholders”	holders of Dematerialised Shares;
“Dematerialised Shares”	Shares which: (i) have been dematerialised; (ii) are no longer evidenced by physical share certificates; and (iii) have been incorporated into the Strate system (in respect of Shares admitted to trading on the JSE) or either the Clearstream or Euroclear systems (in respect of Shares admitted to trading on the Euro MTF market of the LuxSE);
“Directors”	the directors of the Company, as at the date of this Circular;
“EGM”	the extraordinary general meeting of the Company held at 4th Floor, Avantech Building, St Julian’s Road, San Gwann, SGN 2805 at 11:00 (CET) on 14 January 2020;
“EPE”	Ethos Private Equity Proprietary Limited, registration number 2004/003984/07, a company incorporated under the laws of South Africa and with its registered address at 35 Fricker Road, Illovo, Johannesburg, 2196;
“Equity Capital Raise”	has the meaning given in paragraph 1 (<i>Introduction</i>) of Part 4 (<i>The Overview</i>) of this Circular;
“Ethos Capital”	EPE Capital Partners Limited, registration number C138883 C1/GBL, a company incorporated under the laws of Mauritius and holding a Category One Global Business Licence issued by the Financial Services Commission of Mauritius and with its registered address at c/o Ocorian (Mauritius) Ltd, 6th Floor, Tower A, 1 Cybercity, Ebene, Mauritius;
“Ethos Fund VII”	Ethos Fund VII GP (SA) Proprietary Limited, in its capacity as the ultimate General Partner of Ethos Fund VII (A) and Ethos Fund VII (B) and with its registered address at 35 Fricker Road, Illovo, Sandton, 2196, South Africa;
“Ethos Underwriters”	Ethos Capital and Ethos Fund VII;
“EUR” or “Euro”	the lawful currency of the European Union;
“EUR Account”	Account name: Brait Societas Europaea Bank: HSBC Bank Malta PLC Branch: Malta Account: Brait SE Account number: 026-247460-001 Swift code: MMEBMTMT IBAN: MT33MMEB4426600000026247460001
“Euro MTF market”	the Multilateral Trading Facility (as defined in the Markets in Financial Instruments Directive) operated by the LuxSE;
“Euroclear”	Euroclear Bank S.A./N.V., as operator of the Euroclear system, Luxembourg;
“European Company”	a European public limited liability company (<i>Societas Europaea</i>) incorporated in terms of European Council Regulation No. 2157/2001;
“European Union”	the economic and political confederation of European nations which share a common foreign and security policy and co-operate on justice and home affairs as created on 1 November 1993 by the Treaty on European Union (formerly known as the Maastricht Treaty);
“Excess New Shares”	New Shares in excess of a Qualifying Shareholder’s <i>pro rata</i> entitlement in terms of the Rights Offer;

“Exchanges”	collectively, the LuxSE and the JSE, and an “Exchange” will mean each or either of the Exchanges, as the context requires;
“Existing Shares”	the existing Shares in issue as at the First Record Date;
“Finalisation Date”	the date on which the Rights Offer and its terms become unconditional in all respects and irrevocable;
“Financial Markets Act”	the South African Financial Markets Act, No. 19 of 2012, as amended;
“First Record Date”	11:00 (CET)/12:00 (SAST) on 31 January 2020, being the date and time by which Shareholders are required to be recorded in Brait’s register of members (or sub-register in Johannesburg) in order to be issued with Rights pursuant to the Rights Offer;
“Forms of Instruction”	the LuxSE Form of Instruction and the JSE Form of Instruction, and a “Form of Instruction” will mean each or either of the Forms of Instruction as the context requires;
“GBP” or “Pounds Sterling”	the lawful currency of the United Kingdom of Great Britain and Northern Ireland;
“Group”	comprises the Company and all its subsidiaries which include Brait Malta and BML;
“JSE”	the securities exchange, licensed under the Financial Markets Act, operated by JSE Limited, registration number 2005/022939/06, a public company duly incorporated in accordance with the laws of South Africa;
“JSE Form of Instruction”	the form of instruction to be sent to Qualifying JSE Shareholders who are Certificated Shareholders, in respect of the Rights issued to such Certificated Shareholders, in terms of which such Certificated Shareholders will be entitled to indicate whether they wish to exercise, sell or renounce all or a portion of their Rights, pursuant to the Rights Offer;
“JSE Listings Requirements”	the Listings Requirements of the JSE;
“Latest Practicable Date”	the latest practicable date prior to the date of this Circular being 20 January 2020;
“Luxembourg”	the Grand Duchy of Luxembourg;
“Luxembourg Rights Register”	the register of Rights recording the total number of Rights issued as well as details of holders of Rights who hold their Rights through the LuxSE;
“Luxembourg Transfer Secretaries”	Maitland Luxembourg S.A., registration number B13583, a public company duly incorporated in Luxembourg;
“LuxSE”	the Luxembourg Stock Exchange;
“LuxSE Form of Instruction”	the form of instruction to be sent to Qualifying LuxSE Shareholders who are Certificated Shareholders, in respect of the Rights issued to such Certificated Shareholders, in terms of which such Certificated Shareholders will be entitled to indicate whether they wish to exercise, sell or renounce all or a portion of their Rights, pursuant to the Rights Offer;
“Malta”	the Republic of Malta;
“Maltese Companies Act”	The Malta Companies Act (Chapter 386 of the Laws of Malta);
“NAV”	net asset value;
“New Shares”	the new Shares which the Company will issue pursuant to the Equity Capital Raise;
“Offer Price”	ZAR6.60 (EUR 0.41) per New Share;

“Outstanding Bonds”	the GBP350,000,000, 2.75 per cent convertible bonds due on 18 September 2020 issued by the Company, which are listed on the Open Market (<i>Freiverkehr</i>) segment of the Frankfurt Stock Exchange, of which GBP170,000,000 in aggregate principal amount remain outstanding following the issue of the Bonds and application of the proceeds of the Bonds in a concurrent partial repurchase of the Outstanding Bonds;
“Overseas Shareholders”	Qualifying Shareholders with registered addresses in, or who are citizens, residents or nationals of, jurisdictions outside Luxembourg, Malta and South Africa;
“Participant”	a central securities depository participant with direct or indirect access to a Clearstream or Euroclear account;
“Permitted Restricted Territory Shareholders”	Shareholders with registered addresses in, or who are resident in any of, the Restricted Territories who have satisfied the Company, in its sole and absolute discretion by no later than 27 January 2020 that their exercise, sale or renunciation of the Rights and/or subscription for New Shares would not result in the contravention of any registration or other legal requirement in any jurisdiction;
“Portfolio Companies”	the Company’s investments in Virgin Active, Premier, Iceland Foods, New Look and DGB as described in the 2020 Interim Presentation Booklet;
“Qualifying JSE Shareholders”	Shareholders whose Shares are listed on the JSE (save for persons, other than Permitted Restricted Territory Shareholders, with a registered address or located or resident in a Restricted Territory) and are recorded in Brait’s sub-register in Johannesburg as at the First Record Date;
“Qualifying LuxSE Shareholders”	Shareholders whose Shares are listed on the LuxSE (save for persons, other than Permitted Restricted Territory Shareholders, with a registered address or located or resident in a Restricted Territory) and are recorded in Brait’s register of members in Luxembourg as at the First Record Date;
“Qualifying Shareholders”	the Qualifying JSE Shareholders and the Qualifying LuxSE Shareholders;
“Recapitalisation”	has the meaning given in paragraph 1 (<i>Introduction</i>) of Part 4 (<i>The Overview</i>) of this Circular;
“Restricted Territories”	the United States, Australia, Canada and Japan and any other jurisdiction where the extension or making of the Rights Offer would be unlawful or in contravention of certain regulations, and “Restricted Territory” means any of them;
“Right” or “Rights”	a renounceable right, which will entitle a Qualifying Shareholder to subscribe for a New Share pursuant to the Rights Offer;
“Rights Offer”	the renounceable rights offering to Qualifying Shareholders of 795,454,545 New Shares at the Offer Price in the ratio of 1.6870 New Shares for every 1 Existing Share held on the First Record Date, as more fully described in Part 7 (<i>Rights Offer Details</i>) of this Circular;
“Rights Offer Period”	the period commencing on 3 February 2020 (being the date on which the Rights Offer will open) and ending on 14 February 2020 (being the date on which the Rights Offer will close);
“Rights Trading Period”	the period commencing on 29 January 2020 (being the date on which the Rights will list on the Exchanges) and ending on 11 February 2020 (being the last day to trade in Rights on the Exchanges);
“RMB”	Rand Merchant Bank, a division of FirstRand Bank Limited, registration number 1929/001225/06, a public company incorporated in accordance with the laws of South Africa and with its registered address at 1 Merchant Place, Corner Fredman Drive and Rivonia Road, Sandton, 2196, South Africa;

“SARB”	the Financial Surveillance Department of the South African Reserve Bank;
“SAST”	South African Standard Time;
“Second Record Date”	11:00 (CET)/12:00 (SAST) on 14 February 2020, being the date and time by which Shareholders, their successors or their renounees must have exercised the Rights in order to be issued New Shares in terms of the Rights Offer;
“SENS”	the stock exchange news service of the JSE;
“Shareholders”	holders of Shares, from time to time, and “Shareholder” means one of them;
“Shares”	fully paid ordinary shares of EUR 0.22 each in the share capital of Brait;
“South Africa”	the Republic of South Africa;
“South African Companies Act”	the South African Companies Act, 71 of 2008, as amended;
“South African Transfer Secretaries”	Computershare Investor Services Proprietary Limited, registration number 2004/003647/07, a limited liability private company duly incorporated in accordance with the laws of South Africa;
“Standard Bank”	The Standard Bank of South Africa Limited, registration number 1962/00738/06, a public company incorporated and registered in accordance with the laws of the Republic of South Africa;
“Strate”	Strate Proprietary Limited, registration number 1998/022242/07, a private company duly registered and incorporated with limited liability in accordance with the laws of South Africa, which is a registered central securities depository in terms of the Financial Markets Act, and which manages the electronic clearing and settlement system for transactions that take place on the JSE;
“TERP”	theoretical ex-rights price of the Shares which is calculated as the market value of the Shares immediately preceding the Rights Offer plus the gross Rights Offer proceeds divided by the total number of Shares in issue immediately following the Rights Offer;
“Titan”	Titan Financial Services Proprietary Limited, registration number 1996/006040/07, a limited liability private company duly incorporated in the Republic of South Africa and with its registered address 36 Stellenberg Road, Parow Industria, 7493, South Africa, and which is represented by Dr CH Wiese, a Director;
“Top-Up Subscription”	the non-pre-emptive subscription at the Offer Price by the Ethos Underwriters of up to 53,030,303 New Shares with a value at the Offer Price of up to ZAR350,000,000, such that the aggregate New Shares subscribed by them, including entitlements taken up by them in the Rights Offer following the transfer of such entitlements from Titan and its affiliates and otherwise taken up as Underwriters under the Underwriting Agreement, have an aggregate value at the Offer Price of ZAR1,350,000,000;
“Treasury Shares”	the BIT Treasury Shares and the BML Treasury Shares;
“Underwriters”	Ethos Underwriters, Titan and RMB;
“Underwriting Agreement”	the underwriting agreement dated 27 November 2019 between the Company, Ethos Underwriters, Titan and RMB for the underwriting of the Rights Offer and including provision for the exercise by the Ethos Underwriters of entitlements in the Rights Offer transferred to them by Titan and its affiliates, and the Top-Up Subscription, as more fully described in Part 7 (<i>Rights Offer Details</i>) of this Circular;
“United States” or “US”	the United States of America, its territories and possessions, any state of the United States and the District of Columbia;
“US Securities Act”	the US Securities Act of 1933, as amended;

“US Dollar”

the lawful currency of the United States;

“VWAP”

volume-weighted average price, as published by or derived from Bloomberg page BAT SJ Equity HP (as further described in the terms and conditions of the Bonds);

“ZAR” or “Rand” or “R”

the lawful currency of South Africa; and

“ZAR Account”

Account name: Brait SE
Bank details: FNB
Account number: 62304959234
Branch name: Sandton
Branch code: 254005
Swift code: FIRNZAJJ

PART 6 EXPECTED TIMETABLE OF PRINCIPAL EVENTS

2020

Declaration Date	Tuesday, 21 January
Finalisation Date	Tuesday, 21 January
Publication of Circular on the Company's website	Monday, 27 January
Last day for Shareholders in Restricted Territories to satisfy the Company that they can participate in the Rights Offer	Monday, 27 January
Last day to trade in Shares on the Exchanges for Shareholders to be eligible to participate in the Rights Offer	Tuesday, 28 January
Existing Shares trade ex-Rights on the LuxSE at 09:00 (CET) and the JSE at 09:00 (SAST)	Wednesday, 29 January
Listing of and trading in Rights under Clearstream and Euroclear Common Code: 209120534, JSE code: BATN and ISIN: MT2000680212	Wednesday, 29 January
Circular posted to Certificated Shareholders	Thursday, 30 January
LuxSE Form of Instruction and Rights Certificates posted to Qualifying LuxSE Shareholders	Thursday, 30 January
First Record Date	Friday, 31 January
Rights Offer opens in Luxembourg and South Africa at 09:00 (CET)/09:00 (SAST)	Monday, 3 February
Qualifying LuxSE Shareholders that hold Dematerialised Shares will have their Participant or broker accounts credited with their Rights and can subsequently exercise their Rights	Monday, 3 February
Shareholders that hold Dematerialised Shares on the South African sub-register will have their broker or CSDP accounts credited with their Rights and subsequently can exercise their Rights	Monday, 3 February
Shareholders on the South African sub-register that hold Certificated Shares will have their Rights credited to an electronic account held at the South African Transfer Secretaries	Monday, 3 February
Circular distributed to Dematerialised Shareholders	Monday, 3 February
Qualifying Shareholders that hold Certificated Shares on the South African sub-register who want to sell their Rights must ensure that they have sent their instruction to the South African Transfer Secretaries no later than 11:00 (CET)/12:00 (SAST) (Shareholders are to ensure that the South African Transfer Secretaries have received the instruction and if they are posting they must factor posting delays)	Monday, 10 February
Last day to trade in Rights for Shareholders trading on Exchanges	Tuesday, 11 February
Listing and trading of New Shares on the Exchanges	Wednesday, 12 February
Certificated Shareholders wishing to renounce or subscribe for all or part of their Rights must lodge their Forms of Instruction together with payment or proof of payment with the Transfer Secretaries by 11:00 (CET)/12:00 (SAST)	Friday, 14 February
Second Record Date and closing date for acceptances under Rights Offer on the Exchanges at 11:00 (CET)/12:00 (SAST)	Friday, 14 February
Participants or brokers appointed by Qualifying LuxSE Shareholders that are Dematerialised Shareholders and located in Restricted Territories and who do not qualify as Permitted Restricted Territory Shareholders must contact the Luxembourg Transfer Secretaries by no later than 11:00 (CET)/12:00 (SAST)	Friday, 14 February
Delivery of New Shares to Shareholders	Monday, 17 February

New Shares credited to Dematerialised Shareholders' broker, Participant or CSDP accounts and share certificates posted to Certificated Shareholders (see note 8) by no later than	Monday, 17 February
Results of the Rights Offer released on SENS and the LuxSE website	Monday, 17 February
Dematerialised Shareholders' accounts updated and debited by their CSDP or Broker (in respect of successful excess applications)	Wednesday, 19 February
Share certificates distributed to Certificated Shareholders in respect of successful applications for Excess New Shares	Wednesday, 19 February
Refund payments (if any) in respect of unsuccessful applications by Certificated Shareholders for Excess New Shares made or refund cheques posted	Wednesday, 19 February

Notes:

- (1) These dates and times are indicative only and subject to change. All dates are estimations based on current expectations of the Company. If any of the dates and times change, details of the new dates and times will be published on the website of the LuxSE and on SENS.
- (2) Shareholders in Restricted Territories are required to satisfy the Company, in its sole and absolute discretion, by no later than 27 January 2020, that their exercise, sale or renunciation of the Rights and/or subscription for New Shares would not result in the contravention of any registration or other legal requirement in any jurisdiction in order to participate in the Rights Offer, failing which the Rights will instead be sold by RMB, on a best efforts basis and the proceeds will be remitted, net of brokerage charges and associated expenses, in accordance with the information of such Shareholders on the Brait share register. Further details are set out in paragraph 1.9 of Part 7 (*Rights Offer Details*). Rights allocated to Participants or brokers appointed by Qualifying LuxSE Shareholders that are Dematerialised Shareholders and located in Restricted Territories and who do not qualify as Permitted Restricted Territory Shareholders will not be sold by RMB on a best efforts basis as set out in paragraph 1.9 (*Overseas Shareholders*) of Part 7 (*Rights Offer Details*) of this Circular and such Participants or brokers must contact the Luxembourg Transfer Secretaries by no later than 11:00 (CET)/12:00 (SAST) on 14 February 2020 in order to discuss alternative arrangements.
- (3) Shares may not be transferred between Brait's register of members and the South African sub-register between 21 January 2020 and 31 January 2020.
- (4) Rights and Shares are transferable between the Luxembourg Rights Register and the South African sub-register and Brait's register of members and the South African sub-register, save as set out in note 3 above and note 6 below.
- (5) Share certificates may not be dematerialised or rematerialised between 29 January 2020 and 31 January 2020, both days inclusive.
- (6) Rights may not be transferred between Brait's register of members and the South African sub-register after 11 February 2020.
- (7) CSDP's or brokers (in respect of Qualifying JSE Shareholders) or Participants (in respect of Qualifying LuxSE Shareholders) must effect payment in respect of Dematerialised Shareholders on a delivery versus payment basis.
- (8) New Shares will only be delivered pursuant to the Rights Offer on 17 February 2020.
- (9) Share certificates will be posted, and refund payments will be made, at the risk of Qualifying Shareholders who are Certificated Shareholders (or their renounees).

PART 7 RIGHTS OFFER DETAILS

1. DETAILED TERMS OF THE RIGHTS OFFER AND THE TOP-UP SUBSCRIPTION

1.1 Summary of the Rights Offer

Brait is proposing to raise approximately ZAR5,250,000,000 before expenses by way of the fully committed and underwritten Rights Offer. The Rights Offer will consist of the listing of a maximum of 795,454,545 New Shares to be issued at the Offer Price, in the ratio of 1.6870 New Shares for every 1 Existing Share held, in terms of which each Qualifying Shareholder will be issued their proportionate number of Rights (taking into account the ratio mentioned above).

On and subject to the terms of the Rights Offer, each Right will entitle the holder to subscribe for a New Share at the Offer Price pursuant to the Rights Offer. The Rights: (i) will be listed on the Exchanges; (ii) will be renounceable; and (iii) will be capable of being traded on the Exchanges during the Rights Trading Period (although Brait gives no assurance that a market for the Rights will exist on either Exchange).

1.2 Particulars of the Rights Offer

In terms of the Rights Offer, Brait will offer Shareholders and/or their successors or renounees, the right to subscribe for a total of 795,454,545 New Shares at the Offer Price in the ratio of 1.6870 New Shares for every 1 Existing Share held on the First Record Date, subject to the terms and conditions set out herein.

No dematerialised or rematerialised orders will be processed in respect of Shares from 29 January 2020 (being the date on which it is expected that Existing Shares will trade *ex-Rights* on the Exchanges) up to 31 January 2020 (being the First Record Date) both days inclusive, but will recommence on the first business day after the First Record Date. The certificated register will be closed for this period.

New Shares representing fractional entitlements will not be issued to Qualifying Shareholders. Where necessary, entitlements to New Shares of 0.5 or greater will be rounded up and entitlements to New Shares of less than 0.5 will be rounded down to the nearest whole number.

On and subject to the terms of the Rights Offer, each Qualifying Shareholder will be issued their proportionate number of Rights (taking into account the ratio and the method of dealing with fractional entitlements as mentioned above), each of which: (i) will be listed on the Exchanges; (ii) will be renounceable; and (iii) will be capable of being traded on the Exchanges during the Rights Trading Period (although Brait gives no assurance that a market for the Rights will exist on either Exchange).

Application has been made to the LuxSE for the Rights to be admitted to the official list of the LuxSE and trading on the Euro MTF market (primary listing) and application has been made to the JSE for the Rights to be listed on the JSE (secondary listing).

It is expected that the Rights will commence trading on the Exchanges on 29 January 2020.

The Offer Price is payable in full upon acceptance by Certificated Shareholders, or on a delivery versus payment basis by Dematerialised Shareholders.

Qualifying Shareholders who do not exercise their Rights and therefore do not take up their entitlements to New Shares and certain Overseas Shareholders who are not entitled to take up their entitlements to New Shares will have their proportionate shareholdings in the Company diluted by approximately 62.8 per cent as a result of the Rights Offer.

Following the completion of the Rights Offer and assuming there is no Top-Up Subscription, those Qualifying Shareholders who take up all the New Shares offered to them will have the same proportionate voting and distribution rights as held by them on the First Record Date.

Subject to rounding down for fractional entitlements, following the completion of the Rights Offer and assuming there is a Top-Up Subscription, those Qualifying Shareholders who take up all the New Shares offered to them will have their proportionate shareholdings in the Company diluted by approximately 4.0 per cent.

Overseas Shareholders or any person (including, without limitation, custodians, nominees and trustees) who have a contractual or other legal obligation to forward this document into a jurisdiction other than Malta, Luxembourg and South Africa should consider paragraph 1.9 (*Overseas Shareholders*) below.

Application has been made to the LuxSE for the New Shares to be admitted to the official list of the LuxSE and trading on the Euro MTF market (primary listing) and the JSE (secondary listing).

It is expected that admission to trading on the Exchanges (in respect of the New Shares to be issued pursuant to the Rights Offer) will become effective on 12 February 2020.

New Shares have full entitlement to any dividends declared after the date of issue in respect of the Company's financial year ending 31 March 2020 and all subsequent financial years.

1.3 **Opening and closing dates of the Rights Offer**

The Rights Offer will open in Luxembourg and South Africa at 09:00 (CET)/09:00 (SAST) on 3 February 2020 and will close in Luxembourg and South Africa at 11:00 (CET)/12:00 (SAST) on 14 February 2020 (the "**Rights Offer Period**").

It is expected that the Shares will trade *ex-Rights* on the Exchanges from 09:00 (CET)/09:00 (SAST) on 29 January 2020.

1.4 **Issuance of Rights**

Qualifying JSE Shareholders

Qualifying JSE Shareholders should note that Rights will only be created in dematerialised form and will be listed on the JSE.

The Company is required to maintain a South African sub-register due to South African exchange control regulations and in order to facilitate the administration of Shares listed for trading on the JSE in South Africa. The necessary arrangements are in place to enable Rights to "cross the register" between the LuxSE and the JSE and *vice versa*.

Qualifying JSE Shareholders that hold Certificated Shares will: (i) have their Rights credited to an account in electronic form, which will be administered by the South African Transfer Secretaries on their behalf; and (ii) receive a printed JSE Form of Instruction which will outline the procedure to be followed should they wish to sell, renounce or exercise all or any of their Rights, as more fully described in paragraph 1.6 below.

Qualifying JSE Shareholders that hold Dematerialised Shares will: (i) have their Rights credited to their custody accounts with their appointed CSDP or broker; and (ii) not receive a printed JSE Form of Instruction, but will be advised by their CSDPs or brokers of the procedures to be followed should such Shareholders wish to sell, renounce or exercise all or any of their Rights, as more fully described in paragraph 1.6 below.

Qualifying LuxSE Shareholders

Qualifying LuxSE Shareholders should note that Rights will only be created in registered certificated form and will be listed on the LuxSE.

Qualifying LuxSE Shareholders that hold Certificated Shares will: (i) have their Rights issued in certificated form and registered in the Luxembourg Rights Register which will be administered by the Luxembourg Transfer Secretaries; and (ii) receive a printed LuxSE Form of Instruction which will outline the procedure to be followed should they wish to sell, renounce or exercise all or any of their Rights, as more fully described in paragraph 1.7 below.

Qualifying LuxSE Shareholders that hold Dematerialised Shares will: (i) have their Rights credited to their custody accounts with their appointed Participant or broker; and (ii) not receive a printed LuxSE Form of Instruction, but will be advised by their Participant or broker of the procedures to be followed should such Shareholders wish to sell, renounce or exercise all or any of their Rights, as more fully described in paragraph 1.7 below.

1.5 **Procedure for application for Excess New Shares**

Qualifying Shareholders that hold Certificated Shares and their successors or renounees wishing to apply for Excess New Shares must complete the relevant Form of Instruction in accordance with the instructions contained therein and, once completed, lodge the same, together with payment or proof of payment of the Offer Price for the number of Excess New Shares, with the South African Transfer Secretaries or Luxembourg Transfer Secretaries, as applicable, so as to be received by them by no later than 11:00 (CET)/12:00 (SAST) on 14 February 2020.

Refund payments in respect of unsuccessful applications by Qualifying Shareholders that hold Certificated Shares or their successors or renounees for Excess New Shares will be made, or cheques posted, to the relevant applicants, at their risk, on or about 19 February 2020. No interest will be paid on monies received in respect of unsuccessful applications. If the applicant concerned is not a Shareholder and gives no address in the relevant Form of Instruction, then the relevant refund will be held by Brait until collected by the applicant and no interest will accrue to the applicant in respect thereof.

Qualifying Shareholders that are Dematerialised Shareholders wishing to apply for Excess New Shares should instruct their CSDP, Participant or broker, in terms of the custody agreement entered into between themselves and their CSDP, Participant or broker, as to the number of Excess New Shares for which they wish to apply.

1.6 Procedure applicable only to Qualifying JSE Shareholders in respect of exercising, renouncing and/or selling Rights

1.6.1 *Certificated Shareholders*

(a) *Exercising Rights*

Full details of the procedure for the exercise of Rights (which will amount to an acceptance of the Rights Offer, whether wholly or partially) by Qualifying JSE Shareholders that hold Certificated Shares are contained in the JSE Form of Instruction. The following should be noted:

- (i) All Qualifying JSE Shareholders that hold Certificated Shares and/or their renounees wishing to exercise all or any of the Rights allocated to them, must complete the JSE Form of Instruction and lodge it, together with payment, or proof of payment, of the Offer Price, with the South African Transfer Secretaries during the Rights Offer Period, so as to be received by the South African Transfer Secretaries by no later than 11:00 (CET)/12:00 (SAST) on 14 February 2020.
- (ii) Electronic funds transfers into the ZAR Account will be accepted. It should be noted that this is for subscription for the New Shares (including Excess New Shares) only and is not for selling of the Rights.
- (iii) Any exercise of Rights by a Certificated Shareholder and/or its renounee will only be regarded as complete: (i) once the South African Transfer Secretaries have received a duly completed JSE Form of Instruction from such Certificated Shareholder or renounee indicating the number of Rights exercised by such Certificated Shareholder or renounee; and (ii) once payment of the Offer Price has been made by such Certificated Shareholder or renounee in accordance with the payment instructions set out in the JSE Form of Instruction (a brief summary of such payment instructions is set out below).
- (iv) Any exercise of Rights will be irrevocable and may not be withdrawn.
- (v) If the South African Transfer Secretaries do not receive a JSE Form of Instruction from any Certificated Shareholder and/or their renounees during the Rights Offer Period, as set out above, the Rights Offer will be deemed to have been declined by such Certificated Shareholder and the Rights will lapse. **Certificated Shareholders are advised to take into consideration postal delivery times when posting their JSE Form of Instruction, as no late postal deliveries will be accepted. Certificated Shareholders are advised to deliver their completed JSE Form of Instruction together with payment, or proof of payment, to the South African Transfer Secretaries by hand or by courier, where possible.**
- (vi) All Qualifying JSE Shareholders that hold Certificated Shares and/or their renounees that validly exercise any of their Rights and subscribe for New Shares pursuant to the Rights Offer, will receive such New Shares in certificated form.

(b) *Renunciation or sale of Rights*

Qualifying JSE Shareholders that hold Certificated Shares that do not wish to exercise all or any of the Rights allocated to them (as reflected in the JSE Form of Instruction), may sell or renounce all or a portion of their Rights.

Qualifying JSE Shareholders that hold Certificated Shares who wish to sell all or any of the Rights allocated to them (as reflected in the JSE Form of Instruction), must complete the relevant section of the JSE Form of Instruction and return it to the South African Transfer Secretaries in accordance with the instructions contained therein, to be received by no later than 11:00 (CET)/12:00 (SAST) on 10 February 2020.

The South African Transfer Secretaries will endeavour to procure the sale of the Rights on the JSE on behalf of such Certificated Shareholders and will remit the proceeds in accordance with the payment instructions reflected in the JSE Form of Instruction, net of brokerage charges and associated expenses. Neither the South African Transfer Secretaries nor Brait nor any broker appointed by either of them will have any obligation to a Certificated Shareholder or be responsible for any loss or damage whatsoever in relation to or arising out of the timing of such sales, the price obtained or any failure to sell such Rights.

Certificated Shareholders who wish to renounce all or any of the Rights allocated to them (as reflected in the JSE Form of Instruction), should complete the relevant section of the JSE Form of Instruction and return it to the South African Transfer Secretaries in accordance with the instructions contained therein.

Qualifying JSE Shareholders that hold Certificated Shares wishing to sell or renounce all or some of their Rights will be liable to pay brokerage charges and associated expenses.

(c) *Payment*

Payment of the Offer Price must be made in ZAR and must be received by no later than 11:00 (CET)/12:00 (SAST) on 14 February 2020, together with a completed JSE Form of Instruction, by either:

- (i) delivering to the South African Transfer Secretaries a banker's draft or a bank guaranteed cheque, drawn on a South African bank (in either case crossed and marked "not transferable" and in the case of a cheque, also with the words "or bearer" crossed out) in favour of "Brait SE", as follows:

By hand or by courier: Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196, South Africa

By post: PO Box 61763, Marshalltown, 2107, South Africa; or

- (ii) an electronic funds transfer into the ZAR Account. If payment is made by electronic funds transfer, a Qualifying JSE Shareholder must provide proof of payment together with the JSE Form of Instruction it submits to the South African Transfer Secretaries.

All banker's drafts or cheques received by the South African Transfer Secretaries by the date and time mentioned above will forthwith be deposited for payment into the ZAR Account.

Delivery of any bank guaranteed cheque or banker's draft will be at the risk of the Qualifying JSE Shareholder (or their renounee) concerned.

Payment will constitute an irrevocable subscription by the Qualifying JSE Shareholder that holds Certificated Shares (or its renounee) for the New Shares upon the terms of the Rights Offer.

If the South African Transfer Secretaries do not receive a properly completed JSE Form of Instruction and a cheque/bankers' draft, or proof of electronic funds transfer, from any Qualifying JSE Shareholder that holds Certificated Shares by 11:00 (CET)/12:00 (SAST) on 14 February 2020 or if any cheque or bankers' draft is not honoured on presentation, or any electronic funds transfer is reversed for any reason, the Rights Offer will be deemed to have been declined by such Shareholder and the relevant Rights will lapse.

(d) *Share certificates*

Share certificates in respect of New Shares will be posted, by registered post, by the South African Transfer Secretaries, at the risk of the Certificated Shareholders (or their renounees) concerned, on or about 17 February 2020.

1.6.2 **Dematerialised Shareholders**

(a) *Exercise, renunciation or sale of Rights*

Qualifying JSE Shareholders that are Dematerialised Shareholders will not receive a JSE Form of Instruction. The CSDP or broker appointed by a Dematerialised Shareholder: (i) will credit such Dematerialised Shareholder's account with the number of Rights that they are entitled to pursuant to the Rights Offer; and (ii) should contact such Dematerialised Shareholder to ascertain:

- whether they wish to exercise all or any of their Rights in terms of the Rights Offer (in which case such CSDP or broker will effect payment of the Offer Price to Brait on a delivery versus payment basis); or
- whether they wish to renounce or sell all or any of their Rights.

If you are not contacted, you should contact your CSDP or broker and furnish them with your instruction. Should a CSDP or broker not obtain instructions from a Dematerialised Shareholder, they are obliged to act in terms of the mandate granted to them by such Dematerialised Shareholder, or if the mandate is silent in this regard, not to exercise the Rights on behalf of such Dematerialised Shareholder.

Brait does not take responsibility and will not be held liable for any failure on the part of any CSDP or broker to notify Qualifying JSE Shareholders that are Dematerialised Shareholders of the Rights Offer and/or to obtain instructions to subscribe for the New Shares and/or to sell and/or renounce the Rights.

Qualifying JSE Shareholders that are Dematerialised Shareholders who wish to sell or renounce some or all of their Rights will be liable to pay brokerage charges and associated expenses.

(b) *Payment*

Payment by Qualifying JSE Shareholders that are Dematerialised Shareholders (or their renounees) will be effected on their behalf by their CSDP or broker, in ZAR, on a delivery versus payment basis. Such Dematerialised Shareholders must ensure that they place their CSDP or broker in sufficient funds so as to enable them to settle the aggregate Offer Price for the New Shares for which they wish to subscribe.

(c) *New Shares*

Dematerialised Shareholders will have their accounts with their CSDP or broker credited with the New Shares subscribed for in terms of the Rights Offer, on 17 February 2020.

1.7 Procedure applicable only to Qualifying LuxSE Shareholders in respect of exercising, renouncing and/or selling Rights

1.7.1 *Certificated Shareholders*

(a) *Exercising Rights*

Full details of the procedure for the exercise of Rights (which will amount to an acceptance of the Rights Offer, whether wholly or partially) by Qualifying LuxSE Shareholders that hold Certificated Shares are contained in the LuxSE Form of Instruction. The following should be noted:

- All Qualifying LuxSE Shareholders that hold Certificated Shares and/or their renounees wishing to exercise all or any of the Rights allocated to them, must complete the LuxSE Form of Instruction and lodge it, together with proof of payment of the Offer Price, with the Luxembourg Transfer Secretaries during the by no later than 11:00 (CET) on 14 February 2020.
- Electronic funds transfers into the ZAR Account or EUR Account will be accepted. It should be noted that this is for subscriptions for the New Shares (including Excess New Shares) only and is not for selling of the Rights.
- Any exercise of Rights by a Certificated Shareholder and/or its renounee will only be regarded as complete: (i) once the Luxembourg Transfer Secretaries have received a duly completed LuxSE Form of Instruction from such Certificated Shareholder and/or renounees indicating the number of Rights exercised by such Certificated Shareholder and (ii) once payment of the Offer Price has been made by such Certificated Shareholder in accordance with the payment instructions set out in the LuxSE Form of Instruction (a brief summary of such payment instructions is set out below).
- Any exercise of Rights will be irrevocable and may not be withdrawn.
- If the Luxembourg Transfer Secretaries do not receive a LuxSE Form of Instruction from any Certificated Shareholder and/or renounees during the Rights Offer Period, as set out above, the Rights Offer will be deemed to have been declined by such Certificated Shareholder and the Rights will lapse. **Certificated Shareholders are advised to take into consideration postal delivery times when posting their**

Forms of Instruction as no late postal deliveries will be accepted. Certificated Shareholders are advised to deliver their completed Forms of Instruction together with or proof of payment to the Luxembourg Transfer Secretaries by hand or by courier, where possible.

- (vi) All Qualifying LuxSE Shareholders that hold Certificated Shares and/or their renounees that validly exercise any of their Rights and subscribe for New Shares pursuant to the Rights Offer, will receive such New Shares in certificated form.

(b) *Renunciation or sale of Rights*

Qualifying LuxSE Shareholders that hold Certificated Shares that do not wish to exercise all or any of the Rights allocated to them (as reflected in the LuxSE Form of Instruction), may sell or renounce all or a portion of their Rights.

Qualifying LuxSE Shareholders that hold Certificated Shares who wish to sell all or any of the Rights allocated to them (as reflected in the LuxSE Form of Instruction) must appoint a Participant who will dematerialise their Rights into the Clearstream or Euroclear system so that their Rights are capable of being traded on the LuxSE. Neither the Luxembourg Transfer Secretaries nor Brait will have any obligation to a Certificated Shareholder or be responsible for any loss or damage whatsoever in relation to or arising out of the timing of such sales, the price obtained or any failure to sell such Rights.

Certificated Shareholders who wish to renounce all or any of the Rights allocated to them (as reflected in the LuxSE Form of Instruction), should complete the relevant section of the LuxSE Form of Instruction and return it to the Luxembourg Transfer Secretaries in accordance with the instructions contained therein.

Qualifying LuxSE Shareholders that hold Certificated Shares wishing to sell or renounce all or some of their Rights may be liable to pay brokerage charges and associated expenses.

(c) *Payment*

Currency

On exercising any Rights, the Offer Price payable to subscribe for the requisite number of New Shares pursuant to the Rights Offer will be payable in either ZAR or EUR.

The Offer Price is fixed in EUR on the Latest Practicable Date, with reference to the EUR:ZAR cross-rate at that time. If there is a fluctuation of 5 per cent or more in that cross-rate during the Rights Trading Period, Brait will have the discretion to reset the EUR price to ensure that the EUR price still equates to the Offer Price of ZAR6.60 per New Share.

Payment terms

The Offer Price must be paid and credited to the ZAR Account or the EUR Account as soon as possible and in any event by no later than 11:00 (CET)/12:00 (SAST) on 14 February 2020, being the latest time and date for the exercise of Rights.

(d) *Share certificates*

Share certificates in respect of New Shares will be posted, by registered post, by the Luxembourg Transfer Secretaries, at the risk of the Certificated Shareholders concerned, on or about 17 February 2020.

Shareholders receiving New Shares in certificated form must note that such Shares cannot be sold on the LuxSE until they have been dematerialised.

(e) *Qualifying LuxSE Shareholders located in Restricted Territories and holding Certificated Shares*

The Rights allocated to Qualifying LuxSE Shareholders located in Restricted Territories and holding Certificated Shares, and who do not qualify as Permitted Restricted Territory Shareholders, will be issued in South Africa and delivered to RMB, via the South African Transfer Secretaries, for sale by RMB on the JSE as set out in paragraph 1.9.1 below. None of the Luxembourg Transfer Secretaries, the South African Transfer Secretaries, RMB, the Company and/or any of its advisors set out in this Circular shall be liable for any loss of any nature suffered by a Qualifying LuxSE Shareholder, a Participant or a broker as a result of the failure to deliver a Qualifying LuxSE Shareholder's Rights to the South African Transfer Secretaries for sale by RMB on the JSE.

1.7.2 **Dematerialised Shareholders**

(a) *Exercise, renunciation or sale of Rights*

The Participant or broker appointed by a Qualifying LuxSE Shareholders that is a Dematerialised Shareholder: (i) will credit such Dematerialised Shareholder's account with the number of Rights that they are entitled to pursuant to the Rights Offer; and (ii) should contact such Dematerialised Shareholder to ascertain:

- whether they wish to exercise all or any of their Rights in terms of the Rights Offer (in which case such Participant or broker will effect payment of the Offer Price to Brait on a delivery versus payment basis); or
- whether they wish to renounce or sell all or any of their Rights.

If you are not contacted, you should contact your Participant or broker and furnish them with your instruction. Should a Participant or broker not obtain instructions from a Dematerialised Shareholder, they are obliged to act in terms of the mandate granted to them by such Dematerialised Shareholder, or if the mandate is silent in this regard, not to exercise the Rights on behalf of such Shareholder.

Brait does not take responsibility and will not be held liable for any failure on the part of any Participant or broker to notify Qualifying LuxSE Shareholders that are Dematerialised Shareholders of the Rights Offer and/or to obtain instructions to subscribe for the New Shares and/or to sell and/or renounce the Rights.

Qualifying LuxSE Shareholders that are Dematerialised Shareholders who wish to sell or renounce some or all of their Rights may be liable to pay brokerage charges and associated expenses.

(b) *Payment*

Your Participant or broker will effect payment directly on your behalf in respect of Rights exercised, in ZAR or EUR on a delivery versus payment basis.

The Offer Price is fixed in EUR on the Latest Practicable Date, with reference to the EUR:ZAR cross-rate at that time. If there is a fluctuation of 5 per cent or more in that cross-rate during the Rights Trading Period, Brait will have the discretion to reset the EUR price to ensure that the EUR price still equates to the Offer Price of ZAR6.60 per New Share.

(c) *New Shares*

Dematerialised Shareholders will have their accounts with their Participant or broker credited with the New Shares subscribed for in terms of the Rights Offer, on 17 February 2020.

(d) *Qualifying LuxSE Shareholders located in Restricted Territories and holding Dematerialised Shares*

It is the responsibility of the Participant or broker appointed by a Qualifying LuxSE Shareholder that is a Dematerialised Shareholder and located in a Restricted Territory to contact the Luxembourg Transfer Secretaries before 11:00 (CET) on 14 February 2020 in order to discuss alternative arrangements to those set out in paragraph 1.9.1 below. None of the Luxembourg Transfer Secretaries, the South African Transfer Secretaries, RMB, the Company and/or any of its advisors set out in this Circular shall be liable for any loss of any nature suffered by a Qualifying LuxSE Shareholder, a Participant or a broker as a result of the failure of such Participant or broker to contact the Luxembourg Transfer Secretaries before the deadline stipulated above.

1.8 **Lapse of Rights**

The Rights which remain unexercised at the end of the Rights Offer Period will lapse.

1.9 **Overseas Shareholders**

The making of the Rights Offer to persons located or resident in, or who are citizens of, or who have a registered address in countries other than Malta, Luxembourg and South Africa, may be affected by the law or regulatory requirements of the relevant jurisdiction. The offer of New Shares under the Rights Offer may not be capable of acceptance, or purported acceptance, in certain territories. Subject to the provisions set out below, Shareholders with a registered address in a Restricted Territory are not being sent this document and are not entitled to accept any offer to acquire Rights.

Any Shareholder who is in any doubt as to his position should consult an appropriate professional advisor without delay.

1.9.1 **General**

Rights will not be capable of exercise by Shareholders with registered addresses in, or who are resident in any of the Restricted Territories nor to their respective agents or intermediaries, other than Permitted Restricted Territory Shareholders. The Rights attributable to Shareholders with registered addresses or who are resident in any of the jurisdictions named in the definition of Restricted Territories, other than Permitted Restricted Territory Shareholders, will instead be delivered to RMB, via the South African Transfer Secretaries, and RMB will act as nominee for the said Shareholders. RMB will procure the sale of such Rights, on a best efforts basis, on the JSE and will remit proceeds, net of brokerage charges and associated expenses, in accordance with the information of such Shareholders on the Brait share register. None of RMB, the South African Transfer Secretaries, Brait or any broker appointed by any of them will be responsible for any loss of damage whatsoever in relation to or arising out of the timing of such sales, the price obtained or any failure to sell such Rights.

No person receiving a copy of this Circular and/or being offered Rights in any territory other than Malta, Luxembourg and South Africa may treat the same as constituting an invitation or offer to accept, exercise and/or use the Rights unless, in the relevant territory, such action could lawfully be performed, implemented or dealt with, without contravention of any registration or other legal requirements. In such circumstances, this document and the Rights are to be treated as sent for information only and should not be copied or redistributed.

The Company reserves the right, without the consent of the Underwriters, to treat as invalid and will not be bound to issue any New Shares in respect of any acceptance or purported acceptance of the Rights Offer which:

- appears to the Company or its agents to have been executed, effected or despatched from any Restricted Territory unless the Company is satisfied that such action would not result in the contravention of any registration or other legal requirement; or
- in the case of a Certificated Shareholder, entails such Shareholder specifying in its completed Form of Instruction an address for delivery of the share certificates in any Restricted Territory, unless the Company is satisfied that delivering a share certificate to such Restricted Territory would not result in the contravention of any registration or other legal requirement; or
- appears to the Company or its agents to have been executed, effected or despatched in a manner which may involve a breach of laws or regulations of any jurisdiction, or if the Company believes, or its agents believe, that the same may violate applicable legal or regulatory requirements.

Despite any other provision of this document or the Forms of Instruction, the Company reserves the right to permit any Shareholder to exercise his or her Rights if the Company in its sole and absolute discretion is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations giving rise to the restrictions in question.

Permitted Restricted Territory Shareholders who do not wish RMB to endeavour to procure the sale of their Rights in accordance with this paragraph 1.9.1 must satisfy the Company, in its sole and absolute discretion, by no later than 27 January 2020 that their exercise, sale or renunciation of the Rights and/or their subscription for New Shares would not result in the contravention of any registration or other legal requirement in any jurisdiction.

1.9.2 **United States**

The New Shares and the Rights have not been and will not be registered under the US Securities Act or under any relevant securities laws of any state or other jurisdiction of the United States and, accordingly, may not be offered, sold, pledged, taken up, exercised, resold, transferred or delivered, directly or indirectly, except pursuant to an applicable exemption from or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws.

Accordingly, Shareholders with registered addresses in, or who are resident or located in, the United States, may not accept any offer to participate in the Rights Offer unless an exemption from the registration requirements of the US Securities Act is available.

Subject to certain exceptions, neither this document nor the Forms of Instruction constitutes or will be capable of acceptance to acquire any New Shares in the United States.

Subject to certain exceptions, neither this document nor the Forms of Instruction will be sent to any Shareholder having a registered address in the United States.

Subject to certain exceptions, Rights or renunciations thereof sent from or post-marked in the United States will be deemed to be invalid and all persons acquiring New Shares and wishing to hold such New Shares in registered form must provide an address for registration of the New Shares outside the United States.

Subject to certain exceptions, any person who acquires any New Shares will be deemed to have declared, warranted and agreed, by accepting delivery of this document or the Rights, taking up their entitlement or accepting delivery of the New Shares, that they are not, and that at the time of acquiring the New Shares they will not be, in the United States or acting on a non-discretionary basis for a person located within the United States.

1.10 **Conditions precedent to the Rights Offer**

The implementation of the Rights Offer was subject to the following conditions precedent being fulfilled or waived by Brait by 21 January 2020 or such later date as may have been determined by the Board:

- the Underwriting Agreement becoming unconditional in accordance with its terms (save insofar as it is conditional on the Rights Offer opening); and
- approvals by the LuxSE and the JSE of the Rights Offer and the listing of the Rights and the New Shares.

2. **RIGHTS OFFER SALIENT FEATURES**

Rights Offer

Number of Existing Shares (including Treasury Shares)	525,599,215
Treasury Shares	54,091,259
Number of Existing Shares (excluding Treasury Shares)	471,507,956
Rights Offer ratio	1.6870
Number of Rights to be issued	795,454,545
Number of New Shares to be issued pursuant to the Rights Offer	795,454,545
Total number of Shares in issue post Rights Offer (assuming the Top-Up Subscription is implemented in full)	1,319,992,804
Offer Price	ZAR6.60 (EUR 0.41)
Total estimated Rights Offer value	ZAR5,250,000,000
Total Top-Up Subscription value	ZAR350,000,000
Aggregate value of Shareholder Commitments	ZAR3,127,753,025
Aggregate value of the underwriting commitments	ZAR2,122,246,975
Exchanges	LuxSE and JSE

3. **UNDERWRITING OF THE RIGHTS OFFER AND SHAREHOLDER COMMITMENTS**

In order to provide certainty regarding the outcome of the Rights Offer, the Company has entered into the following arrangements:

- An underwriting agreement between the Company, the Ethos Underwriters, Titan and RMB on 27 November 2019 (the “**Underwriting Agreement**”) for the underwriting of 321,552,572 New Shares to be issued pursuant to the Rights Offer, equal to an aggregate value of ZAR2,122,246,975 at the Offer Price, by the Underwriters on the terms and subject to the conditions contained in the Underwriting Agreement. The Company has agreed to pay each of: (i) the Ethos Underwriters a commission equal to 2 per cent of the aggregate number of New Shares taken up by each such party multiplied by the Offer Price; and (ii) Titan and RMB a commission equal to 2 per cent of each of their respective underwriting commitments, in each case with any applicable value added tax or similar tax.
- An agreement by the Ethos Underwriters under the Underwriting Agreement:
 - to exercise entitlements in the Rights Offer in respect of 151,515,152 New Shares having an aggregate value of ZAR1,000,000,000 at the Offer Price, which have been transferred to them by Titan and its affiliates;

- to non-pre-emptively subscribe for New Shares at the Offer Price having an aggregate value at the Offer Price of up to ZAR350,000,000, such that the aggregate New Shares subscribed by them, including those otherwise taken up under the Underwriting Agreement, have an aggregate value at the Offer Price of ZAR1,350,000,000; and
- irrevocable undertakings from:
 - Titan that it shall, and shall procure that any relevant affiliates shall, subscribe for 113,636,364 New Shares, at the Offer Price, having an aggregate value of ZAR750,000,000. The Company has agreed to pay Titan a commission equal to 1 per cent of the aggregate number of New Shares taken up pursuant to the Rights Offer multiplied by the Offer Price, together with any applicable value added tax; and
 - major institutional Shareholders to subscribe for all, or a portion, of their respective entitlements to New Shares pursuant to the Rights Offer, subject to certain exceptions for compliance with investment mandates, having an aggregate value of ZAR1,377,753,025 at the Offer Price. The Company has agreed to pay each such Shareholder a commission equal to 1 per cent of the aggregate number of New Shares taken up by each such party pursuant to the Rights Offer multiplied by the Offer Price, together with any applicable value added tax.

Further details of the terms of the Underwriting Agreement and irrevocable undertakings are set out in paragraph 12.1 (*Underwriting Agreement and Irrevocable Undertakings*) of Part 15 (*Additional Information*).

4. **STOCK EXCHANGES**

The Board envisages that the Rights issued pursuant to the Rights Offer will be admitted to the official list of the LuxSE and trading on the Euro MTF market at 09:00 (CET) on 29 January 2020.

The Rights are also expected to be listed on the JSE at 09:00 (SAST) on 29 January 2020.

The Board envisages that the New Shares issued pursuant to the Rights Offer will be admitted to the official list of the LuxSE and trading on the Euro MTF market at 09:00 (CET) on 12 February 2020.

The New Shares are also expected to be listed on the JSE at 09:00 (SAST) on 12 February 2020.

5. **EXPENSES**

The expenses of the Equity Capital Raise, estimated to be ZAR170,000,000, are payable by Brait out of the proceeds of the Equity Capital Raise. The expenses referred to include the listing fees payable to the LuxSE and the JSE.

6. **RIGHTS ATTACHING TO THE NEW SHARES**

The New Shares will rank *pari passu* with the Existing Shares in all respects.

7. **APPLICABLE LAW AND JURISDICTION**

The New Shares will be governed by Maltese law and any dispute or suit relating to the Rights and the New Shares will be subject to the exclusive jurisdiction of the Maltese courts.

PART 8 SIGNIFICANT SHAREHOLDERS

1. TITAN SHAREHOLDING

Titan and its affiliates currently own 188,730,749 Shares, equating to a 40.0 per cent shareholding in Brait, excluding Treasury Shares. As announced to the market on 30 September 2019, Titan entered into an agreement on 25 September 2019 to dispose of 27,283,228 shares in Brait to Mergence Investment Managers Proprietary Limited (“**Mergence**”). As part of the transaction, Titan and Mergence have entered into a voting pool arrangement representing 46.35% of Brait’s 471.51 million shares in issue, excluding Treasury Shares. Titan remains in control of the voting pool.

Titan has given the Company an irrevocable undertaking to subscribe, and procure that any relevant affiliates subscribe, for New Shares pursuant to the Rights Offer, totalling 35.7 per cent of Titan and its affiliates’ entitlements to New Shares and equal to an aggregate value of ZAR750,000,000 of New Shares.

Titan will renounce 151,515,152 Rights it is entitled to pursuant to the Rights Offer to the Ethos Underwriters, representing 47.6 per cent of Titan and its affiliates’ entitlements pursuant to the Rights Offer. The Ethos Underwriters have given the Company an irrevocable undertaking to subscribe for New Shares pursuant to the Rights Offer via the Rights renounced by Titan to the Ethos Underwriters and equal to an aggregate value of ZAR1,000,000,000 of New Shares.

In addition, Titan has given a firm underwriting commitment in respect of New Shares, equal to an aggregate value ZAR250,000,000.

Titan will be entitled to receive the fees payable by the Company for acting as an Underwriter and for committing to participate in the Rights Offer.

2. THE ETHOS UNDERWRITERS SHAREHOLDING

It is the intention of the Ethos Underwriters to acquire ZAR1,350,000,000 worth of Shares pursuant to the Rights Offer and, to the extent required, the Top-Up Subscription.

The intention is to be achieved through a combination of the Ethos Underwriters’ irrevocable undertaking to subscribe for New Shares, to the aggregate value at the Offer Price of ZAR1,000,000,000 in New Shares, through Rights renounced to the Ethos Underwriters by Titan, and its underwriting of New Shares, to the aggregate value at the Offer Price of ZAR350,000,000, on a first discharge basis. Subsequent to the closing of the Rights Offer and the discharge of the Ethos Underwriters’ underwrite, if the Ethos Underwriters have not obtained New Shares, to the aggregate value of ZAR1,350,000,000 in New Shares, Ethos Underwriters will have the right in terms of the Top-Up Subscription to subscribe at the Offer Price for a number of New Shares equal to the aggregate value of ZAR350,000,000, less the number of New Shares acquired by the Ethos Underwriters pursuant to the discharge of their underwriting commitments.

Post the Rights Offer and the Top-Up Subscription (to the extent required), the Ethos Underwriters will have a shareholding of 204,545,455 Shares.

Each of the Ethos Underwriters is entitled to receive from the Company a commission equal to 2 per cent of the aggregate number of New Shares taken up by such party multiplied by the Offer Price, together with any applicable value added tax or similar tax.

3. SIGNIFICANT SHAREHOLDERS

As at 31 December 2019, as far as is known by the Company, the following Shareholders, other than Directors, are directly or indirectly beneficially interested in 10 per cent or more of the Shares (excluding Treasury Shares):

Name	Total beneficial interest (number of Shares)	Total beneficial interest (percentage held) (excluding Treasury Shares)
Government Employees Pension Fund	76,338,806	16.19%

As at the date of this Circular and following the implementation of the Rights Offer, no Shareholders hold or will hold more than 50 per cent of Brait’s entire issued share capital.

PART 9 USE OF PROCEEDS

1. USE OF PROCEEDS OF THE EQUITY CAPITAL RAISE

The net proceeds of the Equity Capital Raise (after costs, fees and expenses related to the Equity Capital Raise) are intended to be used by the Company for the repayment of the remaining portion of the Outstanding Bonds at or before their maturity on 18 September 2020 and to partially repay the BML RCF. In connection therewith, Brait has entered into a forward exchange contract with RMB and Standard Bank to purchase sufficient Pounds Sterling in cash to the aggregate value of GBP170,000,000 to repurchase the remaining Outstanding Bonds by their 18 September 2020 maturity. The GBP170,000,000 of cash will be held at Brait for the sole purpose of the repurchase of the Outstanding Bonds.

Proceeds reconciliation:	(ZAR)
Total amount to be raised in terms of the Rights Offer before expenses	5,250,000,000
Approximate expenses of the Equity Capital Raise (excluding VAT)	(170,000,000)
Potential Top-Up Subscription	350,000,000
Estimated net proceeds arising from the Equity Capital Raise	5,430,000,000

PART 10 MANAGEMENT AND CORPORATE GOVERNANCE

1. BRAIT BOARD

The Board, in addition to its normal governance and risk management responsibilities, acts as the *de facto* investment committee for the Group, and has the final say on all investment related decisions.

Post the Recapitalisation, changes in the Board composition will be proposed to Shareholders for their approval.

The current members of the Board are as follows:

Name, age and nationality	Business address	Function/Occupation	Date of appointment as director
Phillip Jabulani Moleketi (62) South African	Level 7, Rosebank Towers 54 Biermann Avenue Rosebank, 2196 South Africa	Independent Non-executive Chairman	7 September 2009
Dr Christoffel Hendrik Wiese (78) South African	36 Stellenberg Road Parow Industria Cape Town, 7493 South Africa	Non-executive Director	4 May 2011
Christopher Stefan Seabrooke (66) South African	Building Four Commerce Square 39 Rivonia Road Sandton, 2196 South Africa	Independent Non-executive Director	19 June 2009
John Chester Botts CBE (78) American	42 Brook Street London, W1X 5DB United Kingdom	Independent Non-executive Director	29 January 2016
Alan Steven Jacobs (57) British	3rd Floor 55 Blandford Street London, W1U 7HW United Kingdom	Independent Non-executive Director	19 February 2015
Dr Lawrence Leon Porter (67) British	4th Floor Avantech Building St Julian's Road San Gwann SGN 2805 Malta	Independent Non-executive Director	28 May 2013
Hermanus Roelof Willem Troskie (49) Dutch	58 rue Charles Martel L-2134 Luxembourg	Independent Non-executive Director	27 July 2005
Paul Roelofse (42) South African	36 Stellenberg Road Parow Industria Cape Town, 7493 South Africa	Alternate Director to Dr CH Wiese	2 October 2019

1.1 Curriculum Vitae of the Board

Phillip Jabulani Moleketi

Independent Non-executive Chairman

Qualifications: Advanced Management Programme (Harvard Business School in Boston), MSc (Financial Economics), post-graduate diploma in Economic Principles.

Former Deputy Minister of Finance of South Africa and Gauteng Province MEC of Finance and Economic Affairs as well as a director of several companies listed on the JSE. He is non-executive chairman of Harith, Vodacom and PPC Limited. He holds postgraduate economics and management qualifications from the University of London and Harvard Business School and has extensive international exposure, extensive strategic leadership skills and in-depth corporate governance experience in both the public and private sectors.

Dr Christoffel Hendrik Wiese

Non-executive Director

Qualifications: BA LLB D.Com (h.c.) University of Stellenbosch, South Africa, D.Comm (Bus. Management) (h.c.) Nkhoma University, Malawi D. Tech: Marketing, Cape Peninsula University of Technology

Dr Wiese is chairperson of Shoprite Holdings Limited, Africa's largest fast-moving consumer goods retail company with a total of more than 2,400 outlets trading in 15 countries in Africa and the Indian Ocean Islands, employing more than 148,000 people.

Dr Wiese is a significant shareholder in a range of businesses throughout the world. He holds significant stakes in Brait, Tradehold Limited (UK-based property investment company) and Invicta Holdings Limited.

Dr Wiese has served on the boards of many listed companies over the years and is a past director of the South African Reserve Bank and former chairman of the Industrial Development Corporation of SA Limited and Pepkor Holdings Proprietary Limited.

During 2015, Dr Wiese was awarded the Lifetime Achievement Award at the Sunday Times Top 100 Companies Awards; the All Africa Business Leaders Awards, as well as being inducted into the World Retail Hall of Fame.

Christopher Stefan Seabrooke

Independent Non-executive Director

Qualifications: BCom, BAcc, MBA, FCMA

Mr Seabrooke has been a director of over 25 stock exchange listed companies over the years. He is currently chief executive officer of Sabvest Limited, Chairman of Metrofile Holdings Limited, Net1 UEPS Technologies Inc. and Transaction Capital Limited, and a director of Rolfes Holdings Limited. He is a former Chairman of The South African State Theatre and former Deputy Chairman of the inaugural National Arts Council of South Africa.

John Chester Botts

Independent Non-executive Director

Qualifications: BA (Williams College, Massachusetts)

Mr Botts is senior advisor in the London office of investment firm Allen and Company and senior advisor to Corsair Capital; formerly non-executive chairman of Euromoney Institutional Investor plc and non-executive chairman of United Business plc. In 1987, he founded the investment banking and investment firm, Botts & Company Limited, in conjunction with Allen & Company. Previously CEO of Citicorp's investment bank in Europe, Middle East and Africa and chairman of Citicorp's Venture Capital Investment Committee. He has extensive investment banking and private equity experience.

Alan Steven Jacobs

Independent Non-executive Director

Qualifications: MA (Cantab)

Mr Jacobs is a British national based in London, United Kingdom. He is a solicitor of the Senior Courts of England and Wales and investment banker by training, and is the founder and director of Jacobs Capital, a corporate finance and investment firm. He is a former Managing Director of Citigroup and J Henry Schroder Wagg & Co. Limited and serves as a non-executive director on several boards of companies, including BML, Virgin Active, BE offices, Wearisma and Zoggs. He has extensive investment and advisory experience in the European retail, consumer, luxury goods and property sectors.

Dr Lawrence Leon Porter

Independent Non-executive Director

BA, BSc, DPhil (Oxon), Fellow of the British Computer Society, Chartered Information Technology Professional

After a period of research in Experimental Psychology, Dr Porter was with IBM Corporation for 25 years where he held various positions in Senior Management and as a Senior Consultant in Research and Development. He was a Technical Staff Member and an IBM Master Inventor. He holds numerous US patents in the field of Information Technology. He resides in Malta.

Hermanus Roelof Willem Troskie

Independent Non-executive Director

Qualifications: B.Juris, LLB, LLM

Mr Troskie is the deputy chief executive officer of Maitland, a global advisory and administration firm. Mr Troskie is based in Luxembourg and has extensive experience in the areas of capital markets and corporate governance, with a particular interest in integrated structuring for entrepreneurs and their businesses. Mr Troskie is a non-executive director of a number of public and private companies, including Brait Malta, BML, Tradehold Limited and Ardagh Group S.A. He is a solicitor of the Senior Courts of England and Wales.

Paul Roelofse

Alternate Director for Dr Wiese

Qualifications: B.Acc (Cum Laude), B.Acc (Hons) University of Stellenbosch, CA(SA), CFA.

Upon the completing of his articles at PWC he joined Rand Merchant Bank in 2002 in the Corporate Finance Division. Mr Roelofse headed RMB's global Corporate Finance business from 2009 to 2015, whereafter he was appointed as Investment Banking Director. Mr Roelofse led a number of pioneering transactions during his successful banking career and served on the RMB Investment Banking Board from 2009 until he resigned in 2019. Mr Roelofse is a Dealmaker of the Year Award winner from *Dealmakers* magazine.

Mr Roelofse co-founded Oryx Partners in 2019, which manages Dr Wiese's family office and is a strategic partner of the Wiese family.

2. **THE NEW INVESTMENT ADVISORY AGREEMENT**

In furtherance of the Company's new strategy, the Board has agreed changes to the arrangements for the provision of investment advisory services to Brait, including the termination of the Advisory Agreement with its existing Corporate Advisors and the execution of a new investment advisory agreement with EPE to be implemented with effect from the first day of the month following the completion of the Rights Offer. For a description of the terms of the new investment advisory agreement with EPE, see paragraph 6 (*The New Investment Advisory Agreement and Cost Structure*) of Part 4 (*The Overview*).

PART 11 DIVIDENDS AND DIVIDEND POLICY

1. DIVIDENDS

A summary of the dividends paid by Brait in respect of Shares since 1 April 2016 is set out below:

In respect of years:	Dividend paid year ended 31 March (ZAR'm)⁽¹⁾	Dividend per Brait Share (ZAR cents)⁽¹⁾
Financial year ended 31 March 2017	629	136.27
Financial year ended 31 March 2018	290	78.15
Financial year ended 31 March 2019	0	0

Note:

(1) Brait's dividend policy historically has been to offer Shareholders the election to either receive bonus shares or a cash dividend alternative. Amounts stated to represent the cash dividend paid to Shareholders electing to receive this alternative.

2. DIVIDEND POLICY

Brait's ability to pay any dividends will depend upon its receiving dividends, other distributions or payments from the Portfolio Companies (which will be under no obligation to pay dividends or make any other distributions to Brait) or receiving realisations on loans and investments. In addition, Brait's ability to pay any dividends will depend upon distribution allowances under the terms of the BML RCF.

Ordinary dividends will be considered annually when the results for each year are published. The extent of any dividends will be determined relative to net operating cash flows and to the payments received on the realisation of loans and investments from time to time and which cash flows are not required for liquidity or earmarked for requirements at the Portfolio Company level.

To the extent that surplus cash becomes available at a future date from one of the Portfolio Companies, or through disposal of an interest in a Portfolio Company, the Directors will consider the potential for the distribution of such surplus cash by way of special dividend. Pursuant to the terms of the Bonds, before Brait will be able to pay a special dividend to Shareholders of the proceeds from a disposal of an investment, it will have to first make an offer to the holders of the Bonds to tender for repurchase an aggregate principal amount of the Bonds up to a maximum amount equal to such proposed special dividend at a price per Bond equal to its principal amount together with accrued interest to the special dividend put date as further described in the terms and conditions of the Bonds.

PART 12 EXCHANGE CONTROL

1. SOUTH AFRICAN EXCHANGE CONTROL

1.1 South African Reserve Bank approval of the Rights Offer

In addition to approval of this Circular, confirmation of approval has been requested and received from the SARB for the Rights Offer. This approval was given on, *inter alia*, the following terms and conditions:

- the Rights Offer will take place on both the LuxSE and the JSE;
- the Rights Offer will be open to both South African residents and non-residents;
- the total proceeds raised from local investors on the JSE will be paid into Brait's Rand Restricted Accounts and used to repay offshore debt and local debt of the Group, subject to the approval of Brait's Authorised Dealer (as defined in the Exchange Control Regulations, 1961, published in terms of section 9 of the Currency and Exchanges Act (No. 9 of 1933) in terms of ECA 3525/2013 and confirmed in ECA 3823/2017;
- New Shares issued to local Shareholders will be maintained on the JSE register; and
- New Shares held on the JSE register will not be regarded as a foreign asset and will thus not form part of the limits imposed on institutional shareholders. This (the domestic status of the Shares) is consistent with the Exchange Control approvals granted to Brait in 1998, the conditions of which have been complied with by Brait since then.

1.2 General Exchange Control summary

The following summary describes for information purposes only certain Exchange Control consequences of acquiring and disposing of Shares and is not comprehensive. Investors should consult their own advisors as to the Exchange Control consequences of acquiring and disposing of Shares.

1.2.1 **Exchange Controls and Other Limitations Affecting Shareholders**

Currency and shares are not freely transferable from South Africa to any jurisdiction falling outside the geographical borders of South Africa, other than jurisdictions falling within the Common Monetary Area, and must be dealt within the terms of the South African Exchange Control Regulations as described below. The South African Exchange Control Regulations also regulate the acquisition by former residents and non-residents of the New Shares to be listed on the JSE sub-register.

Applicants who are resident outside the Common Monetary Area should seek advice as to whether any governmental and/or other legal consent is required and/or whether any other formality must be observed to enable an application to be made in response to the Rights Offer.

The following summary is intended as a guide and is therefore not comprehensive. If investors are in any doubt regarding South African Exchange Control Regulations, they should consult their professional advisor.

1.2.2 **Emigrants from the Common Monetary Area**

In respect of the New Shares to be listed on the JSE sub-register pursuant to the Rights Offer:

- a former resident of the Common Monetary Area who has emigrated from South Africa may use funds in the emigrant capital account to acquire any such New Shares;
- all payments in respect of subscriptions for or purchases of New Shares (to be listed on the JSE sub-register) by an emigrant using funds from an emigrant's capital account must be made through an Authorised Dealer in foreign exchange controlling their remaining assets;
- share certificates issued in respect of New Shares (subsequent to the issue of the New Shares, it being recorded that the New Shares will initially be issued in dematerialised form) acquired pursuant to the Rights Offer with funds from an emigrant's capital account will be credited to their share accounts at the CSDP controlling their remaining portfolios;

- Shares subsequently re-materialised and issued in certificated form will be endorsed “non-resident” and will be sent to the Authorised Dealer in foreign exchange through whom the payment was made; and
- if applicable, refund monies payable in respect of unsuccessful applications or partly successful applications for New Shares, as the case may be, emanating from emigrant capital accounts, will be returned to the Authorised Dealer through whom the payments were made in foreign exchange, for credit to such applicants’ emigrant capital accounts.

The CSDP or broker through whom the Company’s Shareholders have dematerialised their Shares is responsible for ensuring adherence to the South African Exchange Control Regulations.

1.2.3 **Applicants Resident outside the Common Monetary Area**

In respect of the New Shares to be listed on the JSE sub-register pursuant to the Rights Offer:

- a person who is not resident in the Common Monetary Area, including an emigrant not using funds from an emigrant capital account, should obtain advice as to whether any governmental and/or other legal consent is required and/or whether any other formality must be observed to acquire any such New Shares;
- in the case of a Dematerialised Shareholder, all New Shares issued will be credited directly to such Dematerialised Shareholder’s non-resident share account held by his duly appointed CSDP. The CSDP or broker through whom the Company’s Shareholders have dematerialised their shares will ensure that they adhere to the South African Exchange Control Regulations; and
- applicants resident outside the Common Monetary Area should note that, where shares are subsequently re-materialised and issued in certificated form, such share certificates will be endorsed “non-resident” in terms of the South African Exchange Control Regulations.

1.2.4 **Investments in South African Companies**

A non-resident investor may invest freely in ordinary shares in a South African company, provided that such transactions are concluded at arm’s-length, at fair market-related prices and are financed in an approved manner. In this regard, such financing must be in the form of the introduction of foreign currency, Rand from a non-resident account or in terms of approved local borrowings that comply with Exchange Control Regulations. The creation of any loan account between a resident and a non-resident would require prior Exchange Control approval.

Acquisitions of shares or assets of South African companies by non-South African purchasers are not generally subject to review by the SARB when the consideration is in cash, but may require SARB review in certain circumstances, including when the consideration is equity in a non-South African company or when the acquisition is financed by a loan from a South African lender.

Any foreign investor may also sell shares in a South African company and transfer the proceeds out of South Africa without restriction, provided that such transactions are concluded at arm’s-length and at market-related prices.

1.2.5 **Dividends**

Ordinary dividends declared to non-resident Shareholders are not subject to approval by the SARB and are freely transferable to non-resident Shareholders by publicly listed companies. The transfer of funds abroad in respect of the declaration of a dividend *in specie* or special dividend by a publicly listed company requires prior SARB approval.

1.2.6 **Interest**

Interest on foreign loans is freely transferable abroad, provided that the introduction of the loans received prior exchange control approval from an Authorised Dealer or the SARB.

1.2.7 **Voting Rights**

There are no limitations imposed by South African law or by the Company’s memorandum and articles of association on the rights of non-South African Shareholders to vote the Shares.

PART 13 TAXATION

1. INTRODUCTION

The following statements on taxation are based on advice received by the Board regarding the law and practice in force in Malta and South Africa at the date of this Circular. Brait is currently tax resident in Malta and is therefore subject to Maltese tax.

The following summaries are only intended as a brief and general guide to the main aspects of income tax rules in the relevant country. It is not intended to provide specific advice and no action should be taken or omitted to be taken in reliance upon it. Investors are urged to seek professional tax advice in respect of the New Shares, including the acquisition, holding and disposal as well as any income or gains derived therefrom or made on their disposal.

The summaries are based on an interpretation of the relevant tax legislation as known to the Board at the date of this Circular. Shareholders are reminded that tax laws and their interpretation may change from time to time.

1.1 Malta – Taxation of the Company and Shareholders

Income Tax

The Company is a Malta tax resident and subject to Malta income tax on its worldwide income.

The information below is based on the following assumptions:

- (i) The Shareholders are all persons who are *not resident in Malta* and who are:
 - (a) not owned or controlled by, whether directly or indirectly, nor act on behalf of an individual or individuals who are ordinarily resident and domiciled in Malta; and
 - (b) not engaged in trade or business in Malta through a permanent establishment situated in Malta.
- (ii) The Company does not own immovable property situated in Malta, or any rights over such property, whether directly or indirectly.
- (iii) The Company (or its direct underlying company incorporated and registered in Malta, as applicable) holds at least 10 per cent of the “equity” shares of its respective direct underlying companies (i.e. a “participating holding”) and which “equity” shares confer a right in favour of the Company (or its direct underlying company incorporated or registered in Malta) to any two of the following “equity holding” criteria:
 - (a) a right to votes;
 - (b) a right to profits available for distribution; or
 - (c) a right to assets available for distribution on a winding up of the company.
- (iv) The business interests of the Company and its subsidiaries and sub-subsidiaries are all situated outside of Malta.
- (v) The Company as well as its subsidiaries and sub-subsidiaries each have the following attributes:
 - (a) a separate legal personality distinct from that of its shareholders;
 - (b) capital divided into, and represented by, shares;
 - (c) the shareholders’ liability is limited to the amount, if any, unpaid on the shares respectively held by each of the shareholders; or
 - (d) the ability to distribute profits in favour of their respective shareholders.
- (iv) None of the Company’s subsidiaries and sub-subsidiaries has more than 50 per cent of its income derived from passive interest or royalties.

Malta Participation Exemption on qualifying dividends and capital gains

Subject to the above assumptions, any income or gains derived by a company registered in Malta from a “participating holding” or from the transfer of such holding, should be exempt from Malta income tax in terms of a “participation exemption”.

The application of the said “participation exemption” in respect of dividend income is conditional on *any one* of the following conditions being satisfied by the body of persons in which the “participating holding” is held:

- (a) it is resident or incorporated in a country or territory which forms part of the European Union;
- (b) it is subject to any foreign tax of at least 15 per cent; or
- (c) it does not have more than 50 per cent of its income derived from passive interest or royalties.

Should none of the above criteria (a) to (c) be met, it would nonetheless be possible for the “participation exemption” to apply if and to the extent that the body of persons in which the “participating holding” is held satisfies *all* of the following additional conditions:

- (d) the holding in the said body of persons is not a portfolio investment;
- (e) the said body of persons shall not derive more than 50 per cent of its income from portfolio investments; and
- (f) the said body of persons or the income which it derives from passive interest or royalties would have been subject to tax at a rate of not less than 5 per cent.

Capital transfer duty

Generally, a transfer of “marketable securities”, attracts capital transfer duty at the rate of 2 per cent (5 per cent, if the Company’s assets consist primarily of, directly or indirectly, immovable property or any right over such property) on the higher of the consideration paid or the market value of the securities, unless exempted from the imposition of capital transfer duty in terms of a determination issued by the (Malta) Commissioner of Inland Revenue. Such a determination may be procured on the basis that the Company (and/or its related party, as applicable) shall, whether directly or indirectly, carry on business or have business interests to the extent of more than 90 per cent outside Malta.

Net wealth tax

There is no wealth tax in Malta.

Dividend withholding tax

In view of the application in Malta of a full imputation tax system, there is no dividend withholding tax imposed on a distribution of profits by a Malta company.

Exposure of non-residents to Malta taxation on the sale of the Company’s shares

Generally, non-resident persons may dispose of shares in the Company without incurring Malta income tax.

1.2 South Africa – Taxation of the Company and Shareholders

South African taxation

This summary of certain material South African income tax consequences only deals with purchasers of Shares that are SA Holders and Non-SA Holders, as defined below, and that will hold the Shares as capital assets. As used herein the term “SA Holder” means a “shareholder” who is: (i) a natural person ordinarily resident in South Africa; (ii) a natural person not ordinarily resident in South Africa but whose physical presence in South Africa exceeds certain thresholds or (iii) a person, other than a natural person, which is incorporated, established or formed in South Africa or which has its place of effective management in South Africa. The term does not include a natural or non-natural person that is deemed to be exclusively the resident of another country for purposes of the application of any agreement entered into between South Africa and that other country for the avoidance of double taxation. The term “Non-SA Holders” therefore means a “shareholder” other than a SA Holder. In general, a “shareholder” means the registered shareholder in respect of a share or, where some person other than the registered shareholder is entitled to all or part of the benefit of the rights of participation in the profits, income or capital attaching to that share, that other person to the extent of that entitlement.

The following paragraphs contain a general summary of South African tax implications. The tax analysis is therefore not comprehensive or determinative and should not be regarded as tax advice given by the Company or any of its advisors to the Rights Offer.

Income Tax

Generally, a company is a South African tax resident company if it is either incorporated in South Africa or has its place of effective management in South Africa. South African tax resident companies are taxed on their worldwide income.

Brait is not a South African tax resident company.

Foreign Dividends

A “foreign dividend” is broadly defined as any amount that is paid or payable by a foreign company in respect of share in that foreign company where that amount is treated as a dividend or similar payment by that foreign company for purposes of the laws of that company's place of effective management or place of incorporation, formation or establishment.

In general, foreign dividends paid by Brait to SA Holders and Non-SA Holders will be exempt from South African Income Tax. The Non-SA Holders will have to determine whether there are any exemptions for the dividends/foreign dividends in their jurisdiction in which they are tax resident.

Dividends Tax

Dividends Tax (“DWT”) is a withholding tax imposed on, *inter alia*, foreign dividends paid by a foreign company if the share in respect of which that foreign dividend is paid is listed on the JSE and does not constitute a distribution of an asset *in specie*.

DWT is levied at a rate of 20 per cent in South Africa. Subject to certain administrative requirements being complied with by the shareholders, this rate may be (i), exempt from DWT; or (ii) be imposed at a lower rate in terms of the applicable double tax agreements.

In addition, a rebate in respect of foreign taxes paid to any government of any country other than South Africa, without any right of recovery, will be given to SA Holders and Non-SA Holders which must be deducted from the DWT that would otherwise have been payable in respect of foreign dividends paid by Brait.

Taxation of capital gains and losses

South African resident shareholders – individuals

A disposal of Shares by an individual shareholder who is resident in South Africa for tax purposes and who holds the Shares as capital assets may give rise to a gain (or loss) for the purposes of capital gains tax (“CGT”). The capital gain (or loss) on disposal of the Shares is equal to the difference between the disposal proceeds and the base cost. A shareholder's base cost in the Shares will generally be the consideration paid for those Shares. The base cost in the Shares may be increased by one-third of any interest incurred to finance the cost of acquiring the Shares, and other direct costs incurred in acquiring the Shares, to the extent that such amounts are not otherwise allowable for deduction in the determination of taxable income. A gain on a disposal of Shares, together with other capital gains, less allowable capital losses in a year of assessment, is subject to tax at the individual's marginal tax rate (maximum 45 per cent) to the extent that it exceeds the annual exclusion (ZAR40,000 for the years of assessment ended 28 February 2020). Only 40 per cent of the net capital gain is included in taxable income, resulting in a maximum effective tax rate on capital gains of 18 per cent. On the death of a taxpayer, there is a deemed disposal of the Shares at market value, unless the Shares are bequeathed to, or in favour of, a surviving spouse. Deemed disposals to a surviving spouse, who is a South African resident, are treated, in practical effect, as taking place at no gain or loss. The annual exclusion where death occurs during the year of assessment ending 28 February 2020 is ZAR300,000. Where a taxpayer emigrates (i.e. gives up his South African tax residence) there will also be a deemed disposal of the Shares at market value and this may trigger CGT.

South African resident shareholders – corporates

A disposal of Shares by a South African resident corporate shareholder, which holds the Shares as capital assets, may give rise to a capital gain (or loss) for the purposes of taxation of capital gains. The capital gain (or loss) on disposal of the Shares is equal to the difference between the disposal proceeds and the base cost. A shareholder's base cost in the Shares will generally be the consideration paid for the Shares. The base cost in the Shares may be increased by one-third of any interest incurred to finance the cost of acquiring the Shares, and other direct costs incurred in acquiring the Shares, to the extent that such amounts are not otherwise allowable for deduction in the determination of taxable income. A capital gain on a disposal of Shares by a corporate shareholder, together with other capital gains, less allowable losses in a year of assessment, is subject to tax at the normal tax rate for companies (currently 28 per cent). Only 80 per cent of the net capital gain is included in taxable income, resulting in a maximum effective tax rate on capital gains of 22.4 per cent.

Estate duty

Where a person who is ordinarily resident in South Africa holds Shares at the date of his death, the market value of such Shares will be included in the estate. Estate duty is levied at a flat rate of 20 per cent on the dutiable amount of the deceased estate to the extent that it exceeds ZAR3,500,000 per estate. In determining the dutiable amount of an estate, deductions are, *inter alia*, allowed for the value of bequests and property left to a surviving spouse, and estate liabilities, including capital gains tax paid on the deemed disposal of the Shares on date of death.

Securities transfer tax

Securities transfer tax (“**STT**”) of 0.25 per cent of the applicable taxable amount is payable in respect of every “transfer” of securities issued by a company incorporated in South Africa or a foreign company with shares listed on the JSE. “Transfer” includes any cancellation or redemption of a security, but does not include the issue of a security or any event that does not result in a change in beneficial ownership of a security. A purchase of Shares from or through the agency of a JSE registered broker is subject to STT of 0.25 per cent of the purchase consideration. The STT is payable by the broker, which may recover it from the transferee. Where Shares are not purchased from or through the agency of a broker, but the change in beneficial ownership is effected by a Participant, STT of 0.25 per cent of the greater of the declared purchase consideration or the JSE closing price of Shares on the date of the transaction is payable by the Participant, which may recover it from the transferee.

In any other case of a change in beneficial ownership of Shares, STT of 0.25 per cent of the greater of the declared purchase consideration or the JSE closing price of Shares is payable by the transferee through the broker or Participant, which holds the Shares in custody.

PART 14 RISK FACTORS

You should carefully consider the risk factors described below and all other information contained in this Circular before you decide to invest in the Shares. If any of the following risk factors, as well as other risks and uncertainties that are not currently known to the Company or that it currently believes are not material, actually occur, the Company's business, financial condition and results of operations could be materially and adversely affected. Accordingly, the trading price of the Shares could decline, and you may lose part or all of your investment.

1. RISKS RELATING TO THE COMPANY

1.1 The Company may be unable to implement its new strategy

In connection with the Recapitalisation, the Board has resolved to adopt a new strategy for the Company that will focus on maximising value through the realisation of the Company's existing Portfolio Companies over the next five years and returning capital to Shareholders. However, there can be no assurance that it will be able to divest all or a part of its interest in the Portfolio Companies or achieve its targeted returns for the Portfolio Companies in that period of time or at all.

Moreover, in executing its strategy, the Company intends to continue to pursue policies for each Portfolio Company that mitigate the Company's investment risk. These policies include, but are not limited to, seeking to ensure that the investment and capital expenditure initiatives of its Portfolio Companies are carefully monitored and aligned with the stated strategic objectives of those businesses; continuing to ensure that these companies maintain strong, experienced and aligned management teams; and maintaining, together with EPE, representation on the boards of each Portfolio Company (including audit and risk committees). However, there can be no assurance that the Company will be successful in achieving these goals.

The Company's inability to implement its new strategy could have a material adverse effect on the Company's business, financial results, NAV or the value of the Rights and the New Shares.

1.2 The Company's investments are limited in number

The Company currently holds investments in five major Portfolio Companies and, as part of its new strategy, intends to divest its interests in these companies over the next five years. As a result, its NAV may be subject to greater volatility by the unfavourable performance of any single investment, particularly as the size of its investment portfolio declines. In addition, as the Portfolio Companies operate in the broader consumer sector, their financial performance will be susceptible to fluctuations in value resulting from adverse economic and business conditions that affect the sector generally, such as levels of disposable consumer income, inflation, taxation policies and competition, as well as those in particular that affect the retail clothing market in the case of New Look, the UK grocery market in the case of Iceland, the South African fast-moving consumer goods manufacturing sector in the case of Premier, and the health, fitness and wellbeing market in the case of Virgin Active, any of which could have a material adverse effect on the Company's business, financial results, NAV or the value of the Rights and the New Shares.

1.3 There can be no assurance that the value of investments that the Company reports will be realised

The investments that the Company has made are in a form of investments for which market quotations are not readily available. Even if market quotations are available for the Company's investments, these quotations may not reflect the value that the Company would actually be able to realise because of various market factors. The Board makes determinations regarding the fair value of these investments on a semi-annual basis, and the resulting valuations are used, among other things, to compute the Company's reported NAV. There is no single standard for determining fair value and, in many cases, fair value is best expressed as a range from which a single estimate is derived.

In addition, although certain investments made by the Company may generate income, the return of capital and the realisation of gains from an investment by the Company will occur upon the partial or complete disposal of the relevant investment. An investment may be sold at any time. Once the Company decides to divest an investment (which could be prompted by factors outside of its control), it may have difficulty exiting its investments by way of disposal or the capital markets (due to regulatory or other reasons), and it may not be able to find a buyer for its interest at an acceptable price, or at all.

If sold, there can be no assurance that the Company's investments will not be sold at prices below their acquisition costs. Future performance and market, political, environment and macroeconomic and microeconomic conditions are unpredictable and may require disposal of an investment at a price below its acquisition cost or latest reported carrying value, which could have a material adverse effect on the Company's business, financial results, NAV and the value of the Rights and the New Shares.

1.4 The Company's results and NAV may be affected by movements in currency exchange rates

The Company's financial statements are prepared using Pound Sterling as its functional currency, with the Euro and Rand as its presentation currencies. The Company is subject to risks resulting from fluctuations in currency exchange rates to the extent it receives distributions from its Portfolio Companies in a currency other than Pound Sterling.

1.5 The use of leverage may significantly increase the Company's investment risk

The Company uses leverage to assist the fulfilment of its investment objective. The Company's use of leverage may increase its exposure to adverse economic factors such as rising interest rates, downturns in the economy or a deterioration in the condition of the Company's investments.

Similarly, the capital structures of certain of the Portfolio Companies in which the Company invests have or may in the future have significant leverage. If the relevant Portfolio Company cannot generate adequate cash flow to meet its debt obligations, as has been the case with New Look which has had its debt restructured, the Company may suffer a partial or total loss of capital invested in such an entity.

A failure by any of the Company or its Portfolio Companies to repay its borrowings could result in enforcement by lenders of security interests, which could have a material adverse effect on the Company's business, financial results, NAV or the value of the Rights and the New Shares.

1.6 The value of the Company's Portfolio Companies is dependant in part on the Company's ability to restructure or effect improvements in the operations or finances of its investments

Identifying and implementing operating improvements at the Portfolio Companies entails a high degree of uncertainty, and there can be no assurance that the Company will be able to successfully identify and implement improvements for its investments as and when necessary. In addition, the Portfolio Companies may experience financial difficulties which require restructuring, as has been the case with its investment in New Look. Investments requiring restructuring could subject the Company to additional potential liabilities that may exceed the value of the Company's original investment. Furthermore, investments in restructurings may be adversely affected by statutes relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and a bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims.

Any inability to effectively restructure or effect financial or operating improvements in the Portfolio Companies could have a material adverse effect on the Company's business, financial results, NAV or the value of the Rights and the New Shares.

1.7 The Portfolio Companies may not be able to obtain the financing necessary to continue to fund their investments

Certain of the Portfolio Companies may require additional financing. These companies typically raise capital either through bank financing or capital markets transactions. The availability of capital is generally a function of market conditions that are beyond their control, and there can be no assurance that bank financing will be available on acceptable terms or at all. In addition, there can be no assurance that the Company or its Portfolio Companies will be able to accurately predict their respective future capital requirements necessary for success. Any inability or delay in obtaining capital to fund capital expenditure or other investments could have a material adverse effect on the businesses and financial performance of the Portfolio Companies and, in turn, on the Company's business, financial results, NAV or the value of the Rights and the New Shares.

1.8 The Company's ability to pay dividends and its investment inflows depend in part on its obtaining dividends, interest payments, loan repayments and other cash flows from its Portfolio Companies

The Company has no independent operations or significant assets other than the capital stock of the Portfolio Companies in which it has invested. As a result, for the Company to pay dividends to its Shareholders, and for its investment inflows generally, it relies in part on receiving cash dividends, interest payments (in relation to Shareholder funding and other debt investments) and other cash

flows from its investments. The ability of its investments in turn to make these payments to the Company depends largely on their financial condition and ability to generate profits, as well as their ability to manage their capital needs and expenditure. The Company cannot guarantee that the Portfolio Companies will generate sufficient profits or cash flows to pay dividends, or that they will be able to meet their obligations to the Company under existing shareholder funding agreements. In addition, because the Portfolio Companies are separate and distinct legal entities, they have no obligation to pay dividends or lend or advance the Company funds, and they may be restricted from doing so by contract (including other financing arrangements), charter provisions, other shareholders or the applicable laws and regulations of the countries in which they operate. The Company cannot guarantee that its Portfolio Companies will generate sufficient profits and cash flows to pay dividends or lend or advance to the Company sufficient funds to enable it to meet its obligations or pay interest, expenses and dividends, if any, on the New Shares. Consequently, Shareholders may not receive any return on their investment unless they can sell their Shares for a price greater than that which they paid for them. The inability of one or more of the Portfolio Companies to pay dividends or advance funds to the Company could have a material adverse effect on its business, financial results, NAV or the value of the New Shares.

1.9 The Company's convertible bonds may be redeemed by their holders, converted into equity or refinanced

On 27 November 2019, the Company launched and successfully priced the GBP150,000,000, 6.5 per cent, unsubordinated, unsecured Bonds which mature on 4 December 2024. The proceeds of the issue of the Bonds, along with GBP30,000,000 of cash on hand, were used to concurrently repurchase GBP180,000,000 in aggregate principal amount of the Outstanding Bonds through a reverse bookbuilding process. As a result GBP170,000,000 of the Outstanding Bonds, which mature on 18 September 2020, remain outstanding.

If either the Bonds or the Outstanding Bonds are converted into Shares, this will result in a dilution of the holdings of Shareholders. In addition, both sets of bonds are subject to certain redemption events prior to their respective maturities, and if the Company has insufficient cash to repay the principal of the relevant bonds upon maturity or redemption, it will need to obtain additional financing, which may not be available on favourable terms, or at all, or to seek to renegotiate their terms, which could have a material adverse effect on the Company's business, financial results, NAV or the value of the Rights and the New Shares.

1.10 The Company's obligations under the terms of the Bonds may delay or prevent the distribution of proceeds to its Shareholders from the realisation of an investment

In accordance with the Company's new strategy, it will seek to distribute the proceeds from the sale or disposal of its investments to its Shareholders via the declaration of a special dividend. However, pursuant to the terms of the Bonds, following a sale or disposal of an investment, the Company is required to notify holders of the Bonds that it intends to declare a special dividend and give the holders of the Bonds the right to tender to repurchase their Bonds in a total amount equivalent to the amount of the proposed special dividend, as more fully described in the terms and conditions of the Bonds. Accordingly, for so long as the Bonds remain outstanding, there can be no assurance that the proceeds of any disposal will ultimately be available for distribution to Shareholders. As a result, the return of capital resulting from the sale of interests in the Portfolio Companies to Shareholders may be delayed or may not occur at all.

1.11 The success of the Company and its Portfolio Companies is dependent in part on its new investment advisor and other key management personnel

Pursuant to the terms of the Advisory Agreement, the Company's existing Corporate Advisors provide a defined list of services to BML, comprising investment advisory and portfolio management, accounting, administration, corporate finance, investor relations and corporate secretarial services. In connection with the Recapitalisation, the Corporate Advisors will, with effect from the first day of the month following the completion of the Rights Offer, be replaced by EPE, which will assume those functions as the Company's new investment advisor. The Board, with the assistance of EPE, will focus on strategies for the Portfolio Companies to realise value from the portfolio over the next five years and return capital to Shareholders.

EPE has a 35-year history of generating realised returns for investors and is expected to bring a different perspective to the Brait portfolio, leveraging its value-add expertise, execution capability and exit track record to execute the Company's new strategy. However, there can be no assurance that the benefits the Company expects EPE to bring to Brait or its Portfolio Companies will be realised, nor can there be any assurance that the members of the new investment advisory team (which will be comprised of certain members of the Corporate Advisors together with employees of EPE), or in the event of the departure of any of its members, any successor, will be able to manage the Company's Portfolio Companies effectively.

In addition, the senior management teams at each of the Portfolio Companies have extensive experience in the industry in which they operate. These senior management teams, together with the Company's co-investors, in certain cases, may also include company founders or other highly-visible individuals, the reputation of whom could be closely associated with the relevant investment. The loss of any members of senior management from any of the Portfolio Companies, or damage to the reputation of their senior management or the Company's co-investors, could negatively impact the relevant Portfolio Company's ability to successfully implement its business strategy and could have a material adverse effect on the Company's business, financial results, NAV or the value of the Rights and the New Shares.

1.12 The Company has provided put options to senior management of several of the Portfolio Companies

The Company has provided certain members of Virgin Active and Premier's senior management with put options to sell their remaining shareholdings to the Company upon the occurrence of certain events. Under these put options, the Company could be required to purchase a maximum of: (i) 10.25 per cent and 1.5 per cent of Virgin Active and Premier shares, respectively; and (ii) 1.18 per cent of Virgin Active's shareholder funding, at a price calculated with reference to the per-share NAV of each of the respective investments at the time the put option is exercised. When exercised, the put options would increase the Company's exposure to the Portfolio Companies by purchasing additional shares in the relevant Portfolio Company, which could also require the Company to use cash on hand to purchase the relevant shares rather than deploy cash for other purposes. In addition, if the Company had insufficient cash to pay for these shares, it may be forced to enter into financing arrangements on potentially unfavourable terms. If the Company has insufficient liquidity to meet its obligations under these puts options, this could have a material adverse effect on the Company's business, financial results, NAV or the value of the New Shares.

1.13 The Company and the Portfolio Companies are exposed to a number of political, social and macroeconomic risks relating to the United Kingdom's (the "UK") exit from the European Union (the "EU")

In March 2017, the UK gave notice of its intention to leave the EU under Article 50 of the Treaty on European Union. It is currently expected that the UK will leave the EU by 31 January 2020.

The UK's withdrawal from the EU continues to create significant political, social and macroeconomic uncertainty. As a result of this uncertainty, the Pound Sterling/U.S. Dollar exchange rate has fallen to its lowest levels since the 1980s. In addition, Moody's Investors Service downgraded the outlook of the UK government's bond rating from stable to negative, Fitch downgraded the UK government's credit rating from AA+ (stable) to AA (negative) and Standard & Poor's Ratings Services downgraded the UK government's credit rating from AAA (negative) to AA (stable), in each case warning that the country's economic growth and fiscal strength are likely to be lower following the UK's exit from the EU.

At this stage, the nature of the future relationship between the UK and the remaining EU countries has yet to be agreed and negotiations with the EU have demonstrated the difficulties that exist in reaching such an agreement. Depending on the terms of the negotiations, the UK could also lose access to the single market and to the global trade deals negotiated by the EU on behalf of its members. Such a decline in trade could have a detrimental impact on economic growth in the country.

The UK's withdrawal from the EU may result in significant macroeconomic deterioration, including, but not limited to, further decreases in global stock exchange indices, trade wars, increased foreign exchange volatility (in particular a further weakening of the Pound Sterling and the Euro against other leading currencies), decreased GDP in the UK, EU or other markets in which the Portfolio Companies operate and further sovereign credit downgrades. In addition, there are increasing concerns that these events could push the UK, Eurozone and/or the United States into an economic recession, any of which, were they to occur, would further destabilise the global finance markets and could have a material adverse effect on the Company's business, financial results, NAV or the value of the Rights and the New Shares.

1.14 Political, social and economic conditions in South Africa or regionally may reduce demand for the products and services of certain of the Portfolio Companies, particularly Virgin Active, Premier and DGB

A significant portion of the revenue generated by the Portfolio Companies is earned in South Africa. As a result, political, social and economic conditions in South Africa may have a significant effect on the business of certain of the Portfolio Companies, particularly Virgin Active, Premier and DGB. For example, adverse economic trends in South Africa have had a significant impact on foreign

exchange rates, with the Rand fluctuating significantly in the periods under review. In addition, growth in inflation and continued interest rate hikes could have an adverse impact on growth and business confidence. Tighter monetary policy could also have an adverse impact on mortgage payments and the general sustainability of debt levels in South Africa, which in turn could reduce household spending.

South Africa is also affected by persistent socio-economic challenges, including in relation to access to adequate education, health care, housing, water and electricity. Furthermore, in recent years, South Africa has experienced high levels of crime, poverty and unemployment, as well as prolonged industrial action. Although it is difficult to predict the effect of these problems on South African businesses or the South African government's efforts to solve them, these problems, or the solutions proposed, could reduce demand for the Portfolio Companies' products and services in South Africa. In particular, Virgin Active is dependent on the continued growth of the South African middle class, which Virgin Active views as a key group to attract as members of its health clubs. Similarly, Premier sells the majority of its products in South Africa, and an economic downturn in the country could have a material adverse effect on its business.

As of 22 November 2019, South Africa's credit ratings were BB on a negative watch by Standard & Poor's Credit Market Services Europe Limited and "Baa3/P-3" by Moody's Investors Service. Any political, social and economic instability in the region could negatively affect the South African economy and its social and political situation which, in turn, could have a material adverse effect on the Company's business, financial results, NAV or the value of the Rights and the New Shares.

1.15 The Company's operations could be adversely affected by a failure of its information systems

Any system failure that causes an interruption in service or availability of the Company's IT systems could adversely affect operations. The Company's servers may be vulnerable to computer viruses, break-ins and similar disruptions from unauthorised tampering. The occurrence of any of these events could result in interruptions, delays, the loss or corruption of data, or cessations in the availability of IT systems, any of which could have a material adverse effect on the Company's business, financial results, NAV or the value of the Rights and New Shares.

1.16 Changes in laws or regulations, or a failure to comply with any laws or regulations, may adversely affect the Company

The Company and BML are subject to laws and regulations enacted by national and local governments. In particular, all Mauritian incorporated entities are regulated by the Financial Services Commission. In addition, EPE is subject to regulation by the Financial Sector Conduct Authority. Additional laws and regulations apply to the businesses and assets in which the Company makes investments. Compliance with, and monitoring of, applicable laws and regulations may be difficult, time consuming and costly, as laws and regulations and their interpretation and application may change from time to time. Failure by the Company, EPE or by the Portfolio Companies to comply with applicable laws or regulations could have a material adverse effect on the Company's business, financial results, NAV or the value of the Rights and the New Shares.

1.17 The Company is incorporated in Malta with a primary listing in Luxembourg. Shareholders, as a consequence, do not have the benefit of rights that would apply to a South African incorporated company with a primary listing on the JSE

The Company is a Maltese incorporated Societas Europaea subject to the Maltese Companies Act and with a primary listing on the Euro MTF and a secondary listing on the JSE. While the Company is subject to the Rules and Regulations of the LuxSE, it is subject only to those JSE Listing Requirements that apply to a secondary listing on the JSE. Consequently, Shareholders may not benefit from the rights and protections they would customarily expect in the case of a South African incorporated and JSE primary listed company. In particular, protections under, or similar to those provided by, the South African Companies Act in the case of an affected transaction do not apply to the Company.

2. RISKS RELATED TO THE RIGHTS OFFER

2.1 Liquidity risk in the Rights

Although the Rights will be listed on the JSE and the LuxSE, there is no guarantee that an active trading market for the Rights will develop and be sustained during the period that the Rights will be traded.

2.2 Liquidity risk in the Shares

Although the Shares are listed on the JSE and LuxSE, there is no guarantee that a more active trading market for the Shares will develop and be sustained after the Rights Offer. If more active trading volumes in the Shares do not develop or are not sustained after the Rights Offer, this could have a material adverse effect on the liquidity and consequently the market price of the Shares.

2.3 The market price of the Shares may prove to be volatile and is subject to fluctuations, including significant decreases

The Offer Price has been determined following extensive discussions by the Company with investors and the Underwriters and reflects terms that are considered reasonable and proportionate taking into account market conditions, demand from investors and the availability of underwriting commitments to secure the funding requirements of the Company. However, the Offer Price may not be indicative of the market price of the Shares after completion of the Rights Offer. The market price of the Shares could be volatile and subject to significant fluctuations due to a variety of factors, some of which do not relate to the financial performance of the Company or the Portfolio Companies, including changes in general market conditions, the general performance of the exchanges operated by the JSE and LuxSE, changes in sentiment in the market regarding the Shares (or securities similar to them), regulatory changes affecting the Company's or the Portfolio Companies' operations, variations in the Company's or the Portfolio Companies' operating results, business developments of the Company, the Portfolio Companies or their respective competitors, the operating and share price performance of other companies in the industries and markets in which the Company and the Portfolio Companies operate, speculation about the Company's or Portfolio Companies' business in the press, media or the investment community, or changes in the political, social or economic conditions in the United Kingdom, South Africa or the surrounding regions. Furthermore, the Company's operating results and prospects from time to time may be below the expectations of market analysts and investors. Any of these events could result in a decline in the market price of the Shares.

PART 15 ADDITIONAL INFORMATION

1. COMPANY REGISTRATION

Brait is registered in Malta as a European Company, with registration number SE1, having its registered office at 4th Floor, Avantech Building, St Julian's Road, San Gwann, SGN 2805, Malta.

2. SHARE CAPITAL

As at the Latest Practicable Date, the authorised ordinary share capital of the Company is 5,000,000,000 Shares. The Company has 20,000,000 authorised but unissued preference share capital.

As at the Latest Practicable Date, the issued ordinary share capital of the Company is 525,599,215 Shares. Of this number, 54,091,259 are Treasury Shares. The Shareholders approved a resolution to cancel the Treasury Shares as described in paragraph 7 (*Cancellation of Treasury Shares*) of Part 4 (*The Overview*) of this Circular.

In terms of the Rights Offer, the Company is offering for subscription to Shareholders a maximum of 795,454,545 New Shares at the Offer Price on the basis of 1.6870 New Shares for every 1 Existing Share held on the First Record Date subject to the terms and conditions set out in this Circular. Upon issue, the New Shares issued pursuant to the Rights Offer will immediately be fully fungible with the Existing Shares.

Upon completion of the Rights Offer, the issued ordinary share capital of the Company will be 1,266,962,501 Shares excluding Treasury Shares.

In terms of the Top-Up Subscription, Brait may issue a maximum of 53,030,303 New Shares at the Offer Price to the Ethos Underwriters to achieve a post-Rights Offer and post Top-Up Subscription total investment of ZAR1,350,000,000. Should the Top-Up Subscription be concluded in accordance with the "Base case Scenario 1" as reflected in paragraph 3 (*Details of the Recapitalisation*) of Part 4 (*The Overview*) of this Circular, the issued share capital of the Company will be 1,319,992,804 Shares excluding Treasury Shares. As at the date of this Circular, the total value of the Company's stated capital account, excluding Treasury Shares, is ZAR1,667,114,452 (EUR 103,731,750). Upon completion of the Rights Offer, the total value of the Company's stated capital account, excluding Treasury Shares, will be the EUR equivalent of approximately ZAR4,479,609,450. Should the Top-Up Subscription be concluded, as per the "Base case Scenario 1" stated above, the total value of the stated capital account, excluding Treasury Shares, will be ZAR4,667,109,117 (EUR 290,398,417).

Other than the Shares described above, no other class of Brait equity security exists.

Particulars of alterations to the Company's share capital over the preceding three years are as follows:

- On 7 August 2017, Brait's issued share capital increased from ZAR1,788,469,111.47 (EUR 114,622,678.28) represented by 521,012,174 Shares to ZAR1,804,214,964.54 (EUR 115,631,827.30) represented by 525,599,215 Shares pursuant to a bonus share issue and cash dividend alternative as set out in the Company circular issued and published on 30 June 2017.
- On 14 January 2020, the Shareholders passed a resolution to reduce the issued share capital of the Company through the cancellation of the Treasury Shares. Provided that no creditor of the Company objects to the reduction of the issued share capital, the reduction shall take effect three months after the Publication Date, at which time, the Company will deposit an updated memorandum and articles of association with the Malta Business Registry to, *inter alia*, reflect the changes to the Company's issued share capital.

3. MATERIAL LOANS RECEIVABLE BY BRAIT AND ITS SUBSIDIARIES

As at the Latest Practicable Date, Brait and its subsidiaries do not have any material loans outstanding, other than its share of investments in the Portfolio Companies in the normal course of Brait's investment operations.

4. LITIGATION

There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened or of which the Company is aware) during the 12 months preceding the Latest Practicable Date which may have, or have had, a significant effect on the Company's or the Group's financial position or profitability.

5. EXPENSES RELATING TO THE EQUITY CAPITAL RAISE

The expenses relating to the Equity Capital Raise, including the Underwriters' commission, commission fees payable to relevant Shareholders that have provided irrevocable undertakings, the listing fees and the professional fees and expenses, are estimated to amount to ZAR170,000,000 (excluding VAT) and are payable by the Company.

The Underwriters' commission and commission fees payable to relevant Shareholders that have provided irrevocable undertakings to the Company are estimated to amount to ZAR87,800,000 (excluding VAT) and are payable by the Company.

6. CLEARING AND SETTLEMENT

6.1 The Shares have been accepted for clearance and settlement through the facilities of the Clearstream and Euroclear clearing systems under Common Code: 001185764 and ISIN: LU0011857645. Brait further participates in the electronic transfer system of the JSE operated by Strate.

6.2 The Rights offered to Shareholders in terms of the Rights Offer have been accepted for clearance and settlement through the facilities of the Clearstream and Euroclear clearing systems under Common Code: 209120534 and ISIN: MT2000680212.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be obtainable and available for inspection free of charge during normal business hours at the registered office of Brait at 4th Floor, Avantech Building, St Julian's Road, San Gwann, SGN, 2805, Malta or at the offices of its Corporate Advisors located at Office Level 7, Rosebank Towers, 15 Biermann Ave, Rosebank, Johannesburg, 2196, South Africa and/or 3rd Floor, 55 Blandford Street, London W1U 7HW, United Kingdom:

- the audited annual consolidated financial statements of Brait for the years ended 31 March 2017, 2018 and 2019 and the Brait 2020 Unaudited Interim Results Presentation Booklet;
- the written consent of all professional advisors to the inclusion of their names and any references thereto in this Circular;
- the Memorandum and Articles of Association of Brait; and
- a signed copy of this Circular.

8. DIRECTORS OF THE COMPANY

8.1 The Directors and their functions within the Company and brief biographies are set out in Part 10 (*Management and Corporate Governance*).

8.2 The companies and partnerships of which the Directors are members of the administrative, management or supervisory bodies or partners (excluding the Company and its subsidiaries and also excluding the subsidiaries of the companies listed below) are as follows:

Name	Current directorships/partnerships
Phillip Jabulani Moleketi	Harith Fund Managers Remgro Limited Vodacom Group Limited MMI Holdings Limited Newsshelf 1078 Proprietary Limited PPC Limited Aluwani Capital Main Street 1413 Proprietary Limited Lebashe Investment Group Proprietary Limited Lebashe Financial Services Proprietary Limited
Dr. Christoffel Hendrik Wiese	Afropulse 500 Alenti 254 Auburn Avenue Trading 143 Bato Boerdery Cenfund Investments CETA Trading Chonette Beleggings Coala Bear Trading Cwp Wine Brands Deuceprops 1014 Deuceprops 1015 Deuceprops 1016 Deuceprops 1018 Deuceprops 3001 Dorsland Diamante

Name	Current directorships/partnerships
Christopher Stefan Seabrooke	Fi Funding And Investments Finance Fi Funding And Investments Holdco Fi Operations Fundex Investments Granadino Investments Grene Properties Invicta Holdings Loncape Finance Lourensford Brokenhill Sawmill Lourensford Estates Farming Enterprises Lourensford Estates Fruit Company Lourensford Events Lourensford Fruit Company Lourensford Holdings Lourensford Leasing Lourensford Properties Lourensford Sawmills Lourensford Winery Matrix Development Move-On-Up 289 Oryx Eco Tours Oryx Game Farming Oryx Management Services Pallinghurst Resources Limited Parinol Peggro Radaj 2 Schonegevel Holdings Sereno Properties No 8 Sereno Properties No 9 Shoprite Holdings The SA SME Fund Thibault Square Financial Serv Titan Asset Management Titan Financial Services Titan Funding Titan Global Investments Titan Group Investments Titan Innovations Titan Manor Titan Portfolio Titan Premier Investments Titan Share Dealers Titan Trademarks Toerama Tomil Holdings Tradehold Wiesfam Trust Wieskor Worldquest Investment Resources Xantium Trading 326 Yserfamilie Zoloworx Investments Apex Partners Holdings Proprietary Ltd Appaloosa Estate Proprietary Limited Comfin Capital Proprietary Limited Conance Limited Famdeen Investments Proprietary Limited Flexo Line Products Proprietary Limited General Pacific Capital Limited General Pacific Finance Limited General Pacific Management Services Limited General Pacific Nominees S.A. General Pacific Management Services Limited General Pacific Trust Services Limited International Trimmings & Labels Plc ITL Holdings Limited ITL Holdings South Africa Proprietary Limited ITL International Holdings Limited JAA Holdings Proprietary Limited Mandarin Holdings Proprietary Limited Mandarin Industries Limited

Name	Current directorships/partnerships
John Chester Botts	Masimong Group Holdings Proprietary Limited Metrofile Holdings Limited Net1 U.E.P.S. Technologies Inc. Pierson Holdings Inc Policy Investments Proprietary Limited Porterswood Limited Revix SA HoldCo Proprietary Limited Rolfes Holdings Limited S A Bias Industries Proprietary Limited Sabias Investments Limited S D Nominees Proprietary Limited Sabvest Limited Sabvest Finance and Guarantee Corporation Proprietary Limited Sabvest Financial Services Proprietary Limited Sabvest Investments Proprietary Limited Sabvest Securities Proprietary Limited Sunspray Food Ingredients Proprietary Limited Sunspray Investments Proprietary Limited Torre Holdings Proprietary Limited Transaction Capital Limited Glyndebourne Productions Limited Tate Foundation The Ink Factory Limited Eatwith Limited Plandek Limited
Alan Steven Jacobs	Heath Jacobs Limited Jacobs Capital Limited Jacobs Capital Holdings Limited Jacobs Capital Advisory Limited Redbus Outdoor Holdings Limited Redbus Outdoor Retail Advertising Limited The Kendal Group Limited Zoggs Acquisition Limited Jewish Chronical Limited Jewish Chronical News Limited Wearisma Limited The Industrial Dwellings Society (1885) Limited BE Offices Limited Tradehold Limited
Dr Lawrence Leon Porter Hermanus Roelof Willem Troskie	Aldershot Holdings S.à r.l. Aisling Holdings S.à r.l. Aisling Investments S.à r.l. Alto Investments S.à r.l. Ardagh Group S.A. ARD Holdings S.A. ARD Securities Finance S.à r.l. ARD Finance S.A. ARD Group Finance Holdings S.A. Ardagh Packaging Finance S.A. Ardagh Packaging Luxembourg Finance S.à r.l. Arial S.à r.l. Avenir Investments S.à r.l. Brandenburg Realty Co-Investment Limited Eurofund Group S.à r.l. Fulman Holdings S.à r.l. Grupo Pestana SGPS ICS Holdings S.à r.l. ICS InvestCo S.à r.l. ICS JV S.à r.l. Intu Eurofund Developments S.à r.l. Maitland International Holdings plc Mixer Luxembourg S.à r.l. MTC Holdings Limited Pestana International Holdings S.A. Puma Brandenburg Limited Pump King S.à r.l. Security Finance Limited Tradegro S.à r.l. Tradehold Limited Yeoman Capital S.A. Yeoman Gibraltar Holdings

- 8.3 Save as set out above, none of the Directors or the Company Secretary has any business interests, or perform any activities, outside the Group which are significant with respect to the Group.
- 8.4 The aggregate remuneration paid and benefits in kind granted to the Directors by the Company and its subsidiaries during the financial year ended 31 March 2019 for services in all capacities was ZAR13,995,000.

9. CURRENT DIRECTORS' INTERESTS

- 9.1 The number, description and value of marketable securities in Brait held by or on behalf of Directors as at the Latest Practicable Date are as follows:

Name of director	Total number of Shares held	Total principal value of Outstanding Bonds held	Total principal value of Bonds held
Phillip Jabulani Moleketi	466,073	0	–
Dr Christoffel Hendrik Wiese ⁽¹⁾	188,730,749	0	–
Christopher Stefan Seabrooke	3,965,728	0	GBP3,000,000
John Chester Botts CBE	–	0	–
Alan Steven Jacobs	–	0	–
Dr. Lawrence Leon Porter	–	0	–
Hermanus Roelof Willem Troskie	50,000	0	–

Notes:

(1) This includes Shares held by Titan and its affiliates.

No marketable securities in Brait other than those indicated above are held by or on behalf of a Director.

- 9.2 The total remuneration paid and benefits in kind granted to each of the Directors by the Company and its subsidiaries during the financial year ended 31 March 2019 for services in all capacities is set out below:

Name	Remuneration (ZAR'000)
Phillip Jabulani Moleketi	3,176
Dr. Christoffel Hendrik Wiese	2,689
Christopher Stefan Seabrooke	2,382
John Chester Botts CBE	1,678
Alan Steven Jacobs	1,665
Dr. Lawrence Leon Porter	740
Hermanus Roelof Willem Troskie	1,665
Total	13,995

- 9.3 No fees are or have been paid or accrued as payable to a third party in lieu of Directors' fees.
- 9.4 There will be no variation of the remuneration receivable by any of the Directors as a consequence of the Rights Offer.
- 9.5 There are no outstanding loans granted or any guarantees provided by Brait to or for the benefit of its founders or members of its administrative, management or supervisory bodies.

- 9.6 The table below sets out the interests of the Directors in the share capital of the Company (all of which, unless otherwise stated, are beneficial and include the interest of persons connected with them) as at the Latest Practicable Date.

Name of Director	Prior to Rights Offer	
	Number of Shares	Percentage of issued share capital ⁽¹⁾
Dr Christoffel Hendrik Wiese ⁽²⁾	188,730,749	40.03%
Christopher Stefan Seabrooke	3,965,728	0.84%
Hermanus Roelof Willem Troskie	50,000	0.01%
Phillip Jabulani Moleketi	466,073	0.10%

Note:

- (1) Excluding Treasury Shares.
- (2) The interests of Dr. Christo Wiese do not include trades by closely associated persons (CAPs) reported to the market in terms of the Market Abuse Regulation EU 596/2014. CAPs of Dr. Christo Wiese held 4,653,156 Shares at the Latest Practicable Date.
- 9.7 Save as set out in this paragraph 9, none of the Directors have any interests in the share or loan capital of the Company or any of its subsidiaries. Sabvest Limited, a company associated with Christopher Stefan Seabrooke subscribed for GBP3,000,000 of the Bonds.
- 9.8 Save as set out in this paragraph 9, no Director has or has had any interest in any transaction which is or was unusual in its nature or conditions or is or was significant to the business of the Group and was effected by the Company in the current or immediately preceding financial year or was effected during an earlier financial year and remains in any respect outstanding or unperformed.
- 9.9 As of the Latest Practicable Date, there were no outstanding loans granted by any member of the Group to any Director, nor by any Director to any member of the Group, nor was any guarantee which had been provided by any member of the Group for the benefit of any Director, or by any Director for the benefit of any member of the Group, outstanding.

10. SUBSIDIARIES, JOINT VENTURES, PORTFOLIO COMPANIES AND ASSOCIATES

- 10.1 The Company is the holding company of the Group. As at the Latest Practicable Date, the Company's principal subsidiaries and subsidiary undertakings in the Group are as follows:

Name	Country of incorporation and registered office	Percentage of shares held as at the Latest Practicable Date	Principal Activity
Subsidiaries			
Brait Malta	Malta	100	Investment and financial services
BML	Mauritius	100 ⁽¹⁾	Investment and financial services

Note:

- (1) Indirect holding through Brait Malta.
- 10.2 As at the Latest Practicable Date, the Company's principal Portfolio Companies (held through BML) are as follows:

Name	Percentage of shares held as at the Latest Practicable Date
Virgin Active	71.9
Premier	98.5
Iceland Foods	63.1
New Look	18.5
DGB	91.3 ⁽¹⁾

Note:

- (1) BML has signed a conditional sale and purchase agreement on 20 December 2019 relating to the sale of the Group's entire shareholding in DGB, which is expected to complete in the first half of this year.

11. NO SIGNIFICANT CHANGE

There has been no significant change in the financial or trading position of the Group since 30 September 2019, the date to which the last unaudited interim financial of the Company were prepared, save for:

- the issuance of the Bonds; and
- the entry by BML into a conditional sale and purchase agreement relating to the sale of the Group's entire shareholding in DGB to a third party on 20 December 2019. As at the Latest Practicable Date, this remains subject to the fulfilment of a number of suspensive conditions and is expected to complete in the first half of this year.

12. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company or another member of the Group within the two years immediately preceding the date of this Circular and are or may be material:

12.1 Underwriting Agreement and Irrevocable Undertakings

12.1.1 On 27 November 2019, the Company, the Ethos Underwriters, Titan, and RMB entered into the Underwriting Agreement, pursuant to which the Underwriters have given a firm underwriting commitment equal to an aggregate value of ZAR2,122,246,975, on the terms and subject to the conditions contained in the Underwriting Agreement, comprising the following:

- (a) the Ethos Underwriters (severally and not jointly or jointly and severally) have irrevocably agreed to: (i) exercise the entitlements in the Rights Offer transferred to them by Titan and its affiliates having an aggregate value of ZAR1,000,000,000 at the Offer Price; (ii) underwrite up to a maximum number of New Shares having an aggregate value ZAR350,000,000 at the Offer Price on a first commitment basis to the extent such New Shares are not taken up in the Rights Offer (the "**Ethos Underwriting Commitment**"); and (iii) subscribe for the Shares issued in connection with the Top-Up Subscription;
- (b) Titan has irrevocably agreed to underwrite up to a maximum number of New Shares having an aggregate value of ZAR250,000,000 at the Offer Price on a second commitment basis, to the extent they are not taken up in the Rights Offer or pursuant to the Ethos Underwriting Commitment (the "**Titan Underwriting Commitment**"); and
- (c) RMB has irrevocably agreed to underwrite up to a maximum number of New Shares having an aggregate value of ZAR1,522,246,975 at the Offer Price on a third commitment basis to the extent they are not taken up in the Rights Offer or pursuant to the Ethos Underwriting Commitment or Titan Underwriting Commitment.

12.1.2 Each of the Ethos Underwriters, Titan and RMB are acting severally and not jointly and severally.

12.1.3 In consideration of their services under the Underwriting Agreement, and subject and conditional on closing of the Rights Offer, the Company has agreed to pay:

- (a) each of the Ethos Underwriters a commission equal to 2 per cent of the aggregate number of New Shares taken up by each such party multiplied by the Offer Price, together with any applicable value added tax or similar tax; and
- (b) each of Titan and RMB a commission equal to 2 per cent of each of their respective underwriting commitments, together with any applicable value added tax or similar tax.

12.1.4 The Company has given certain customary representations and warranties to the Underwriters as to the accuracy of the information contained in this document and other relevant documents, and in relation to other matters relating to the Group and its business.

12.1.5 In addition, the Company has given a customary indemnity to RMB and its affiliates for losses incurred in connection with the Rights Offer. In addition, the Company has undertaken that neither the Company nor any of its affiliates, will directly or indirectly, for a period from the date of the Underwriting Agreement until 90 days following the Business Day after the closing date for acceptances under the Rights Offer, without the prior written consent of the Underwriters (acting jointly) issue, offer, sell, contract to sell, grant or sell options over, purchase any option or contract to sell, transfer, charge, pledge, grant any right or warrant to purchase or otherwise transfer, lend, or otherwise dispose of (or publicly announce any

such issuance, offer, sale or disposal of) any Shares except the issue of New Shares pursuant to the Rights Offer or Top-Up Subscription, if applicable, or the issuance of the Bonds.

12.1.6 The Underwriting Agreement was conditional on the satisfaction or waiver of certain conditions precedent prior to the Finalisation Date and subject to termination rights exercisable prior to the Finalisation Date by the Underwriters (acting together). No party is entitled to terminate the Underwriting Agreement following the Finalisation Date.

12.1.7 On 26 November 2019, the Company obtained an irrevocable undertaking from Titan pursuant to which Titan agreed that it shall, and shall procure that any relevant affiliates shall, subscribe for 113,636,364 New Shares, at the Offer Price, having an aggregate value of ZAR750,000,000 in connection with the Equity Capital Raise. In connection with the Equity Capital Raise, the Company has also obtained further irrevocable undertakings from various other major institutional Shareholders to subscribe for all, or a portion, of their respective entitlements to New Shares pursuant to the Rights Offer, subject to certain exceptions for compliance with investment mandates, having an aggregate value of ZAR1,377,753,025 at the Offer Price. The Company has agreed to pay each such Shareholder (including Titan) a commission equal to 1 per cent of the aggregate number of New Shares taken up pursuant to the Rights Offer multiplied by the Offer Price, together with any applicable value added tax.

12.2 The BML RCF

RMB and Standard Bank as the existing lenders under the BML RCF have agreed and signed a credit approved termsheet to amend the terms of the BML RCF and extend its maturity by three years. Pending execution of the long form legal documentation, an addendum to the BML RCF has been entered into. The new BML RCF will be conditional upon the completion of the Rights Offer.

The key terms of the refinancing of the BML RCF are:

12.2.1 facility limit of ZAR6,960,000,000 to be reduced to ZAR6,310,000,000 after completion of the Rights Offer;

12.2.2 revised three-year tenor from the date the legal agreements are signed;

12.2.3 agreed reductions will apply to the limit of the facility as Brait de-gears;

12.2.4 the interest rate margin of 4.6 per cent will reduce as Brait de-gears:

(a) 0.6 per cent reduction while the facility utilisation is less than or equal to ZAR5,250,000,000;

(b) a further 0.4 per cent reduction while the facility utilisation is less than or equal to ZAR3,500,000,000; and

(c) a further 0.4 per cent reduction while the facility utilisation is less than or equal to ZAR2,000,000,000,

applicable from the date on which utilisation reduces below the relevant level;

12.2.5 covenants remain NAV-based and will be set with sufficient headroom for short-term volatility; and

12.2.6 continue to be secured on a senior basis by the assets of BML.

The amendment and extension of the BML RCF is intended to achieve the stabilisation of Brait's balance sheet and provide time for the execution of Brait's new strategy. The BML RCF is available for Brait's general corporate and working capital purposes, as well as investment in its portfolio of assets.

12.3 Outstanding Bonds

On 18 September 2015, the Company issued the Outstanding Bonds, in an aggregate principal amount of GBP350,000,000 and an interest rate of 2.75 per cent per annum with a conversion price set at 30 per cent above the prevailing share price at the time of pricing. The Outstanding Bonds are listed on the Open Market (*Freiverkehr*) segment of the Frankfurt Stock Exchange. The Outstanding Bonds are senior obligations of the Company and all amounts payable in respect of the Outstanding Bonds are unsecured and do not benefit from a guarantee. The terms and conditions of the Outstanding Bonds are governed by English law. The Outstanding Bonds are convertible into Shares at the option of the holders by dividing the principal amount of each bond by the conversion price in effect as at the date of conversion. The conversion price is subject to adjustment during the life of the Outstanding Bonds in accordance with customary antidilution provisions regarding, *inter alia*, share consolidations, share splits, capital distributions, rights issues (which will include the Rights Offer) and bonus issues.

As at the Latest Practicable Date, the aggregate principal amount of the Outstanding Bonds outstanding was GBP170,000,000, the conversion price was GBP7.7613 per Share, and the aggregate number of Shares to be issued on conversion (based on a conversion price as at the Latest Practicable Date) was 45,096,000. Any adjustment to the conversion price of the Outstanding Bonds as a result of the Rights Offer will become effective on the first date the Existing Shares trade ex-Rights on the Exchanges.

The Company may redeem the Outstanding Bonds in whole but not in part at their principal amount, together with accrued and unpaid interest to (but excluding) the date fixed for redemption:

- (a) at any time on or after 9 October 2018 provided that the value of the Shares (translated into GBP at the prevailing exchange rate on such day) underlying an Outstanding Bond, on each of not less than 20 dealing days in any period of 30 consecutive dealing days ending not earlier than the fifth dealing day prior to the date on which such relevant redemption notice is given to holders of the Outstanding Bonds, shall have exceeded GBP130,000; or
- (b) at any time if 85 per cent or more of the aggregate principal amount of the Outstanding Bonds originally issued have been previously redeemed, converted or purchased and cancelled.

The Outstanding Bonds contain market standard events of default in respect of the Company and its material subsidiaries, including a cross-acceleration provision with a threshold of ZAR500,000,000 (or its equivalent in any other currency).

If the Company declares, announces, makes or pays a Special Dividend (as defined below) to Shareholders, no adjustment shall be made to the conversion price in respect thereof and instead the Company shall pay to the holders of the Outstanding Bonds in respect of each Outstanding Bond an equivalent amount in Pound Sterling determined by reference to the fair market value per Share of such Special Dividend and the number of Shares underlying such Outstanding Bond at the prevailing conversion price. "Special Dividend" means any dividend or distribution declared, announced, paid or made by the Company to Shareholders in cash, directly or indirectly out of the proceeds of any sale or disposal by the Issuer or any of its subsidiaries of any Investment (as defined in the terms and conditions of the Outstanding Bonds and including the Portfolio Companies).

In addition, the Outstanding Bonds contain a covenant that for so long as any of the Bonds remain outstanding, the Company shall procure that the Company's Tangible NAV shall not be less than 200 per cent of Net Debt (in each case, as defined in the terms and conditions of the Outstanding Bonds), where the definition of Net Debt excludes the Outstanding Bonds and the Bonds.

12.4 Bonds

On 4 December 2019, the Company issued the Bonds in an aggregate principal amount of GBP150,000,000 and an interest rate of 6.5 per cent per annum and with a conversion price set at 25 per cent above the prevailing share price at the time of pricing. As at the Latest Practicable Date, the Bonds were in the process of being listed on the Open Market (*Freiverkehr*) segment of the Frankfurt Stock Exchange. The Bonds are senior obligations of the Company and all amounts payable in respect of the Bonds are unsecured and do not benefit from a guarantee. The terms and conditions of the Bonds are governed by English law. The Bonds are convertible into Shares at the option of the holders by dividing the principal amount of each Bond by the conversion price in effect as at the date of conversion. The conversion price is subject to adjustment during the life of the Bonds in accordance with market standard antidilution provisions regarding, *inter alia*, share consolidations, share splits, capital distributions, rights issues (which will include the Rights Offer) and bonus issues. In addition, the conversion price may be adjusted (but only if the conversion price so adjusted is lower than the then prevailing conversion price) based on the average daily VWAP of the Shares on the ten consecutive dealing days starting on the sixth London business day following the settlement of the Rights Offer in accordance with a formula set out in the terms and conditions of the Bonds.

As at the Latest Practicable Date, the aggregate principal amount of the Bonds outstanding was GBP150,000,000, the conversion price was GBP0.9375 per Share, and the aggregate number of Shares underlying the Bonds to be issued on conversion (based on a conversion price as at the Latest Practicable Date) was 160,000,000. Any adjustment to the conversion price of the Bonds as a result of the Rights Offer will become effective on the first date the Existing Shares trade ex-Rights on the Exchanges.

The Company may redeem the Bonds in whole but not in part at their principal amount, together with accrued and unpaid interest to (but excluding) the date fixed for redemption at any time if 85 per cent or more of the aggregate principal amount of the Bonds originally issued have been previously redeemed, converted or purchased and cancelled.

Holders of the Bonds will have the option to require the early redemption of their Bonds on 18 September 2020, at par and plus accrued and unpaid interest, if the Rights Offer is not completed on or before 20 August 2020.

The Bonds contain market standard events of default in respect of the Company and its material subsidiaries, including a cross-acceleration provision with a threshold of ZAR500,000,000 (or its equivalent in any other currency).

If the Company wishes to declare, announce, make or pay a Special Dividend (as defined below) to Shareholders, then the Company shall by notice to the holders of the Bonds make an offer to the holders of the Bonds to tender for repurchase an aggregate principal amount of Bonds up to a maximum amount equal to the Pound Sterling equivalent of the aggregate amount of the proposed special dividend at a price per Bond equal to its principal amount together with accrued interest to the special dividend put date, as further described in the terms and conditions of the Bonds.

If, following the operation of the above provisions, the Company declares, announces, makes or pays a Special Dividend to Shareholders, no adjustment shall be made to the conversion price in respect thereof and instead the Company shall pay to holders of the Bonds in respect of each Bond an equivalent amount in Pound Sterling determined by reference to the fair market value per Share of such Special Dividend and the number of Shares underlying such Bond at the prevailing conversion price. "Special Dividend" means any cash dividend (or portion thereof) declared, announced, paid or made by the Company to Shareholders directly or indirectly out of the proceeds of any sale or disposal by the Company or any of its subsidiaries of any Investment (as defined in the terms and conditions of the Bonds and including the Portfolio Companies).

In addition, the Bonds contain a covenant that for so long as any of the Bonds remain outstanding, the Company shall procure that the Company's Tangible NAV shall not be less than 200 per cent of Net Debt (in each case, as defined in the terms and conditions of the Bonds), where the definition of Net Debt excludes the Outstanding Bonds and the Bonds.

12.5 The New Investment Advisory Agreement

For a description of the terms of the new investment advisory agreement with EPE, see paragraph 6 (*The New Investment Advisory Agreement and Cost Structure*) of Part 4 (*The Overview*).

13. RELATED PARTY TRANSACTIONS

Details of related party transactions entered into by members of the Group during the years ended 31 March 2018 and 2019 can be found in the note 17 to the 2019 audited consolidated annual financial statements, and details of related party transactions entered into by members of the Group during the year ended 31 March 2017 can be found in note 17 to the 2018 audited consolidated annual financial statement, each of which has been incorporated by reference herein as set out in Part 2 (*Information Incorporated by Reference*).

14. AUDITORS

14.1 Deloitte Audit Limited, Deloitte Place, Mriehel Bypass, Mriehel, BKR3000, Malta acted as independent auditors to the Group for the financial years ended 31 March 2017 and 31 March 2018.

14.2 PricewaterhouseCoopers, 78 Mill Street, Qormi, QRM3101, Malta are the Group's independent auditors since the financial year ended 31 March 2019.

15. GENERAL

15.1 In the financial year ended 31 March 2019 and during the current financial year, the Company has not:

15.1.1 received public takeover or exchange offers by third parties in respect of the Shares; and

15.1.2 made public exchange offers in respect of any other company's shares.

15.2 In the financial year ended 31 March 2019 and during the current financial year, there have been no interruptions in the Company's business which have or have had a significant effect on the Company financial position.

16. FINANCIAL AND OTHER NOTICES

Information concerning Brait, including annual and interim half-yearly reports, dividend notices, information on rights issues and capital increases and notices for general meetings will be published on Brait's website at <https://brait.investoreports.com/investor-relations/>.

ANNEXURE 1: OVERVIEW AND SALIENT INFORMATION ON BRAIT

For information regarding Brait's business activities, please see the Brait 2020 Unaudited Interim Results Presentation Booklet (<https://brait.investoreports.com/investor-relations/results-and-reports/>) dated 27 November 2019, which is incorporated by reference herein as set out in Part 2 (*Information Incorporated by Reference*).