

Notice of annual general meeting



BRAIT SE

(Registered in Malta)

(Registered address: 4th Floor, Avantech Building, St Julian's Road, San Gwann, SGN, 2805, Malta)

(Registration Number: SE1) ISIN: LU0011857645

Share code: BAT LEI code: 549300VB8GBX4U07WG59

("Brait" or the "Company")

Notice is hereby given to all the holders of ordinary shares ("Ordinary Shareholders"), directors and auditors of Brait of the annual general meeting ("AGM") of the Company to be held at 08h30 CET on 31 July 2019 at The Hilton Hotel, Portomaso, St. Julians, Malta to consider and, if deemed fit approve the following resolutions

AGENDA

ORDINARY BUSINESS

1. Accounts

That the audited accounts for the financial year ended 31 March 2019 and directors' and auditor's reports thereon be received and approved.

2. Directors

a. That the following directors be re-elected for a period expiring at next year's AGM:

2.1 Mr PJ Moleketi

2.2 Mr JC Botts

2.3 Mr AS Jacobs

2.4 Dr LL Porter

2.5 Mr CS Seabrooke

2.6 Mr HRW Troskie

2.7 Dr CH Wiese

b. That a maximum aggregate amount of compensation of GBP771,726, representing an inflationary increase of 1.8% on the 2019 fee of GBP758,080, be approved for the directors re-elected further to Resolution 2(a) for serving on the board of directors ("**Board**") and on the relevant committees in respect of the financial year ending 31 March 2020. The proposed compensation takes into consideration directors' time commitments, responsibilities, skills and experience in rendering their services.

3. Auditors

That the appointment of PricewaterhouseCoopers of Malta as auditors of the Company be approved, and that the Board be hereby authorised to fix their remuneration.

SPECIAL BUSINESS

4. Renewal of the Company's authority to purchase its own shares subject to various limitations

Purpose

The Board is proposing that the authority for the Company to make market purchases of its own ordinary shares be renewed. As at the date of this notice of AGM, there is no current intention to repurchase ordinary shares. However, the Board believes that it is nevertheless desirable for this general authority to be available to provide flexibility in the management of the Company's capital resources in the future.

Proposal

a. That the Company be and is generally and unconditionally authorised pursuant to Article 3(l) of the articles of association of the Company and in accordance with article 106 of the Companies Act (Chapter 386, Laws of Malta) ("**Companies Act**") to make market purchases of its own ordinary shares ("**Shares**" and each a "**Share**") on such terms and in such manner as the directors shall determine, provided that:

i. the Shares to be purchased are fully paid up;

ii. the maximum aggregate nominal value of the Shares authorised to be purchased shall not exceed 10 (ten) percent of the aggregate nominal value of the Company's issued share capital at any point in time;

iii. the maximum price which may be paid for each Share shall be 5 (five) percent above the volume weighted average price for a Share on the securities exchange on which the Shares are purchased for the five business days immediately before the day on which the purchase is made (in each case exclusive of expenses);

iv. the minimum price which may be paid for each Share shall be one euro cent; and

v. all conditions and limitations imposed by the Companies Act are adhered to.

b. That this authority (unless previously revoked, varied or renewed) shall expire on 30 October 2020 or, if sooner, at the end of the Annual General Meeting of the Company to be held in 2020.

5. Renewal of the Board's Authority to issue ordinary shares and to restrict and withdraw statutory pre-emption rights

Purpose

It is proposed that the Board's authority to issue Shares be renewed and that the Board be authorised to restrict and withdraw any statutory pre-emption rights for so long as the Board remains authorised to issue Shares in the Company.

Proposal

a. That in accordance with the Company's Memorandum and Articles of Association ("**M&A**"), the Board be hereby authorised to exercise the power of the Company to issue Shares in the Company up to the amount of the authorised but unissued share capital of the Company for the time being, and the Board may offer, issue, grant rights or options over, or otherwise dispose of Shares to such persons on such terms and in such manner as they think fit, whether for cash or otherwise, subject to the following limitations:

i. that the authority given under this ordinary resolution will expire upon the lapse of 15 (fifteen) months from the date of the AGM of 31 July 2019 but shall be renewable for further periods (which may be periods of less than but not more than 5 (five) years each) by resolution of the general meeting of the shareholders from time to time;

- ii. that a paid press announcement giving details, including the impact on net asset value and earnings per Share, will be published at the time of any such issue of, or grant of options or rights over, Shares;
 - iii. that in aggregate in any one year the nominal value of Shares represented by such issue(s) or grant of options or rights may not exceed 10 (ten) percent of the aggregate nominal value of the Company's issued ordinary share capital; and
 - iv. that, in determining the price at which such an issue of Shares (including pursuant to a future exercise of options or rights) will be made in terms of this authority, the maximum discount permitted will be 10 (ten) percent of the average market price of the Shares as determined over the 30 (thirty) days prior to the date that the price of the issue is determined or agreed by the directors on all securities exchanges on which the Shares are listed and have traded during that period.
- b. That pursuant to the M&A, and the Companies Act, the Board be generally authorised to restrict or withdraw the statutory pre-emption rights of the Company's shareholders for as long as the Board remains authorised to issue Shares or grant options or rights over Shares in terms of Resolution 5(a) above and any applicable law.

6. Equity Ownership Plan

Purpose

Further to the announcement made on 1 July 2019, the Board proposes to implement a new equity ownership plan (the "Plan") for its corporate advisors, Brait Advisory Services UK Limited, Brait South Africa Proprietary Limited and their respective investment teams. The Plan has been designed to align the interests of the corporate advisors with the Company's shareholders over the long term. The principal features of the Plan are summarised in the Annex to this Notice of AGM.

Although not required under applicable law or stock exchange requirements, the Board is voluntarily seeking shareholder approval for the Plan.

Proposal

That the Plan be hereby approved and the Board be hereby authorised to do all acts and things necessary to adopt and operate the Plan, including making such modifications as the Board reasonably consider appropriate, necessary or desirable to complete, implement and give effect to the Plan.

NOTES

Any Ordinary Shareholder may, in writing, appoint a proxy, who need not be an Ordinary shareholder, to represent him/her at the AGM. Any company, being an Ordinary Shareholder, may execute a form of proxy under the hand of a duly authorised officer. The instrument appointing a proxy together with evidence of the authority of the person by whom the proxy is signed (except in the case of a proxy signed by the Ordinary Shareholder), shall be deposited at the registered office of the Company, 24 hours before the time for the holding of the AGM or its adjournment (as the case may be) at which the person named in such instrument proposes to vote. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date of its execution. Any Ordinary Shareholder may, instead of sending the proxy form to the registered office, send the proxy form (completed in accordance with its instructions) to the appropriate transfer agent 48 hours prior to the AGM in order that the transfer agents may be able to send the proxy form on his/her behalf to the registered office 24 hours before the time for holding of the meeting.

A form of proxy is enclosed with this notice, the completion of which will not preclude an Ordinary Shareholder from attending and voting at the AGM in person to the exclusion of any proxy appointed.

Resolutions 1 to 3, 5(a) and 6 are to be proposed as ordinary resolutions and Resolutions 4 and 5(b) are to be proposed as extraordinary resolutions.

Ordinary resolutions may be passed at the AGM by a simple majority representing more than 50 per cent. of the voting rights attached to shares represented and entitled to vote at the AGM. Extraordinary resolutions require a 75 per cent. majority by nominal value of shares represented at the AGM and entitled to vote and at least 51 per cent. in nominal value of all the shares entitled to vote at the AGM.

The quorum requirement in relation to both ordinary resolutions and extraordinary resolutions is at least two members holding shares granting the right to vote in the Company who are present or represented at the AGM.

By order of the Board,



Anjelica Camilleri de Marco

Company Secretary

Date: 8 July 2019

Registrar and Transfer Agent
Luxembourg
Maitland Luxembourg
58, rue Charles Martel,
Luxembourg
L-2134

Registrar and Transfer Agent
South Africa
S.A. Computershare Investor Services (Proprietary) Limited
Rosebank Towers
15 Biermann Avenue
Rosebank
2096
(PO Box 61051, Marshalltown 2107)

ANNEX

Overview

- The Plan involves the creation of a new class of shares of R0.01 each (“**B Shares**”) and share appreciation rights (“**SARs**”) by Brait Mauritius Limited (“**BML**”).
- B Shares and SARs will be granted to the Company’s corporate advisors, Brait Advisory Services UK Limited (“**BUK**”) and Brait South Africa Proprietary Limited (“**BSAL**”), which they will allocate to members of their respective investment teams in full.
- The Plan is a five-year structure that has been designed to align the long-term interests of the Company’s corporate advisors with those of shareholders.

Eligibility

- B Shares and SARs can only be granted to members of the BUK and BSAL investment teams as BUK and BSAL may nominate.
- No directors of the Company will participate in the Plan

Put Right

- Holders of B Shares will have the right (the “**Put Right**”) to have their B Shares redeemed or purchased for an amount equal to the volume weighted average price (“**VWAP**”) of a Brait share for the seven-day period prior to the date of exercise less a strike price (the “**Put Amount**”).
- Upon exercise of Put Rights, the Put Amount may be settled in kind (including through the transfer of Brait shares held by BML) or in cash to be determined at BML’s sole discretion. BML’s obligation to discharge the Put Amount is subject to any required lender consents and BML having satisfied applicable statutory solvency requirements (if any).
- A Put Right may only be exercised from the second anniversary of the issue date of the relevant B Share and will lapse on the fifth anniversary of the issue date. Put Rights will also be capable of early exercise for a limited period if there is a termination of the investment advisory contract, change of control or delisting (as described below) following which they will lapse.
- In addition, BML will have the right (at its discretion) to call for the redemption or repurchase of a B Share at any time during the five-year period of the Plan. Any B Shares redeemed or purchased by BML will be cancelled and will not be regranted.

Strike price

- The strike price will be R35.00, which is a premium of 84 per cent. to the thirty-day VWAP of R19.02 as at 1 July 2019 (being the date on which the proposed Plan was first announced).
- Should any of the following events occur, the strike price will be reduced to an amount that equates to R19.02 (the thirty-day VWAP as at 1 July 2019) increased at a compound annual growth rate (“**CAGR**”) of 13 per cent. from the date of issue of the relevant B Shares and/or SARs to the date on which the relevant event occurs:
 - BML’s investment advisory contract with BSAL and BUK is terminated;
 - there is a change of control including a person (or persons acting in concert) acquiring more than 50 per cent. of the voting rights of the Company, BML or Brait Malta Limited; and/or
 - the Company’s shares ceasing to be admitted to trading on an internationally recognised stock exchange.
- The strike price (and the limits described below) are subject to customary adjustments to reflect the effect of non-ordinary course changes in the Company’s share capital or reserves, including: stock splits; stock consolidations; capital reductions; demergers; spin-offs; and special dividends. There shall be no adjustment in case of an offering of Brait shares under a rights issue.
- In case of any disagreement regarding any adjustment to be made, the matter shall be referred to an independent professional adviser appointed by BML.

Restrictions on transfer

- There are restrictions on the transferability of the B Shares and SARs. Including pre-emption rights for BML to acquire (or procure the acquisition of) any B Shares or SARs proposed to be transferred to a person other than BUK, BSAL or another member of their group.

Other

- The B Shares carry no voting or dividend rights. On a winding-up of BML, the maximum entitlement of each holder of B Shares will be limited to R0.01 for all B Shares held.
- Holders of B Shares and SARs will be responsible for any relevant taxes, social security contributions, transfer fees or other costs that may be incurred in connection with the Plan. Any payments due by BML pursuant to the Plan will be subject to the relevant holder having paid any such taxes. In addition, BML will be entitled to deduct (or withhold) any such taxes from any payments to be made under the Plan.

SARs

- SARs have economic rights which are substantially equivalent to those of the B Shares. SARs can be exercised, redeemed or purchased in the same circumstances as Put Rights (including following the exercise of call rights by BML). SAR holders will receive an amount determined on an equivalent basis as the B Shares.

Limits

- No more than 29,000,000 B Shares and SARs (in aggregate) will be issued under the Plan.
- The Plan imposes limits on the Put Amount that may be payable following exercise of Put Rights or SARs. Under those limits, the Put Amount is capped at a percentage of the prevailing Brait share price at the time of exercise.
- As a result of those limits, the maximum dilution that could be experienced by Brait shareholders on exercise of Put Rights and SARs is 3.5 per cent. (assuming full settlement through Brait shares held by BML).
- The applicable percentage limit will depend on the CAGR of the Brait share price based on the thirty-day VWAP as at 1 July 2019 (being R19.02) and calculated from the issue date of the relevant B Share or SAR to the exercise date of the Put Right or SAR as follows:

Brait share price CAGR from starting VWAP to exercise of Put Right/SAR	Implied maximum Brait share price in year 5 from starting VWAP	Maximum Brait shareholder dilution*	Maximum Brait shares which could be used in settlement*	Maximum Put Amount/strike price as a % of the prevailing Brait share price
CAGR <= 13%	R35.00	0.0%	0	0%
13% < CAGR <= 20%	R47.33	1.5%	7.2 million	24.8%
20% < CAGR <= 25%	R58.04	2.5%	12.1 million	41.7%
25% < CAGR <= 30%	R70.62	3.0%	14.6 million	50.3%
30% < CAGR	R70.62 < Share Price	3.5%	17.1 million	59.0%

*On the basis that all Put Rights and SARs are exercised when the relevant CAGR applies, that they are all satisfied using Brait shares, there are no other changes to Brait’s share capital and BML does not exercise its right to repurchase any Put Rights or SARs.

Illustrative Example

- Given the initial VWAP of R19.02 per Brait share and a five-year share price CAGR of 20 per cent., the prevailing Brait share price in year five would be R47.33. Given the strike price of R35.00 and assuming a Put Right or SAR is exercised in year five, settlement per B Share or SAR would, at BML’s discretion, either be in kind through the transfer of 0.26 Brait shares (being R12.33, which is difference between the Brait share price of R47.33 and the strike price of R35.00, divided by the Brait share price of R47.33) or through a cash payment of R12.33.
- In the absence of limits included in the Plan, if all 29 million B Shares and SARs were settled using Brait shares, the required number of Brait shares would be 7.5 million, resulting in an effective shareholder dilution of 1.6 per cent. given the current number of Brait shares in issue of 471.5 million. However, to limit the dilution to shareholders to 1.5 per cent. in accordance with the table above, only 7.2 million Brait shares would be transferred for settlement, with the Put Amount limited to 0.248 Brait shares or R11.75 per B Share or SAR.

Form of proxy



BRAIT SE
(Registered in Malta as a European Company) (Registration No.SE1)
Listed in Luxembourg and South Africa
("Brait" or the "Company")

Form of Proxy for use by certificated Brait holders of ordinary shares and "own-name" dematerialised Brait holders of ordinary shares only at the annual general meeting of 31 July 2019 at 08h30 CET

For use only:

- by holders of certificated shares of the Company; and
- holders of dematerialised shares in the Company held through a Central Securities Depository Participant ("CSDP") or broker and who have selected "own name" registration;
- at the annual general meeting of the Company to be held at 08h30 CET on Wednesday 31 July 2019, at the Hilton Hotel in Malta or at any adjournment thereof ("AGM").

If you are a Brait shareholder entitled to attend and vote at the AGM you can appoint a proxy or proxies to attend, vote and speak in your stead. A proxy need not be a shareholder of the Company.

If you are a Brait shareholder and have dematerialised your share certificates through a CSDP (and have not selected "own name" registration in the sub-register maintained by a CSDP), do not complete this form of proxy (blue) but instruct your CSDP to issue you with the necessary letter of representation to attend the AGM, or if you do not wish to attend, provide your CSDP with your voting instructions in terms of your custody agreement entered into with them.

I/We

(full names in block letters) of (address)

being a holder/s of _____ shares in the Company, hereby appoint (see note 2)

1. _____ or (or failing him/her)
2. _____ or (or failing him/her)
3. the Chairman of the Company or failing him the Chairman of the AGM, as my/our proxy to attend, speak, and on a poll to vote or abstain from voting on my/our behalf at the AGM which will be held for the purpose of considering and, if deemed fit, passing, with or without modification, the ordinary or extraordinary resolution to be proposed thereat and at any adjournment thereof.

	Number of votes (one per share)		
	In favour	Against	Abstain
Resolution number 1 Receipt and approval of audited accounts for the financial year ended 31 March 2019 and directors' and auditor's reports thereon			
Resolution number 2(a) Re-election of directors			
2.1 Mr PJ Moleketi			
2.2 Mr JC Botts			
2.3 Mr AS Jacobs			
2.4 Dr LL Porter			
2.5 Mr CS Seabrooke			
2.6 Mr HRW Troskie			
2.7 Dr CH Wiese			
Resolution number 2(b) Approval of non-executive director compensation in respect of the financial year ending 31 March 2020			
Resolution number 3 Appointment of auditors			
Resolution number 4 Renewal of the Company's authority to purchase its own shares subject to various limitations			
Resolution number 5(a) Renewal of the Board's authority to issue ordinary shares			
Resolution number 5(b) Renewal of the Board's authority to withdraw statutory pre-emptions rights			
Resolution number 6 Approval of the Equity Ownership Plan			

Note: Please indicate with an "x" in the spaces above how you wish your votes to be cast.

Signed at _____ this _____ day of _____ 2019

Signature: _____

Notes to the proxy

- (i) The following dates are applicable to all Ordinary Shareholders. This notice is being mailed to the Ordinary Shareholders on the register of members of the Company as at Friday, 5 July 2019. Ordinary Shareholders registered on the register of members as at Friday, 26 July 2019 ("**Record Date**") shall have the right to participate in and vote at the AGM. Accordingly, the last day to trade for Ordinary Shareholders in order to be able to participate in and vote at the AGM is Tuesday, 23 July 2019. Any change to an entry on the register of members after the Record Date shall be disregarded in determining the right of any person to attend and vote at the AGM.
- (ii) A Member entitled to vote may appoint a proxy to attend and vote instead of him/her using the enclosed form of proxy; the appointed proxy need not be a member. To be valid the Form of Proxy must be signed and must reach the office of the Company Secretary at Brait SE, 4th Floor, Avantech Building, St. Julian's Road, San Gwann, SGN 2805, Malta by not later than Tuesday, 30 July 2019 at 08h30 CET.
- (iii) Should you not wish to send the duly-completed proxy directly to the Company Secretary you may send it to the appropriate transfer agent:
- for the Luxembourg share register: Maitland Luxembourg S.A., 58, rue Charles Martel, Luxembourg, L-2134, Tel: +352 402 505 401, Fax: +352 402 505 66; or
 - for the South African share register: Computershare Investor Services (Pty) Limited PO Box 61051, Marshalltown, 2107, Tel: +27 11 370 5000, Fax: +27 11 668 5200
- by not later than Monday 29 July 2019 at 08h30 CET, in order to enable the transfer agent to send it on your behalf for receipt by the Company Secretary by not later than Tuesday, 30 July 2019 at 08h30 CET.
- (iv) In order to participate in and to vote at the AGM, an Ordinary Shareholder or his/her proxy is to present his/her identity card or other means of identification. In the case of an Ordinary Shareholder being a body corporate, association of persons, foundation or other body of persons, a representative thereof will only be eligible to attend and be admitted to the AGM, and to vote there at, if a form of proxy has been (a) duly executed in his/her favour by the competent organ of the entity which he/she represents, and (b) submitted to the Company Secretary in accordance with the procedures set out under (ii) above.
- (v) A holder of shares in the Company holding not less than 10 (ten) percent of the voting issued share capital of Brait SE may:
- (a) request Brait SE to include items on the agenda of the AGM, provided that each item is accompanied by a justification or a draft resolution to be adopted at the AGM; and
 - (b) table draft resolutions for items included in the agenda of the AGM.
- Provided that with respect to the request to put items on the agenda of the AGM or table draft resolutions, these shall be submitted to Brait SE in hard copy form or in electronic form at least 7 (seven) days before the date set for the AGM and it shall be authenticated by the person or persons making it. In the event that such a request or resolution is received after the lapse of the 7 day time limit set out above, Brait SE shall not be obliged to entertain any requests by such holders of ordinary shares.
- (vi) In the case of ordinary shares held jointly by several persons, the person who had been nominated by the joint holders to be the registered holder of such shares shall be entitled to attend and vote at the AGM. In the event that the joint holders failed to nominate such person, the first named joint holder on the register of members of the Company shall be entitled to attend and vote at the AGM.
- (vii) An Ordinary Shareholder who is a minor may be represented at the AGM by his/her legal guardian who will be required to present his/ her identity card.
- (viii) Admission to the AGM will commence one hour before the advertised and appointed time.
- (ix) The following information is also made available to the shareholders on www.brait.com in the Investor Relations section:
- (a) a copy of this notice;
 - (b) the total number of shares and voting rights at the date of the notice;
 - (c) the documents to be submitted to the AGM;
 - (d) the proxy forms.