

DRAFT TERMS OF CONVERSION

In relation to the conversion of Brait SE (a Societas Europea) into Brait p.l.c. (a public limited company registered under the Laws of Malta)

1. INTRODUCTION

Brait SE (the “**Company**”) is a Societas Europea, registered in Malta with SE Registration No. 1 and registered address located at 4th Floor, Avantech Building, St. Julian’s Road, San Gwann, Malta.

It is being proposed that the Company be converted into a public limited company under the laws of Malta in accordance with the provisions of Article 66 of Council Regulation (EC) No. 2157/2001 of 8 October 2001 (“**Regulation**”) (“**Conversion**”).

The Board of Directors of the Company (the “**Board**”) has drawn up these Draft Terms of Conversion (“**Draft Terms**”) required by Article 66(3) of the Regulation.

The Conversion of the Company will be subject to the approval of the Company’s Shareholders (the “**Shareholders**”) in general meeting.

The Board is of the view that the Conversion is in the best interest of the Company and its Shareholders. It further recommends that Shareholders vote in favour of the Conversion, these Draft Terms as well as the Memorandum and Articles of Association of the Company, as amended, at the general meeting at which these matters will be proposed for their consideration and approval.

2. BACKGROUND AND REASONS FOR THE CONVERSION

The Board has previously informed the Shareholders of its intention to seek the continuation of the Company under the laws of Mauritius, and pursuant to the stated objective of reducing costs, the Board has resolved to propose to Shareholders that the Company commences a legal process which, once completed, would result in the Company being continued under the laws of Mauritius, where the Company’s main investment subsidiary, Brait Mauritius Limited, is domiciled. In view of Maltese legal requirements whereby a company may only request the consent of the Registrar of Companies for it to be continued under the laws of another country or jurisdiction, if such company is registered as a Maltese company under the Companies Act (Chapter 386 of the Laws of Malta) (the “**Act**”), the conversion of the Company as a public limited company under the Act is a necessary and critical step in the process leading to its re-domiciliation under the laws of Mauritius.

The Board is of the opinion that the Conversion is not expected to cause any significant adverse economic impact for the Company and its Shareholders. It may result in an indirect economic benefit for the Company given that it renders the re-domiciliation process to Mauritius possible, which process, once executed, would result in the simplification of the overall group structure and which may, in turn, lead to an overall reduction in Brait Group’s operating costs.

The Conversion will not impact the Company’s primary listing on the Euro MTF Market of the Luxembourg Stock Exchange (“**LuxSE**”) or its secondary listing on the Johannesburg Stock Exchange (“**JSE**”). Based on the analysis performed to date by the Company, no amendments are expected to

be required to the terms and conditions of the Convertible Bonds of the Company. In addition, the share capital of the Company will not be affected as a consequence of the Conversion.

3. CURRENT STATUS OF THE COMPANY AND CHANGES RESULTING FROM THE CONVERSION

3.1 Activity

Brait SE is an investment holding having its portfolio mainly focused on business operating in the broad consumer sector. The Company's shares are primarily listed and admitted to trading on the Euro MTF market of the LuxSE and its secondary listing is on the JSE.

There will be no change in the business and objectives of the Company following the proposed Conversion.

3.2 Legal Status

In accordance with Article 66(2) of the Regulation, the Conversion will not result in the winding up of the Company or in the creation of a new legal person.

Following the Conversion, the Company will exist as a Maltese-registered public limited company, subject to the laws applicable to public limited companies, particularly the Act. It will continue its current activities in the form of a public limited company registered under the Act.

3.3 Other Changes

	Company's position prior to the Conversion	Company's position post-Conversion
Status	The Company is currently registered in Malta as a Societas Europaea.	With effect from the Conversion, the Company will be registered as a public limited company under the laws of Malta.
Company Name	The Company is currently known as Brait SE.	With effect from the Conversion, the name of the Company will be known as Brait p.l.c.
Registered Office	The Company's registered office is presently located at 4 th Floor, Avantech Building, St. Julian's Road, San Gwann, Malta.	The Company's registered office will continue being located at 4 th Floor, Avantech Building, St. Julian's Road, San Gwann, Malta
Share Capital	The Company's issued share capital is €298,453,978.46 (two hundred and ninety eight million, four hundred and fifty three thousand, nine hundred and	The Company's issued share capital will remain unchanged following the Conversion.

	<p>seventy-eight Euro forty six cents) divided into 1,356,608,993 (one billion, three hundred and fifty-six million, six hundred and eight thousand, nine hundred and ninety-three) Ordinary listed shares of €0.22 each (which includes 36,616,189 Brait Mauritius Limited shares which are in the process of being cancelled).</p>	
Applicable law	<p>The Company is presently governed by a number of regulations including the Regulation, the Employee Involvement (European Company) Regulations (Subsidiary Legislation 452.94) and the legislative and regulatory provisions in force in Malta applicable to Public Companies (insofar as such laws do not contradict SE legislation), including the Act.</p>	<p>The Company will be principally governed by the provisions of the Act and other applicable law.</p>
Memorandum and Articles of Association	<p>A copy of the current Memorandum and Articles of Association is available at the Registered Office of the Company and on the Company's website.</p>	<p>With effect from the Conversion, the Company will adopt a new Memorandum and Articles of Association ("New Memorandum and Articles of Association") drawn up in accordance with the Act. A copy of the New Memorandum and Articles of Association will be circulated with the notice of general meeting and circular. Upon approval by Shareholders at the general meeting and registration by the Maltese Registrar of Companies, a copy of the New Memorandum and Articles of Association will be available at the Registered Office of the Company and on the Company's website.</p> <p>The Board confirms that the New Memorandum and Articles of Association are substantially in the same form as the existing Memorandum and Articles of Association save for amendments that have been made such as to bring the document in line with Maltese law applicable to public limited</p>

		liability companies, as not subject to the Regulation.
Operation	The Company is currently operating as a single tier Societas Europaea, the Board being its governing body. The general meeting of shareholders is vested with the powers granted thereto by the Company's constitution and applicable law.	Upon Conversion, the operation of the Company will remain substantially unchanged. The Board will remain the Company's governing body and the shareholders in general meeting will be vested with the powers granted thereto by the Company's constitution and the Act.
Listing Status	The Company's primary listing is on the LuxSE and has its secondary listing on the JSE.	The Company's listing status will remain unchanged following the Conversion.

4. Requirements for the Conversion

The board notes that in order for the Conversion to be carried out, a number of requirements set out by Article 66 of the Regulation are to be satisfied.

4.1 Registration Date or Accounts Approval

Article 66(1) of the Regulation stipulates that no decision on conversion may be taken unless two years have elapsed since the Company's registration or before the first two sets of annual accounts have been approved. The Board of Directors of the Company hereby confirms that this condition has been fulfilled since the Company was originally incorporated on 17 June 1976 and registered by the Maltese Registrar of Companies as a European public limited liability company on the 24 November 2011 by way of the transfer of its registered office.

4.2 Financial Requirements

Article 66(5) provides that independent experts shall be engaged to certify that the Company has assets at least equivalent to its capital. This condition has been satisfied since an independent expert has been instructed by the Company and has prepared a report which confirms that the Company's assets are at least equivalent to its capital. This report will be made available at the Company's registered office.

4.3 General Meeting Approval

Article 66(6) stipulates that the general meeting of the Company is required to approve these Draft Terms together with the New Memorandum and Articles of Association of the Company. Resolutions proposing the approval of the Conversion, these Draft Terms and the New Memorandum and Articles of Association will be proposed to the Shareholders for approval at a general meeting of shareholders.

5. Implications of the Conversion

5.1 Shareholders

The Conversion will not have an impact on the rights, including voting rights, pertaining to the Shareholders of the Company, who will become shareholders of the Company registered under the Act without any further action or formality required from them, other than the required approval at the general meeting. The Company's issued share capital and the nominal value of the shares shall remain unchanged and shares shall continue to be denominated in Euro.

The Conversion will not impact the Company's primary listing on the LuxSE or its secondary listing on the JSE. Based on the analysis performed to date by the Company, no amendments are expected to be required to the terms and conditions of the Convertible Bonds of the Company.

5.2 Employees

The Company operates as a single tier Societas Europaea and therefore the Company does not have any employees. This will remain the status quo post the conversion.

6. Conversion Process

In accordance with the Regulation, an independent expert has prepared a report which confirms that the Company has assets at least equivalent to its capital. These Draft Terms of Conversion and an amended Memorandum and Articles of Association of the Company have also been prepared.

These Draft Terms and the New Memorandum and Articles of Association are subject to the approval by the shareholders at the general meeting to be convened in accordance with the Regulation.

The Conversion will become effective upon the registration with the Registrar of Companies of a certified true extract of the resolutions approving the Conversion and the New Memorandum and Articles of Association together with the registration of such New Memorandum and Articles of Association of the Company and the issue by the Registrar of Companies of an amended certificate of registration of the Company.

These Draft Terms of Conversion have been approved by the Board of Directors of Brait SE on the 25 February 2020.



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Name – Dr. Lawrence Leon Porter

As duly authorized by the Board of Directors of Brait SE

EXPLANATORY REPORT

1. Background

Brait SE (the “**Company**”) was originally registered as a société anonyme under the laws of the Grand Duchy of Luxembourg on the 17 June 1976. On 29 August 2011, the Company took the form of a Societas Europaea through a merger with BM plc, a Maltese subsidiary. On 24 November 2011, the Company became registered under the laws of Malta with registered number SE 1 and with its registered office at 4th Floor, Avantech Building, St. Julian’s Road, San Gwann, SGN 2805, Malta, following a transfer of its registered office from Luxembourg to Malta.

It is proposed that the Company be converted into a public limited company registered under the laws of Malta in accordance with the provisions of article 66 of Council Regulation (EC) 2157/2001 of 8 October 2001 (the “**SE Regulation**”) (“**Conversion**”).

The Conversion is subject to the approval by the shareholders of the Company at a general meeting to be held for the purpose.

The Board of Directors of the Company (the “**Board**”) is of the opinion that the Conversion is in the best interest of the Company for the reasons set out below and recommends that the shareholders vote to approve the Conversion and the Draft Terms of Conversion.

2. Legal Aspects of the Conversion

The most important legal aspect resulting from the Conversion is that it would enable the Company, upon its being registered as a public limited liability company in accordance with the Maltese Companies Act (Chapter 386 of the Laws of Malta) (the “**Act**”), to request the consent of the Registrar of Companies in terms of article 12 of the Continuation of Companies Regulations (Subsidiary Legislation 386.05) to be continued as a company under the laws of Mauritius.

As a result of the Conversion, the Regulation will cease to apply, and the Company will be fully regulated by the provisions of Maltese law, principally the Act and subsidiary legislation enacted thereunder.

The Conversion will not impact the Company’s primary listing on the LuxSE or its secondary listing on the JSE. Based on the analysis performed to date by the Company, no amendments are expected to be required to the terms and conditions of the Convertible Bonds of the Company. In addition, the share capital of the Company will not be affected as a consequence of the Conversion.

3. Economic Aspects of the Conversion

There are no significant economic aspects of the Conversion. The operating costs of the Company will remain largely unchanged following the Conversion, with no impact on the assets and liabilities of the Company which will remain unchanged.

One indirect economic consequence of the Conversion is that it renders the re-domiciliation process of the Company to Mauritius possible. Once executed, such process would result in the simplification

of the overall group structure and which may, in turn, lead to an overall reduction in Brait Group's operating costs.

4. Implications of the Conversion on the Shareholders

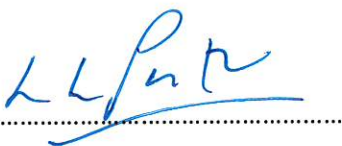
Upon conversion the Company will adopt the legal form of a public limited company registered under the laws of Malta. The Shareholders of Brait p.l.c. will continue to enjoy materially the same rights as previously held as shareholders of Brait SE. They will also continue holding the same number of shares and their liability thereon will remain unchanged.

As a public limited company registered under the laws of Malta, the Company will adopt an amended statute, compliant with the Act (the "**New Memorandum and Articles of Association**") a copy of which will be circulated with the notice of general meeting and circular. Upon approval by Shareholders at the general meeting and registration by the Maltese Registrar of Companies, a copy of the New Memorandum and Articles of Association will be available at the Registered Office of the Company and on the Company's website. The Board of Directors confirms that the New Memorandum and Articles of Association are substantially in the same form as the existing Memorandum and Articles of Association, save for such amendments made to bring the document in line with the requirements of Maltese law.

5. Implications of the Conversion on the Employees

Brait SE does not have any employees.

This Explanatory Report has been approved by the Board of Directors of Brait SE on the 25 February 2020.



Name – Dr. Lawrence Leon Porter

As duly authorized by the Board of Directors of Brait SE

[Draft letter of request required in terms of Article 12 of the Continuation of Companies Regulations]

[] p.l.c.

The Registrar of Companies
Malta Business Registry
AM Business Centre,
Triqil-Labour,
Zejtun
Malta

Date [.]

Dear Sir,

The consent of the Registrar of Companies such that [] p.l.c. (the "Company") may be continued as a public limited company registered under the laws of Mauritius in terms of Article 12 of the Continuation of Companies Regulations (the "Regulations") is hereby being requested.

In this regard, please find enclosed the following documentation:

- A certified true copy of the extraordinary resolution of the Company taken at the general meeting held on the [];
- A declaration of the board of directors of the Company in accordance with the Regulations.

The relevant fees are being remitted together with the submission of this request and accompanying documentation.

Sincerely,

[]
Director

[]
Director

[Draft declaration required in terms of Articles 12 and 13 of the Continuation of Companies Regulations]

[.] p.l.c.

The Registrar of Companies
Malta Business Registry
AM Business Centre,
Triqil-Labour,
Zejtun
Malta

Date [.]

Dear Sir,

We, the undersigned, directors of [.] p.l.c. (hereinafter referred to as the “**Company**”), a public limited liability company registered under the laws of Malta and bearing company registration number C [], hereby request the consent of the Registrar of Companies for the Company to be continued as a company under the laws of Mauritius in accordance with the Continuation of Companies Regulations, (Chapter 386.05 of the Laws of Malta) (the “**Regulations**”).

We hereby declare and confirm that:

1. The name of the Company is [.] p.l.c. and the Company shall be continued in Mauritius under the name [], subject to the approval of the authorities in []. The Company shall have its registered office situated at [].
2. The Company shall be continued in Mauritius as a [] registered with the [] being the proper authority in that jurisdiction, having its registered address situated at [].
3. The Company shall establish domicile in Mauritius prior to calendar year ending 2020, subject to the attainment of the necessary consents from the Registrar of Companies in Malta and the [].
4. We have made a full inquiry into the affairs of the Company and have formed the opinion that the Company is solvent as on the date hereof and that we are not aware of any circumstances which could negatively affect in a material manner the solvency position of the Company within a period of twelve (12) months from the date of this declaration.
5. Payment has been made by the Company of all fees and penalties due under the Companies Act, 1995.
6. No proceedings for the dissolution of the Company, insolvency proceedings, arrangements, compositions, recovery or other analogous proceedings have been commenced by or against the Company in Malta or elsewhere.
7. No shares of the Company have been pledged in favour of any person.

8. The Company is not in breach of any of its duties or obligations under the Companies Act (Chapter 386 of the laws of Malta).

In the light of the above, we hereby request the Registrar of Companies, after having duly ascertained that all the necessary requirements under the Regulations have been fully observed and complied with, to proceed with the publication of the relevant notice on the Malta Business Registry's website and in a daily newspaper in accordance with the Regulations.

Approved by the Board of Directors of the Company on the [] and executed on its behalf by the undersigned:

[]
Director

[]
Director