

BRAIT SE
(Registered in Malta as a European Company)
(Registration No.SE1)
Share code: BAT ISIN: LU0011857645
Bond code: WKN: A2SBSU ISIN: XS2088760157
LEI code: 549300VB8GBX4UO7WG59
("Brait" or the "Company")

NOTICE OF EGM TO APPROVE THE PROPOSED REDOMICILIATION OF THE COMPANY AND PROPOSED NEW LONG TERM INCENTIVE PLAN

Proposed redomiciliation of the Company

Further to the announcements published on the website of the Luxembourg Stock Exchange ("**LuxSE**") and released on the Stock Exchange News Services ("**SENS**") of the Johannesburg Stock Exchange ("**JSE**") on 13 May 2020 and 24 June 2020, the Company has today released the Notice of the Extraordinary General Meeting to be held on 30 October 2020 ("**EGM**") for Brait shareholders ("**Shareholders**") to approve the proposed transfer of the Company's registered office from Malta to Mauritius, where the Company's main investment subsidiary, Brait Mauritius Limited, is domiciled (the "**Redomiciliation**").

Copies of the Notice of EGM and form of proxy are available to view, download and print on the Company's website at <http://brait.investoreports.com/investor-relations/results-and-reports/> and are also available for collection, free of charge, during normal business hours from the registered office of the Company.

The EGM will be held at the Company's registered office at 4th Floor, Avantech Building, St Julian's Road, San Gwann, SGN 2805, Malta on 30 October 2020, at 08:30 CET.

The resolutions relating to the Redomiciliation to be proposed to Shareholders at the EGM entail:

1. Approving the conversion of the Company from a European public limited liability company registered in Malta (Brait SE) to a public limited company registered in Malta (Brait p.l.c.) as well as the Draft Terms of Conversion and the new Memorandum and Articles of Association of the Company, amended to cater for this conversion ("**New Memorandum and Articles of Association**");
2. Approving the Redomiciliation, whereby the Company transfers its registered office from Malta to Mauritius whilst retaining its legal identity;
3. Approving the New Constitution of the Company, which will be adopted by the Company once registered as a public limited company under the laws of Mauritius, and which will replace the New Memorandum and Articles of Association that apply under the laws of Malta (the "**New Constitution**"); and
4. Granting the Board of the Company the necessary authority to effect the above.

The key amendments incorporated in the New Memorandum and Articles of Association, the New Constitution and the full New Constitution of the Company are set out in the Annexes to the Notice of EGM.

The Redomiciliation process will not impact the Company's primary listing on the Euro MTF Market of the LuxSE or its secondary listing on the JSE. No amendments will be required to the terms and conditions of the GBP150 million 6.5% Convertible Bonds due 4 December 2024 ("**2024 Bonds**"). In addition, the share capital of the Company will not be affected.

Proposed New Long Term Incentive Plan

As part of the Brait recapitalisation transaction concluded in February 2020 and the appointment of Ethos Private Equity ("**Ethos**") as the advisor to Brait ("**Advisor**"), it was communicated to Shareholders that the new Brait Board ("**Board**") would consider the structure for a new Long Term Incentive Plan for Ethos ("**LTIP**"). The Board has agreed the key terms for the LTIP and, although not required under applicable law or stock exchange requirements, the Board intends to seek voluntary Shareholder approval for the LTIP by way of ordinary resolution at the EGM.

The LTIP is a five-year structure which has been designed to align the interests of the Advisor with those of Shareholders in delivering on Brait's revised strategy of realising value from the portfolio over the medium term, whilst minimising dilution to Shareholders.

Key parameters of the LTIP:

- The LTIP will result in the Advisor receiving participation rights ("**Participation Rights**") to the realised proceeds distributed from the Brait portfolio only once cumulative distributions to Shareholders have exceeded the 31 March 2020 Net Asset Value ("**NAV**") of R8.27 per share (the "**Hurdle Price**"). The value accruing to the Advisor would be equal to the surplus between such distributions and the Hurdle Price and would be settled in cash;
- The Participation Right, which carries no voting rights, will be based on a sliding scale from 5.0% to 0.5% depending on the quantum of cumulative realised proceeds distributed to Shareholders. The LTIP has a diminishing participation rate as the disposal proceeds increase, in order to avoid any "excess participation" by the Advisor in the event of significant outperformance;
- The Hurdle Price represents a five year, 16% Compound Annual Growth Rate ("**CAGR**") over the Brait share price of R3.89 as at 6 October 2020, and will be adjusted to account for corporate events such as the declaration of ordinary and special dividends, share buybacks and asset unbundlings;

- The LTIP will remain in place for five years to align it with the revised Brait strategy of realising value from the Brait portfolio over a 3-5 year timeframe and can be extended at the Board's election;
- Ethos will allocate the LTIP to its employees on terms to be agreed between such parties and it is expected that the terms will include standard good leaver / bad leaver provisions in the event of an employee leaving Ethos' employment. Any allocation foregone by employees leaving can be reallocated by Ethos to its remaining employees working on the Brait portfolio;
- In the event of a change in control of Brait or a termination / non-renewal of the Ethos Advisory Agreement, the rights under the LTIP would remain in place and the Advisor would receive its Participation Rights as they fall due; and
- The dilution for Shareholders has been minimised whilst ensuring that the Company has an equitable LTIP in place to ensure alignment of interests with the Advisor.

Once, on a cumulative basis, the realised distributions to Shareholders exceeds the Hurdle Price, the Advisor will be entitled to its Participation Right of any further distributions to Shareholders. The Participation Right percentage is based on the following cumulative distributions to Shareholders and the resultant Shareholder dilution is set out below:

Realised distributions per share	Participation	Shareholder dilution
> R8.27 < R12.0	5.0%	0.0% to 1.6%
> R12.0 < R15.0	4.5%	1.6% to 2.1%
> R15.0 < R18.0	4.0%	2.1% to 2.5%
> R18.0 < R21.0	3.5%	2.5% to 2.6%
> R21.0 < R24.0	3.0%	2.6% to 2.7%
> R24.0 < R27.0	2.5%	2.7% to 2.6%
> R27.0 < R30.0	2.0%	2.6%
> R30.0 < R33.0	1.5%	2.6%
> R33.0 < R36.0	1.0%	2.5%
> R36.0	0.5%	< 2.4%

The proposed LTIP would result in the following value received by the Advisor based on various outcomes:

Realised distributions per share	Total Shareholder return	Shareholder dilution
R8.27	213%	-
R9.36	241%	0.6%
R10.55	271%	1.1%
R11.87	305%	1.5%
R13.32	342%	1.8%
R14.90	383%	2.1%
R16.63	428%	2.3%

Assuming, for illustrative purposes, that realised proceeds of R11.87 are distributed, Shareholder returns from the current Brait share price of R3.89 would be 305% (25% per annum over 5 years) and the resultant dilution to Shareholders due to the LTIP would be 1.5%.

Expected timetable of principal events for the EGM

The table below sets out the timetable of principal events. For further details, please refer to the Notice of EGM.

	2020
Draft Terms of Conversion published on the Maltese Business Registry	Thursday, 30 July
Record date to determine which Shareholders are entitled to receive the Notice of EGM	Friday, 25 September
Last day of trade in order to be eligible to participate and vote at the EGM	Tuesday, 20 October
Record date to determine which Shareholders are entitled to participate and vote at the EGM	Friday, 23 October
Form of proxy for the EGM to be lodged at the Transfer Agent	Wednesday, 28 October
Form of proxy for the EGM to be lodged at the Company Secretary	Thursday, 29 October
EGM	Friday, 30 October

9 October 2020

Malta

Brait's primary listing is on the Euro MTF market of the LuxSE and its secondary listing is on the JSE.

Merchant bank and sponsor

RAND MERCHANT BANK (a division of FirstRand Bank Limited)