

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

The definitions and interpretations commencing on page 9 of this Circular apply to this entire document, including the cover page, except where the context indicates a contrary intention.

**Action required by Certificated and Dematerialised Capevin Shareholders**

This document should be read in its entirety with particular attention to the section entitled "Action Required by Capevin Shareholders", which commences on page 5 of this Circular.

If you are in any doubt as to what action you should take, please consult your Broker, banker, legal adviser, CSDP or other professional adviser immediately. If you have disposed of all your Capevin Shares on or before Friday, 15 September 2017, this Circular should be handed to the purchaser of such Capevin Shares or to the Broker, banker, CSDP or other agent through whom the disposal was effected.

**Capevin does not accept responsibility, and will not be held liable, for any action of, or omission by, any CSDP or Broker including, without limitation, any failure on the part of the CSDP or Broker of any beneficial owner of Capevin Shares to notify such beneficial owner of the details set out in this Circular.**

# CAPEVIN

HOLDINGS LIMITED

## Capevin Holdings Limited

(Incorporated in the Republic of South Africa)

(Registration Number: 1997/020857/06)

JSE Code: CVH ISIN: ZAE000167714

("Capevin" or "the Company")

## CIRCULAR TO CAPEVIN SHAREHOLDERS

### Regarding

The restructuring of Distell's multi-tiered ownership structure and the resultant restructure of Capevin's interests in Distell, incorporating:

- a restructuring of Distell through *inter alia* Schemes of Arrangement between Distell and the Distell Minorities, and Capevin and the Capevin Shareholders, respectively, in each case to which DGHL is a party, and pursuant to which an aggregate of 222 382 356 DGHL Ordinary Shares will be issued to the Distell Minorities and Capevin Shareholders in exchange for their shares in Distell and Capevin respectively and 124 226 613 B Shares in DGHL will be issued to Remgro Beverages;
- a waiver by the Capevin Minorities of the Mandatory Offer pursuant to the RCI Exchange;
- the listing of all DGHL Ordinary Shares on the JSE; and
- the subsequent delisting of the Capevin Shares from the JSE.

### and enclosing

- a notice convening the Capevin Scheme Meeting;
- a Form of Proxy for the Capevin Scheme Meeting (*grey*) (for use by Certificated Capevin Shareholders and Dematerialised Capevin Shareholders with "own-name" registration only);
- a Form of Surrender and Transfer (*yellow*) (for use by Certificated Capevin Shareholders only); and
- the independent expert's reports in relation to the Capevin Scheme and the Waiver.

**The Capevin Scheme Meeting will be held at 09h00 on Friday, 27 October 2017**

Date of issue: Wednesday, 20 September 2017

**Financial Adviser and  
Transaction Sponsor to Capevin**



PSG CAPITAL

**Financial Adviser, Merchant Bank  
and Sponsor to Distell and DGHL  
Transaction Originator and  
Coordinator**



Traditional values. Innovative ideas.

**Legal Adviser to Capevin  
and Distell**



CLIFFE DEKKER HOFMEYER

**Independent expert to the  
Capevin Independent Board in  
respect of the Capevin Scheme  
and the Waiver**



**Legal Adviser to DGHL**



This Circular is only available in English. Copies may be obtained from Capevin's website <http://capevin.com/capevin-holdings-investor-center/>, or at the registered office of Capevin and PSG Capital, whose addresses are set out in the "Corporate Information and Advisers" section of this Circular from 20 September 2017 until 27 October 2017.

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## CORPORATE INFORMATION AND ADVISERS

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**Year of incorporation**

1997

**Place of incorporation**

South Africa

**Company Secretary and registered office**

Remgro Management Services Limited  
Capevin Holdings Limited  
(Registration number: 1997/020857/06)  
Millennia Park  
16 Stellantia Avenue  
Stellenbosch, 7600  
(PO Box 456, Stellenbosch, 7599)

**Independent expert to the Capevin Independent Board in respect of the Capevin Scheme and Waiver**

BDO Corporate Finance Proprietary Limited  
(Registration number: 1983/002903/07)  
22 Wellington Road  
Parktown, 2195  
(Private Bag X60500, Houghton, 2041)

**Financial Adviser and Transaction Sponsor to Capevin**

PSG Capital Proprietary Limited  
(Registration number: 2006/015817/07)  
1st Floor, Ou Kollege Building  
35 Kerk Street  
Stellenbosch, 7600  
(PO Box 7403, Stellenbosch, 7599)

**Financial Adviser and Merchant Bank to Distell and DGHL and Transaction Originator and Coordinator**

Rand Merchant Bank  
(A division of FirstRand Bank Limited)  
(Registration number: 1929/001225/06)  
1 Merchant Place  
Corner Fredman Drive and Rivonia Road  
Sandton, 2196  
(PO Box 786273, Sandton, 2146)

**Transfer Secretaries**

Computershare Investor Services Proprietary Limited  
(Registration number: 2004/003647/07)  
Rosebank Towers  
15 Biermann Avenue, Rosebank  
Johannesburg, 2196  
(PO Box 61051, Marshalltown, 2107)

**Legal Adviser to Capevin and Distell**

Cliffe Dekker Hofmeyr Incorporated  
(Registration number: 2008/018923/21)  
11 Buitengracht Street  
Cape Town, 8001  
(PO Box 695, Cape Town, 8000)

**Legal Adviser to DGHL**

Edward Nathan Sonnenbergs Incorporated  
(Registration number: 2006/018200/21)  
97 Dorp Street  
Stellenbosch, 7600  
(PO Box 940, Stellenbosch, 7599)

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<b>FORM OF SURRENDER AND TRANSFER</b>	Attached

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## IMPORTANT DATES AND TIMES

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**2017**

Record date to determine which Capevin Shareholders are entitled to receive the Capevin Circular	Friday, 15 September
Circular posted to Capevin Shareholders and notice convening the Capevin Scheme Meeting released on SENS	Wednesday, 20 September
Last day for Capevin Minorities to make representations to the TRP in respect of the Waiver	Thursday, 5 October
Last day to trade in order to be recorded in the Register in order to be eligible to attend and vote at the Capevin Scheme Meeting	Tuesday, 17 October
Voting Record Date for Capevin Shareholders to be recorded in the Register in order to be eligible to attend and vote at the Capevin Scheme Meeting	Friday, 20 October
For administrative purposes, date by which Forms of Proxy for the Capevin Scheme Meeting are requested to be lodged, by 09h00	Wednesday, 25 October
Form of Proxy to be handed to the chairman of the Capevin Scheme Meeting, at any time before the proxy exercises any rights of the Capevin Minorities at the Capevin Scheme Meeting	Friday, 27 October
Last date and time for Capevin Shareholders to give notice to Capevin objecting to the Capevin Scheme in terms of section 164 of the Companies Act by 09h00	Friday, 27 October
Capevin Scheme Meeting to be held at 09h00, at the Burgher House, corner of Alexander and Blom Streets, Stellenbosch, 7600	Friday, 27 October
Results of the Capevin Scheme Meeting released on SENS	Friday, 27 October
Results of the Capevin Scheme Meeting published in the press	Monday, 30 October
Company to send notice of the passing of the special resolution approving the Capevin Scheme, in terms of section 164(4) of the Companies Act	Monday, 30 October
<b>If (i) all of the resolutions relating to the RCI Exchange, Waiver and Capevin Scheme are passed by the requisite majority of the Capevin Minorities at the Capevin Scheme Meeting, and (ii) all of the resolutions required to give effect to the Distell Scheme and the Waiver are passed by the Distell Minorities at the Distell Scheme Meeting</b>	
Last day for Capevin Minorities who voted against the Capevin Scheme to require Capevin to seek court approval for the Capevin Scheme in terms of section 115(3)(a) of the Companies Act	Friday, 3 November
Last day to send notice of adoption of special resolutions in accordance with section 164(4) of the Companies Act	Friday, 10 November
Last day for Capevin Minorities who voted against the Capevin Scheme to apply to court for leave to apply for a review of the Capevin Scheme in terms of section 115(3)(b) of the Companies Act	Friday, 10 November

**2018**

Anticipated receipt of approval of the Competition Authorities on or before	Monday, 29 January
Receive compliance certificate from the TRP	Monday, 29 January
<b>If all Conditions Precedent relating to the Capevin Scheme are fulfilled or waived (to the extent applicable)</b>	

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Finalisation announcement expected to be released on SENS	Monday, 29 January
Implementation of the RCI Exchange and B Share Issuance	Monday, 29 January
Finalisation announcement expected to be published in the press	Tuesday, 30 January
Last day to trade in order for Capevin Shareholders to be recorded on the Register on the Capevin Record Date	Tuesday, 6 February
Capevin Shares expected to be suspended on the JSE trading system	Wednesday, 7 February
DGHL Ordinary Shares under the JSE Code: DGH and ISIN: ZAE000248811 to be allocated to Capevin Shareholders listed on the JSE	Wednesday, 7 February
Capevin Shareholders can trade their entitlement to DGHL Ordinary Shares	Wednesday, 7 February
Announcement released on SENS in respect of the cash payment applicable to fractional entitlements based on the volume weighted average price of DGHL Ordinary Shares traded on the JSE on Wednesday, 7 February 2018, discounted by 10%	Thursday, 8 February
Last day to trade in order for Distell Shareholders to be recorded on the Distell securities register on the Distell Record Date	Thursday, 8 February
Distell Shares expected to be suspended on the JSE trading system	Friday, 9 February
DGHL Ordinary Shares under JSE code: DGH and ISIN: ZAE000248811 to be allocated to Distell Shareholders listed on the JSE	Friday, 9 February
Distell Shareholders can trade their entitlement to DGHL Ordinary Shares	Friday, 9 February
Expected Capevin Record Date on which Capevin Shareholders must be recorded in the Register to participate in the Capevin Scheme	Friday, 9 February
Implementation of the Capevin Scheme (Capevin Operative Date)	Monday, 12 February
Dematerialised Capevin Shareholders' CSDP or Broker accounts updated to reflect their DGHL Ordinary Shares	Monday, 12 February
Expected termination of the listing of Capevin Shares at commencement of trade on the JSE	Tuesday, 13 February
Expected Distell Record Date on which Distell Shareholders must be recorded in the Distell securities register to participate in the Distell Scheme	Tuesday, 13 February
Implementation of the Distell Scheme (Distell Operative Date)	Wednesday, 14 February
Distell Shareholders holding Dematerialised Distell Shares' CSDP or Broker accounts updated to reflect their DGHL Ordinary Shares	Wednesday, 14 February
Expected termination of the listing of Distell Shares at commencement of trade on the JSE	Thursday, 15 February

**Notes:**

1. All times shown above are South African local times.
2. All dates and times in respect of the Transaction are subject to change. The above dates have been determined based on certain assumptions regarding the Transaction. The above dates will also change to the extent that the requisite approvals of the relevant South African Competition Authorities and/or Foreign Competition Authorities have not been obtained by Monday, 29 January 2018. If the relevant dates in respect of the Transaction change and the dates above are impacted the changes will be released on SENS and published in the press.
3. It should be noted that although Capevin will send the required notice to Dissenting Capevin Shareholders, if any, in terms of section 164(4) of the Companies Act on Monday, 30 October 2017, the last day for sending this notice is 10 Business Days after the date of the Capevin Scheme Meeting.
4. Share certificates in respect of Capevin Shares may not be Dematerialised or rematerialised from Wednesday, 7 February 2018.

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## **ACTION REQUIRED BY CAPEVIN SHAREHOLDERS**

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**The definitions and interpretations commencing on page 9 of this Circular apply to this “Action required by Capevin Shareholders” section of the Circular.**

**This Circular is important and requires your immediate attention. The action you need to take is set out below. If you are in any doubt as to the action you should take, please consult your Broker, CSDP, banker, legal adviser, accountant or other professional adviser immediately. If you have disposed of all of your Capevin Shares, please forward this Circular to the person to whom you have disposed of such Capevin Shares or the Broker, CSDP, banker or other agent through whom you disposed of such Capevin Shares.**

**Without derogating from the generality of the foregoing, the attention of Capevin Shareholders who hold their Capevin Shares in Certificated form is specifically drawn to the provisions of paragraph 3 below.**

The Capevin Scheme Meeting will be held at 09h00 on Friday, 27 October 2017, at the Burgher House, corner of Alexander and Blom Streets, Stellenbosch, 7600, to consider and, if deemed fit, pass the resolutions required to authorise and effect the implementation of the Transaction by Capevin. A notice to convene the Capevin Scheme Meeting is attached to and forms part of this Circular.

### **ACTION REQUIRED BY CAPEVIN SHAREHOLDERS:**

#### **1. DEMATERIALISED CAPEVIN SHAREHOLDERS OTHER THAN WITH “OWN-NAME” REGISTRATION**

##### **1.1 Voting at the Capevin Scheme Meeting**

Your Broker or CSDP should contact you to ascertain how you wish to cast your vote at the Capevin Scheme Meeting and thereafter cast your vote in accordance with your instructions.

If you have not been contacted by your Broker or CSDP, it is advisable for you to contact your Broker or CSDP and furnish them with your voting instructions.

If your Broker or CSDP does not obtain voting instructions from you, they will be obliged to vote in accordance with the instructions contained in the custody agreement concluded between you and your Broker or CSDP.

You must not complete the attached Form of Proxy (*grey*).

##### **1.2 Attendance and representation at the Capevin Scheme Meeting**

In accordance with the mandate between you and your Broker or CSDP, you must advise your Broker or CSDP if you wish to attend the Capevin Scheme Meeting. If so, your Broker or CSDP will issue the necessary letter of representation to you to attend the Capevin Scheme Meeting.

##### **1.3 Surrender of Documents of Title**

You must not complete the attached Form of Surrender and Transfer (*yellow*).

##### **1.4 Entitlement Ratio**

If the Capevin Scheme becomes operative, Capevin Scheme Participants' accounts at their CSDP or Broker will be updated to reflect the receipt of DGHL Ordinary Shares in the Entitlement Ratio and the transfer of their Capevin Shares to DGHL. In respect of fractional entitlements that arise, all allocations of DGHL Ordinary Shares will be rounded down to the nearest whole number, resulting in allocations of whole DGHL Ordinary Shares only and a cash payment in respect of the fractional entitlement. The weighted average traded price of DGHL Ordinary Shares traded on the JSE on Wednesday, 7 February 2018, discounted by 10%, will be used to determine the cash payment. Should the Capevin Scheme not become operative, you will retain your Capevin Shares and will not be entitled to receive DGHL Ordinary Shares.



## 2. DEMATERIALIZED CAPEVIN SHAREHOLDERS WITH “OWN-NAME” REGISTRATION

### 2.1 Voting and attendance at the Capevin Scheme Meeting

You may attend the Capevin Scheme Meeting in person and may vote at the Capevin Scheme Meeting.

Alternatively, you may appoint a proxy to represent you at the Capevin Scheme Meeting by completing the attached Form of Proxy (*grey*) in relation to the Capevin Scheme Meeting in accordance with the instructions it contains. It is requested that, for administrative purposes, the Form of Proxy be returned to the registered office of the Company or the Transfer Secretaries to be received by no later than 09h00 on Wednesday, 25 October 2017. The Form of Proxy may, however, be handed to the chairman of the Capevin Scheme Meeting, at any time before the proxy exercises any rights of the Capevin Minorities at the Capevin Scheme Meeting.

### 2.2 Surrender of Documents of Title

You must not complete the attached Form of Surrender and Transfer (*yellow*).

### 2.3 Entitlement Ratio

If the Capevin Scheme becomes operative, Capevin Scheme Participants' accounts at their CSDP or Broker will be updated to reflect the receipt of DGHL Ordinary Shares in the Entitlement Ratio and the transfer of their Capevin Shares to DGHL. In respect of fractional entitlements that arise, all allocations of DGHL Ordinary Shares will be rounded down to the nearest whole number resulting in allocations of whole DGHL Ordinary Shares only and a cash payment for the fractional entitlement. The weighted average traded price of DGHL Ordinary Shares traded on the JSE on Wednesday, 7 February 2018, discounted by 10%, will be used to determine the cash payment. Should the Capevin Scheme not become operative, you will retain your Capevin Shares and will not be entitled to receive DGHL Ordinary Shares.

## 3. CERTIFICATED CAPEVIN SHAREHOLDERS

**If you hold Capevin Shares in Certificated form, you should pay special attention to the provisions of this paragraph 3. If you are in any doubt as to what action you should take, please consult your Broker, CSDP, banker, legal adviser or other professional adviser.**

### 3.1 Voting and attendance at the Capevin Scheme Meeting

You may attend the Capevin Scheme Meeting in person and may vote at the Capevin Scheme Meeting.

Alternatively, you may appoint a proxy to represent you at the Capevin Scheme Meeting by completing the attached Form of Proxy (*grey*) in relation to the Capevin Scheme Meeting in accordance with the instructions it contains. It is requested that, for administrative purposes, the Form of Proxy be returned to the registered office of the Company or the Transfer Secretaries to be received by no later than 09h00 on Wednesday, 25 October 2017. The Form of Proxy may, however, be handed to the chairman of the Capevin Scheme Meeting, at any time before the proxy exercises any rights of the Capevin Minorities at the Capevin Scheme Meeting.

### 3.2 Surrender of documents and Entitlement Ratio

If you wish to expedite receipt of the DGHL Ordinary Shares owing to you in respect of your Capevin Shares and surrender your Documents of Title in respect of your Capevin Shares in anticipation of the Capevin Scheme becoming operative, you should complete the attached Form of Surrender and Transfer (*yellow*) and return it, together with the relevant Documents of Title, relating to all your Capevin Shares, in accordance with the instructions contained therein to the Transfer Secretaries by no later than 12h00 on Friday, 9 February 2018. In accordance with the FMA, the DGHL Ordinary Shares owing to you in respect of your Capevin Shares, calculated in accordance with the Entitlement Ratio, will be transferred to you in Dematerialised form by electronic means.

Subject to paragraphs 4 and 5 below, you must complete the Form of Surrender and Transfer (*yellow*) and return it together with the relevant share certificates or other Documents of Title in relation to your Capevin Shares, to the Transfer Secretaries so as to receive your DGHL Ordinary Shares, calculated in accordance with the Entitlement Ratio.

If:

- i. you fail to complete and return the Form of Surrender and Transfer (*yellow*) as aforesaid; or
- ii. in the Form of Surrender and Transfer (*yellow*), you fail to provide any account details, or provide incorrect account details, of your CSDP or Broker, into which your DGHL Ordinary Shares are to be transferred,



your DGHL Ordinary Shares will be transferred in Dematerialised form to an account in the name of Computershare Nominees Proprietary Limited, the nominee of Computershare Proprietary Limited's CSDP, who will, subject to what is stated below, hold such DGHL Ordinary Shares as the registered holder thereof but for and on your behalf, and you will become an Issuer Nominee Dematerialised DGHL Ordinary Shareholder. The beneficial ownership of such DGHL Ordinary Shares will remain with you, as the relevant Issuer Nominee Dematerialised DGHL Ordinary Shareholder, but subject to what is stated below, and will be recorded on a sub-register (also commonly known as the nominee sub-register) maintained by Computershare Proprietary Limited. Issuer Nominee Dematerialised DGHL Ordinary Shareholders will receive a statement from Computershare Proprietary Limited, which will confirm the number of DGHL Ordinary Shares held by such Issuer Nominee Dematerialised DGHL Ordinary Shareholder. Issuer Nominee Dematerialised DGHL Ordinary Shareholders will have the option to move their DGHL Ordinary Shares to their own brokerage/CSDP account or to materialise and Certify their DGHL Ordinary Shares, at any stage, but subject to what is stated below. Issuer Nominee Dematerialised DGHL Ordinary Shareholders will be bound by the provisions of Strate's rules and directives in respect of their DGHL Ordinary Shares held in the nominee sub-register, and will be deemed to have concluded a custody agreement with Computershare Proprietary Limited, which establishes a business relationship between Computershare Proprietary Limited and each Issuer Nominee Dematerialised DGHL Ordinary Shareholder. A copy of the custody agreement, which will be deemed to have been concluded in such circumstances, is available on the Computershare website at [www.computershare.com](http://www.computershare.com).

Shareholders should note that should any Issuer Nominee Dematerialised DGHL Ordinary Shareholder fail to arrange with Computershare Proprietary Limited for either the transfer of their DGHL Ordinary Shares from the nominee sub-register into their own brokerage/CSDP account or to materialise and Certify their DGHL Ordinary Shares within 3 years after the Distell Operative Date, the DGHL Ordinary Shares due to such Issuer Nominee Dematerialised DGHL Ordinary Shareholder will be disposed of at the ruling market price and the disposal consideration, less the costs incurred in disposing of the DGHL Ordinary Shares, will be paid to the benefit of the Guardian's Fund of the Master of the High Court. The proceeds of such disposal may be claimed by the relevant Issuer Nominee Dematerialised DGHL Ordinary Shareholder, subject to the requirements imposed by the Master of the High Court. In this regard, each Issuer Nominee Dematerialised DGHL Ordinary Shareholder irrevocably authorises and appoints Capevin (or its successor-in-title), in *rem suam*, with full power of substitution, to act as its agent and in its name, place and stead to dispose of such Issuer Nominee Dematerialised DGHL Ordinary Shareholder's DGHL Shares and to pay the proceeds to the benefit of the Guardian's Fund in the aforesaid manner.

You should note that if the Capevin Scheme becomes operative, you will have to surrender your Documents of Title in respect of your Capevin Shares in exchange for the DGHL Ordinary Shares owing to you in respect of the Capevin Scheme, irrespective of whether you voted in favour of the Capevin Scheme or not.

If the Capevin Scheme does not become operative, you will retain your Capevin Shares and will not be entitled to receive DGHL Ordinary Shares.

#### 4. GENERAL

- 4.1 If you wish to Dematerialise your Capevin Shares, please contact your CSDP or Broker.
- 4.2 You do not need to Dematerialise your Capevin Shares to participate in the Capevin Scheme or to receive the DGHL Ordinary Shares, calculated in accordance with the Entitlement Ratio.
- 4.3 Capevin may dispense with the requirement for the surrender of share certificates in respect of Capevin Shares upon the production of evidence, satisfactory to Capevin, that such share certificates have been lost or destroyed and upon provision of a suitable indemnity on terms satisfactory to Capevin.
- 4.4 If your share certificates relating to the Capevin Shares to be surrendered have been lost or destroyed and you are a Certificated Capevin Shareholder, you should nevertheless return the Form of Surrender and Transfer (*yellow*), duly signed and completed, to the Transfer Secretaries together with a duly completed indemnity form, which is obtainable from the Transfer Secretaries.

5. **DISSENTING CAPEVIN SHAREHOLDERS**

- 5.1 A detailed explanation of the Capevin Shareholders' Appraisal Rights is contained in paragraph 18 of the Circular.
- 5.2 Copies of sections 115 and 164 of the Companies Act, pertaining to the Capevin Shareholders' Appraisal Rights, is set out in Annexure 5 to this Circular.

6. **TRP APPROVALS**

The Capevin Scheme is an affected transaction as defined in the Companies Act. Capevin Shareholders should note that the TRP does not consider commercial advantages or disadvantages of affected transactions when it approves affected transactions.

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## DEFINITIONS AND INTERPRETATIONS

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In this Circular and its annexures, unless otherwise stated or the context indicates otherwise, the words and expressions in the first column shall have the meanings stated opposite them in the second column, and words and expressions in the singular shall include the plural and *vice versa*, words importing natural persons shall include juristic persons and unincorporated associations of persons and *vice versa*, and any reference to one gender shall include the other genders.

<b>“Act in Concert”</b>	bears the meaning ascribed thereto in terms of section 117 of the Companies Act, and “Acting in Concert” will have a corresponding meaning;
<b>“Adjustment Event”</b>	bears the meaning ascribed thereto in the B Share Terms;
<b>“Authorised Dealer”</b>	a person authorised to deal in foreign exchange as contemplated in the Exchange Control Regulations;
<b>“B Share Issuance”</b>	the issue of 124 226 613 B Shares to Remgro Beverages by DGHL, as detailed more fully in paragraph 5.1.ii of this Circular;
<b>“B Share Linking”</b>	the linking of the B Shares issued to Remgro Beverages pursuant to the B Share Issuance, to the RCI-Related Ordinary Shares held by Remgro Beverages by virtue of the provisions of the DGHL MOI, including the B Share Terms, as detailed in paragraph 11.6 of this Circular;
<b>“B Share Ratio”</b>	2.117 B Shares for every one DGHL Ordinary Share;
<b>“B Share Terms”</b>	the preferences, rights, limitations and other share terms attaching to the B Shares, as detailed in Annexure 6 of this Circular;
<b>“B Shareholder”</b>	a registered holder of a B Share;
<b>“B Shares”</b>	the unlisted, non-convertible, no par value shares of DGHL which have the preferences, rights, limitations and other share terms as detailed in the B Share Terms and summarised in paragraph 11 of this Circular;
<b>“Broker”</b>	any person registered as a “broking member equities” in terms of the rules of the JSE in accordance with the provisions of the FMA;
<b>“Business Day”</b>	any day other than a Saturday, Sunday or official public holiday in South Africa;
<b>“Capevin” or the “Company”</b>	Capevin Holdings Limited (registration number: 1997/020857/06), a company incorporated in accordance with the company laws of South Africa, whose securities are listed on the JSE;
<b>“Capevin CSP Meeting”</b>	the general meeting of Capevin Shareholders to be held in accordance with the Capevin Incentive Plan Circular;
<b>“Capevin Delisting”</b>	the removal of all Capevin Shares from the list of securities admitted to listing on the JSE, as detailed more fully in paragraph 5.1.vii of this Circular;
<b>“Capevin Directors”</b>	the board of directors of Capevin as at the Last Practicable Date, whose details and further information appear on page 16 of this Circular;
<b>“Capevin Financial Information”</b>	the consolidated audited historical financial information of Capevin for the 3 years ended 30 June 2017 annexed to the Prospectus as Annexure C, and the further financial information of Capevin provided in paragraph 19 of this Circular;
<b>“Capevin Incentive Plan Circular”</b>	the circular issued to Capevin Shareholders simultaneously with, and accompanying, this Circular in terms of which an advisory vote is sought from the Capevin Shareholders in respect of the CSP Scheme, as detailed more fully in paragraph 15 below;
<b>“Capevin Independent Board”</b>	the independent board of directors of Capevin, consisting of CA Otto, AE v Z Botha, RM Jansen and EG Matenge-Sebesho;
<b>“Capevin Minorities”</b>	all Capevin Shareholders other than Remgro International;

<b>“Capevin Operative Date”</b>	the date upon which the Capevin Scheme becomes operative, which (assuming all Conditions Precedent have been fulfilled or waived) is expected to be Monday, 12 February 2018;
<b>“Capevin Record Date”</b>	the date and time at which Capevin Shareholders must be recorded in the Register to participate in the Capevin Scheme and receive their DGHL Ordinary Shares, expected to be 17h00 on Friday, 9 February 2018;
<b>“Capevin Scheme”</b>	the Scheme of Arrangement between Capevin and the Capevin Shareholders and to which DGHL is a party, as detailed in paragraph 3.1 of this Circular;
<b>“Capevin Scheme Meeting”</b>	the general meeting of Capevin Shareholders to be held at 09h00 at the Burgher House, corner of Alexander and Blom Streets, Stellenbosch, 7600, on Friday, 27 October 2017 in order to consider and, if deemed fit, pass the special and ordinary resolutions necessary to give effect to the issue of the RCI-Related Capevin Shares to Remgro International in order to implement the RCI Exchange, the Waiver and the Capevin Scheme, which will result in the Capevin Delisting;
<b>“Capevin Scheme Participants”</b>	Capevin Shareholders recorded as such in the Register on the Capevin Record Date, excluding Dissenting Capevin Shareholders who do not subsequently become Scheme Participants as envisaged in paragraph 18.6 of this Circular;
<b>“Capevin Shareholder Appraisal Rights”</b>	the rights in terms of section 164 of the Companies Act which Capevin Minorities will be entitled to exercise pursuant to the approval of the Capevin Scheme;
<b>“Capevin Shareholders”</b>	all holders of Capevin Shares;
<b>“Capevin Shares”</b>	ordinary shares with no par value in the capital of Capevin;
<b>“Certificate” and “Certificated”</b>	the process by which electronic records of ownership of shares are replaced with paper share certificates and/or other Documents of Title;
<b>“Certificated Capevin Shareholders”</b>	holders of Certificated Capevin Shares;
<b>“Certificated Capevin Shares”</b>	Capevin Shares which are represented by a share certificate or other Document(s) of Title, which are not Dematerialised Capevin Shares;
<b>“CGT”</b>	Capital Gains Tax as determined in terms of the Eighth Schedule of the Income Tax Act;
<b>“CIPC”</b>	the Companies and Intellectual Property Commission;
<b>“Circular” or “Capevin Circular”</b>	this bound document issued to Capevin Shareholders on Wednesday, 20 September 2017, including the annexures hereto, and incorporating a notice convening the Capevin Scheme Meeting, a Form of Proxy ( <i>grey</i> ) and a Form of Surrender and Transfer ( <i>yellow</i> );
<b>“Circulars”</b>	collectively the Capevin Circular and the Distell Circular;
<b>“Common Monetary Area”</b>	South Africa, the Republic of Namibia and the Kingdoms of Swaziland and Lesotho;
<b>“Companies Act”</b>	the Companies Act, 2008 (Act 71 of 2008), as amended;
<b>“Competition Act”</b>	the Competition Act, 1998 (Act 89 of 1998), as amended;
<b>“Competition Authorities”</b>	the South African Competition Authorities and the Foreign Competition Authorities;
<b>“Companies Regulations”</b>	the Companies Regulations, 2011, as amended;
<b>“Company Secretary”</b>	the company secretary of Capevin;
<b>“Conditions Precedent”</b>	the conditions precedent, to which the Capevin Scheme is subject as detailed in paragraph 6 of this Circular;
<b>“Coronation”</b>	Coronation Asset Management Proprietary Limited (registration number 1993/002807/07), a company incorporated in accordance with the company laws of South Africa;
<b>“CSDP”</b>	a Central Securities Depository Participant registered in terms of the FMA;

<b>“CSP Scheme”</b>	the proposed conditional share plan scheme which may be applicable in respect of Distell and DGHL and which, in respect of DGHL, has been conditionally approved by Remgro Beverages as sole shareholder of DGHL, as detailed more fully in Section Four paragraph 4.3 of the Prospectus and paragraph 15 of this Circular, as read with the Incentive Plan Circulars;
<b>“Dematerialise” and “Dematerialised”</b>	the process by which paper share certificates or other Documents of Title are replaced with electronic records of ownership under Strate with a duly appointed CSDP or Broker, as the case may be;
<b>“Dematerialised Capevin Shareholders”</b>	Capevin Shareholders holding Dematerialised Capevin Shares;
<b>“Dematerialised Capevin Shares”</b>	Capevin Shares which have been Dematerialised;
<b>“DGHL”</b>	Business Venture Investments No 1997 Limited (registration number 2016/394974/06), a company incorporated in accordance with the company laws of South Africa, whose ordinary shares are to be listed on the JSE and which is to be renamed “Distell Group Holdings Limited” immediately after the Transaction becomes unconditional;
<b>“DGHL Group”</b>	DGHL and its Subsidiaries from time to time which, after implementation of the Transaction, will include the Distell Group, Capevin and RCI, and which in appropriate circumstances will mean any one or more member/s of the DGHL Group;
<b>“DGHL Listing”</b>	the proposed listing of 222 382 356 DGHL Ordinary Shares on the JSE in the Beverages sector under the abbreviated name “DGH” and ISIN: ZAE000248811, which, in respect of the 117 348 000 DGHL Ordinary Shares to be issued in terms of the Capevin Scheme, will be with effect from the commencement of business on Wednesday, 7 February 2018 and, in respect of the 105 034 356 DGHL Ordinary Shares to be issued in terms of the Distell Scheme, will be with effect from the commencement of business on Friday, 9 February 2018;
<b>“DGHL MOI”</b>	DGHL’s memorandum of incorporation, extracts of which are provided in Annexure E to the Prospectus;
<b>“DGHL Ordinary Shareholders”</b>	holders of DGHL Ordinary Shares;
<b>“DGHL Ordinary Shares”</b>	ordinary shares with no par value in the capital of DGHL, which are to be listed on the JSE in terms of the DGHL Listing;
<b>“DGHL SAR Scheme”</b>	the DGHL Group equity settled share appreciation rights scheme which has been approved by Remgro Beverages, as sole shareholder of DGHL, as detailed more fully in Section Four paragraph 4.2 of the Prospectus and extracts from the rules of which scheme are detailed in Annexure M to the Prospectus, which scheme is substantially similar to the Distell Employee Scheme;
<b>“Dissenting Capevin Shareholders”</b>	Capevin Shareholders who deliver a Valid Demand to Capevin;
<b>“Distell”</b>	Distell Group Limited (registration number: 1988/005808/06), a company incorporated in accordance with the company laws of South Africa, whose securities are listed on the JSE;
<b>“Distell Circular”</b>	the circular issued to Distell Shareholders, on Wednesday, 20 September 2017, in compliance with the Companies Act, the Companies Regulations and the Listings Requirements, in terms of which approval is sought for the waiver of the Mandatory Offer Requirement and the Distell Scheme, which will result in the Distell Delisting;
<b>“Distell CSP Meeting”</b>	the general meeting of Distell Shareholders to be held in accordance with the Distell Incentive Plan Circular;
<b>“Distell Delisting”</b>	the removal of the Distell Shares from the list of securities admitted to listing on the JSE, as detailed more fully in paragraph 5.1.vii of this Circular;
<b>“Distell Employee Scheme”</b>	the Distell Equity Settled Share Appreciation Right Scheme approved by the Distell Shareholders at Distell’s annual general meeting held in 2010;

<b>“Distell Financial Information”</b>	the consolidated audited historical financial information of Distell for the three years ended 30 June 2017 annexed to the Prospectus as Annexure B, and the further financial information of Distell provided in paragraph 20 of the Distell Circular;
<b>“Distell Group”</b>	Distell and its Subsidiaries from time to time which, after implementation of the Transaction, will form part of the DGHL Group, and which in appropriate circumstances will mean any one or more member/s of the Distell Group;
<b>“Distell Incentive Plan Circular”</b>	the circular issued to Distell Shareholders simultaneously with, and accompanying, the Distell Circular in terms of which an advisory vote is sought from the Distell Shareholders in respect of the CSP Scheme, as detailed more fully in paragraph 15 below;
<b>“Distell Independent Board”</b>	the independent board of directors of Distell, identified as such in the Distell Circular;
<b>“Distell Minorities”</b>	all Distell Shareholders other than RCI;
<b>“Distell Operative Date”</b>	the date upon which the Distell Scheme becomes operative, which (assuming all Conditions Precedent have been fulfilled) is expected to be Wednesday, 14 February 2018;
<b>“Distell Record Date”</b>	the date and time at which Distell Shareholders must be recorded in the securities register of Distell to participate in the Distell Scheme and receive their DGHL Ordinary Shares, expected to be 17h00 on Tuesday, 13 February 2018;
<b>“Distell Scheme”</b>	the Scheme of Arrangement between Distell and the Distell Minorities and to which DGHL is a party, as detailed in the Distell Circular;
<b>“Distell Scheme Meeting”</b>	the general meeting of Distell Minorities to be held at 12h00 on Friday, 27 October 2017, at Van Ryn’s Distillery & Brandy Cellar, Van Ryn Road, Vlotenburg, Stellenbosch, 7600 in order to consider and, if deemed fit, pass the special and ordinary resolutions of Distell necessary to give effect to the Distell Scheme and the Waiver, which will result in the Distell Delisting;
<b>“Distell Scheme Participants”</b>	those Distell Shareholders who are entitled to participate in the Distell Scheme in accordance with the terms of the Distell Scheme as set out in the Distell Circular;
<b>“Distell Shareholders”</b>	all holders of Distell Shares;
<b>“Distell Shares”</b>	ordinary shares with a par value of R0.01 each in the capital of Distell;
<b>“Documents of Title”</b>	share certificates, certified transfer deeds, balance receipts, or any other documents of title to shares;
<b>“Entitlement Ratio”</b>	0.0667 DGHL Ordinary Shares for every 1 Capevin Share held by a Capevin Shareholder on the Capevin Record Date, in accordance with the Table of Entitlement set out in Annexure 9 of this Circular;
<b>“Exchange Control Regulations”</b>	the Exchange Control Regulations, 1961, as amended, promulgated in terms of section 9 of the South African Currency and Exchanges Act, 1993 (Act 9 of 1933), as amended;
<b>“Excluded Foreign Capevin Shareholders”</b>	Capevin Shareholders resident or who have registered addresses in the United Kingdom, European Economic Area, Canada, United States of America, Japan or Australia;
<b>“FMA”</b>	the Financial Markets Act, 2012 (Act 19 of 2012), as amended;
<b>“Foreign Competition Authorities”</b>	the competition authorities (if any) having jurisdiction in the countries listed in Annexure K to the Prospectus;
<b>“Foreign Capevin Shareholders”</b>	Capevin Shareholders not resident in South Africa;
<b>“FSB”</b>	the Financial Services Board, established in terms of section 2 of the Financial Services Board Act, 1990 (Act 97 of 1990), as amended;



<b>“IFRS”</b>	the International Financial Reporting Standards, which comprise standards and interpretations approved by the International Accounting Standards Board, International Financial Reporting Interpretations Committee and International Accounting Standards, and Standing Interpretations Committee interpretations approved by the International Accounting Standards Board;
<b>“Incentive Plan Circulars”</b>	collectively the Capevin Incentive Plan Circular and the Distell Incentive Plan Circular;
<b>“Income Tax Act”</b>	the Income Tax Act, 1962 (Act 58 of 1962), as amended;
<b>“Issuer Nominee Dematerialised DGHL Shareholders”</b>	if the Capevin Scheme is implemented, DGHL Ordinary Shareholders who, prior to implementation of the Capevin Scheme and whilst they were Certificated Capevin Shareholders, (i) failed to complete and return a Form of Surrender and Transfer ( <i>yellow</i> ) in accordance with the instructions contained therein or (ii) in the Form of Surrender and Transfer ( <i>yellow</i> ) failed to provide any account details, or provided incorrect account details, of a CSDP or broker, into which the relevant DGHL Ordinary Shares were to be transferred;
<b>“JSE”</b>	the exchange licensed under the FMA and operated by JSE Limited (registration number: 2005/022939/06), a company incorporated in accordance with the company laws of South Africa;
<b>“Last Practicable Date”</b>	the last practicable date prior to the finalisation of the Circular, being Wednesday, 13 September 2017;
<b>“Linked Ordinary Shares”</b>	the RCI-Related Ordinary Shares held by Remgro Beverages following the Remgro Exchange which are, by virtue of the B Share Linking, linked to the B Shares issued to Remgro Beverages in terms of the B Share Issuance, further details of which are contained in paragraph 11.6 of this Circular;
<b>“Listings Requirements”</b>	the JSE Listings Requirements, as amended from time to time;
<b>“Mandatory Offer”</b>	means a “mandatory offer” as contemplated in section 123 of the Companies Act;
<b>“Mandatory Offer Requirement”</b>	the obligation on Remgro International under the Takeover Regulations to make, and the right of the Capevin Minorities and Distell Minorities, respectively, to receive, a Mandatory Offer pursuant to the implementation of the RCI Exchange;
<b>“Non-RCI Related Ordinary Shares”</b>	the DGHL Ordinary Shares to be issued to Remgro International in terms of the Capevin Scheme in respect of Remgro International’s Prior Capevin Shares;
<b>“Non-resident”</b>	a person who is not considered to be an ordinary resident in South Africa in terms of the Exchange Control Regulations;
<b>“Option Event/s”</b>	the event/s which trigger DGHL’s right to repurchase the B Shares held by some or all of the holders thereof (depending on the event concerned), as detailed in the B Share Terms and summarised in paragraph 11 of this Circular;
<b>“PIC”</b>	Public Investment Corporation SOC Limited (registration number: 2005/009094/30), a company incorporated in accordance with the company laws of South Africa acting as agent and representative of the Government Employees Pension Fund, existing as a juristic person in terms of the Government Employees Pension Law, 1996 (Act 21 of 1996) as amended;
<b>“Prior Capevin Shares”</b>	all Capevin Shares held by Remgro International immediately prior to implementation of the RCI Exchange;
<b>“Prospectus”</b>	the DGHL prospectus and its annexures, registered with CIPC on or about Friday 15 September 2017, which has been prepared in compliance with the Companies Act and the Listings Requirements, and which is issued simultaneously with, and accompanies this Capevin Circular to Scheme Participants;
<b>“Rand” or “R” or “ZAR” and “cents”</b>	South African Rand and cents, the official currency of South Africa;
<b>“RCI”</b>	Remgro-Capevin Investments Proprietary Limited (registration number: 1965/005620/07), a company incorporated in accordance with the company laws of South Africa;



<b>“RCI Exchange Agreement”</b>	the agreement entered into between Capevin and Remgro International on or about Wednesday, 13 September 2017 in respect of the RCI Exchange;
<b>“RCI Exchange”</b>	the issue by Capevin of further Capevin Shares to Remgro International in exchange for the transfer to Capevin of all the shares in RCI held by Remgro International, as detailed more fully in paragraph 5.1.iii of this Circular;
<b>“RCI-Related Capevin Shares”</b>	the Capevin Shares to be issued to Remgro International in terms of the RCI Exchange;
<b>“RCI-Related Ordinary Shares”</b>	the DGHL Ordinary Shares to be issued to Remgro International in terms of the Capevin Scheme in respect of Remgro’s RCI-Related Capevin Shares;
<b>“Register”</b>	the register of Certificated Capevin Shareholders maintained by the Transfer Secretaries and the sub-register of Dematerialised Capevin Shareholders maintained by the relevant CSDPs in accordance with section 50 of the Companies Act;
<b>“Related Parties”</b>	bears the meaning ascribed thereto in section 2 of the Companies Act;
<b>“Remgro”</b>	Remgro Limited (registration number: 1968/006415/06), a company incorporated in accordance with the company laws of South Africa, whose ordinary shares are listed on the JSE;
<b>“Remgro Beverages”</b>	Remgro Beverages Proprietary Limited (registration number: 2016/394940/07), a company incorporated in accordance with the company laws of South Africa and a <i>wholly-owned</i> Subsidiary of Remgro;
<b>“Remgro Exchange”</b>	the issue by Remgro Beverages of shares in Remgro Beverages to Remgro International in exchange for the transfer to Remgro Beverages of the DGHL Ordinary Shares held by Remgro International following implementation of the Capevin Scheme, as detailed more fully in paragraph 3.4 of this Circular;
<b>“Remgro Group”</b>	Remgro and its Subsidiaries from time to time, and which in appropriate circumstances will mean any one or more member/s of the Remgro Group;
<b>“Remgro International”</b>	Remgro International Holdings Proprietary Limited (registration number: 1968/006356/07), a company incorporated in accordance with the company laws of South Africa and a <i>wholly-owned</i> Subsidiary of Remgro;
<b>“SAR/s”</b>	equity settled share appreciation right/s granted in terms of either or both of the Distell Employee Scheme and the DGHL SAR Scheme;
<b>“SARB”</b>	the South African Reserve Bank;
<b>“Scheme of Arrangement”</b>	a scheme of arrangement in terms of section 114 of the Companies Act;
<b>“Scheme Participants”</b>	the Capevin Scheme Participants and the Distell Scheme Participants;
<b>“Schemes”</b>	the Capevin Scheme and the Distell Scheme;
<b>“SENS”</b>	the Stock Exchange News Service of the JSE;
<b>“South Africa” or “SA”</b>	the Republic of South Africa;
<b>“South African Competition Authorities”</b>	the competition commission established in terms of Chapter IV, Part A of the Competition Act, or the competition tribunal established in terms of Chapter IV, Part B of the Competition Act, or the appeal court established pursuant to Chapter 4, Part C of the Competition Act, as the case may be;
<b>“Strate”</b>	Strate Proprietary Limited (registration number: 1998/022242/07), a company incorporated in accordance with the company laws of South Africa and registered as a central securities depository responsible for the electronic clearing and settlement of trades on the JSE;
<b>“STT”</b>	securities transfer tax payable in respect of the transfer of shares in terms of the Securities Transfer Tax Act, 2007 (Act 25 of 2007), as amended;
<b>“Subsidiaries” and “Subsidiary”</b>	bears the meaning ascribed thereto in the Companies Act;

<b>“Takeover Special Committee”</b>	the Takeover Special Committee, established in terms of section 202 of the Companies Act;
<b>“Total Voting Rights”</b>	all voting rights exercisable in respect of matters generally to be decided on by the shareholders of DGHL which, for the avoidance of doubt, includes the voting rights attaching to all Linked Ordinary Shares, B Shares and all DGHL Ordinary Shares which are not Linked Ordinary Shares;
<b>“Transaction”</b>	bears the meaning ascribed thereto in paragraph 5 of this Circular;
<b>“Transaction Step/s”</b>	any one or more or all of the steps making up the Transaction, as detailed in paragraph 5 of this Circular;
<b>“Takeover Regulations”</b>	the Takeover Regulations issued in terms of section 120 of the Companies Act;
<b>“Transfer Secretaries” or “Computershare”</b>	Computershare Investor Services Proprietary Limited (registration number: 2004/003647/07), a company incorporated in accordance with the company laws of South Africa;
<b>“Treasury Shares”</b>	equity shares (as defined in the Listings Requirements) of an applicant issuer held by a Subsidiary of such applicant issuer and/or by a trust through a scheme, and/or by another entity, where the equity shares in the applicant issuer are controlled by the applicant issuer from a voting perspective;
<b>“TRP”</b>	the Takeover Regulation Panel established in terms of section 196 of the Companies Act;
<b>“TRP Waiver Ruling”</b>	the ruling, envisaged in the TRP Guideline 2/2011 as read with Regulation 86(4) of the Companies Regulations, which will be sought from the TRP by Remgro International for an exemption from the Mandatory Offer Requirement if the Waiver Resolution is approved by the requisite majorities of Capevin Shareholders and Distell Shareholders, respectively;
<b>“VAT”</b>	value-added tax, payable in terms of the Value-Added Tax, 1997 (Act 89 of 1991), as amended;
<b>“Valid Demand/s”</b>	demand/s made in terms of section 164(5) of the Companies Act, within the time period contemplated in section 164(7), by one or more Capevin Shareholders or Distell Shareholders, as the case may be, who comply with the requirements of section 164(5)(a) and (c), in terms of which such shareholder/s demand that Capevin or Distell, as the case may be, pay such shareholder/s the fair value for all of the shares such shareholder/s holds in Capevin or Distell, as the case may be;
<b>“Voting Record Date”</b>	the date and time at which Capevin Shareholders must be recorded in the Register in order to be eligible to attend and vote at the Capevin Scheme Meeting, expected to be 17h00 on Friday, 20 October 2017;
<b>“Waiver”</b>	the waiver of the Mandatory Offer Requirement which will be provided to the extent that Capevin Minorities pass the Waiver Resolution and the TRP grants the Waiver Exemption in respect of Capevin, or the waiver of the Mandatory Offer Requirement which will be provided to the extent that Distell Minorities pass the Waiver Resolution and the TRP grants the Waiver Exemption in respect of Distell;
<b>“Waiver Exemption”</b>	an exemption (if any) granted by the TRP, pursuant to the request by Remgro International for the TRP Waiver Ruling, in terms of which Remgro International is exempt from the obligation to make a Mandatory Offer to Capevin Minorities and Distell Minorities; and
<b>“Waiver Resolution”</b>	an ordinary resolution adopted by more than 50% of the Capevin Minorities in respect of Capevin, and more than 50% of the Distell Minorities in respect of Distell, in terms of which such Capevin Minorities and Distell Minorities, respectively, agree to waive the Mandatory Offer Requirement.

# CAPEVIN

HOLDINGS LIMITED

## Capevin Holdings Limited

(Incorporated in the Republic of South Africa)

(Registration Number: 1997/020857/06)

JSE Code: CVH ISIN: ZAE000167714

("Capevin" or "the Company")

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### Capevin Directors

#### Executive

PR Louw

#### Independent Non-executive

CA Otto (*Chairman*)

AE v Z Botha

RM Jansen

EG Matenge-Sebesho

#### Non-executive

JJ Durand

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## CIRCULAR TO CAPEVIN SHAREHOLDERS

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### 1. INTRODUCTION AND BACKGROUND

1.1 Capevin Shareholders are referred to the announcement as published on SENS on Thursday, 22 June 2017 and in the press on Friday, 23 June 2017 in relation to the simplification of the multi-tiered ownership structure of Distell and in terms of which Capevin Shareholders were advised that the Capevin Independent Board had resolved to submit the Capevin Scheme to Capevin Shareholders for their consideration.

1.2 Distell currently has the following multi-tiered ownership structure:

1.2.1 the Remgro Group and Capevin own a material interest in Distell via RCI. In this regard, the Remgro Group and Capevin each hold 50% in RCI, and RCI holds 52.8% of the Distell Shares;

1.2.2 this means that the Remgro Group currently has an effective economic interest of 31.4% in Distell, via its 50% shareholding in RCI and its 19.0% shareholding in Capevin;

1.2.3 Capevin's 50% interest in RCI is Capevin's only asset;

1.2.4 PIC owns 28.0% of the Distell Shares; and

1.2.5 the Distell minorities (excluding PIC) own the remaining 19.2% of the Distell Shares.

See paragraph 3.10 below for a diagrammatic representation of the aforesaid multi-tiered ownership structure of Distell.

1.3 The Transaction involves the collapse of the multi-tiered ownership structure of Distell through a number of Transaction Steps, utilising a new entity, DGHL, as the vehicle through which such collapse will be effected. DGHL's Ordinary Shares will be listed on the JSE and it will, post fulfilment of the conditions precedent to the Transaction, be renamed "Distell Group Holdings Limited".

1.4 It is a condition to the Capevin Scheme and Distell Scheme, respectively, that the Capevin Minorities and Distell Minorities, respectively, waive the right to receive a Mandatory Offer from Remgro International pursuant to the RCI Exchange.

1.5 Following the Transaction:

- DGHL will hold 100% of the Capevin Shares, Capevin will hold 100% of the shares of RCI, RCI will hold 52.8% of the Distell Shares and DGHL will hold the remaining 47.2% of the Distell Shares;
- the Distell Minorities, other than PIC, will share in 19.2% of the economic interests in and exercise 12.3% of the voting rights in Distell via their holding of DGHL Ordinary Shares;
- the Capevin Minorities, other than PIC and Coronation, will share in 12.1% of the economic interests in and exercise 7.8% of the voting rights in Distell via their holding of DGHL Ordinary Shares;

- PIC will share in 31.3% of the economic interests in and exercise 20.1% of the voting rights in Distell via its holding of DGHL Ordinary Shares;
- Coronation will share in 6% of the economic interests in and exercise 3.8% of the voting rights in Distell via its holding of DGHL Ordinary Shares;
- Remgro (via Remgro Beverages) will share in 31.4% of the economic interests in and exercise 56.0% of the voting rights in Distell via its holding of DGHL Ordinary Shares and B Shares; and
- Capevin and Distell will be delisted.

## 2. PURPOSE OF THE CIRCULAR

- 2.1 The purpose of this Circular is to provide Capevin Shareholders with information on the Transaction, DGHL, the Waiver and to convene the Capevin Scheme Meeting at which Capevin Minorities will be asked to consider and, if deemed fit, pass the resolutions of Capevin necessary to give effect to the RCI Exchange, Capevin Scheme and the Waiver, which will result in the Capevin Delisting.
- 2.2 Capevin Shareholders are also encouraged to familiarise themselves with the content of the Prospectus as well as the Distell Circular which is available on the Distell website (<http://www.distell.co.za/investor-centre/>) setting out *inter alia* the impact of the Transaction, including the Distell Scheme, on Distell Shareholders.

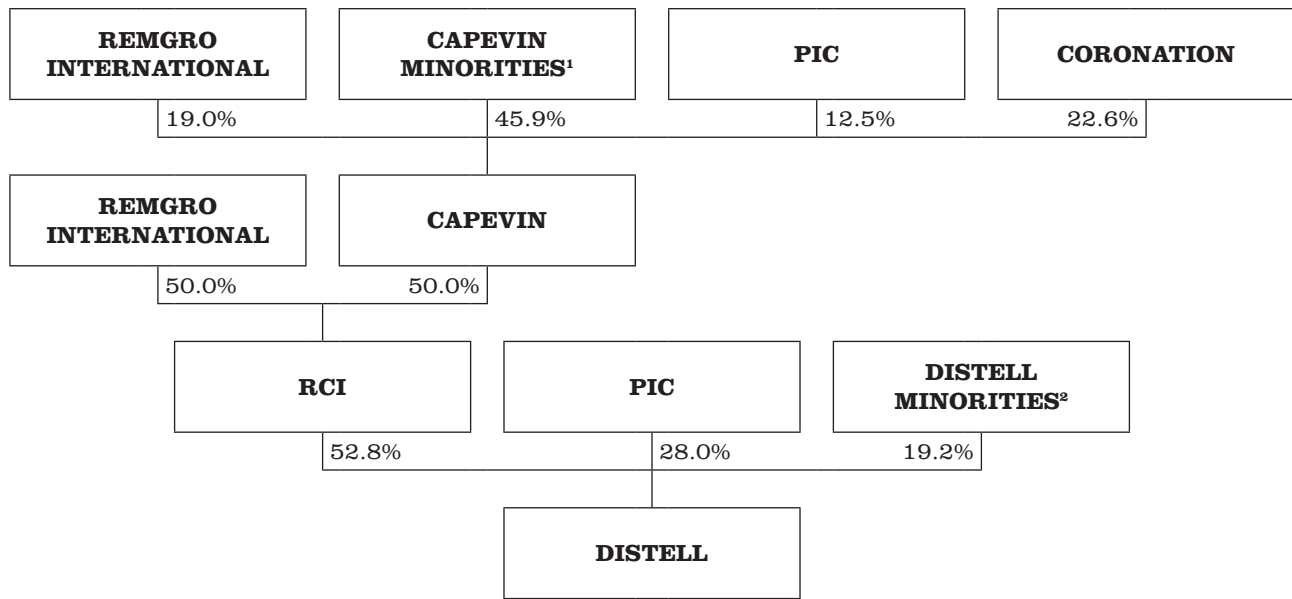
## 3. OVERVIEW OF THE TRANSACTION

- 3.1 In terms of the Transaction, Capevin will propose a Scheme of Arrangement between Capevin and the Capevin Shareholders and Distell will propose a Scheme of Arrangement between Distell and the Distell Shareholders, in each case to which DGHL is a party, in terms of section 114 of the Companies Act, whereby DGHL will issue listed DGHL Ordinary Shares to the Capevin Shareholders and the Distell Minorities in exchange for their shares in Capevin and Distell, respectively. The result of the Schemes is that DGHL will own all the Distell Shares directly (in respect of 47.2%) and indirectly via Capevin and RCI (in respect of 52.8%), respectively. The issue of the listed DGHL Ordinary Shares to all Capevin Shareholders and the Distell Minorities will ensure that the Capevin Shareholders and the Distell Minorities retain their current effective economic interest in Distell.
- 3.2 Immediately prior to implementation of the Schemes, Remgro International will transfer all of the shares it holds in RCI to Capevin in exchange for the issue by Capevin of further Capevin Shares to Remgro International, resulting in Remgro International holding 59.5% of Capevin and, therefore, controlling Capevin and, indirectly through RCI, also Distell (through the 52.8% Distell Shares held by RCI). The Capevin Minorities will be required to approve the issue of the RCI-Related Capevin Shares to Remgro International in terms of the RCI Exchange, and both the Capevin Minorities and the Distell Minorities will be required to waive the Mandatory Offer Requirement which will be triggered by Remgro International acquiring control of Capevin and, indirectly, Distell, through the RCI Exchange.
- 3.3 Prior to implementation of the Schemes, DGHL will issue the B Shares to Remgro Beverages. The B Shares will have no economic rights (except upon a repurchase of such B Shares or a winding up of DGHL, as detailed in paragraph 11 below), but will provide the Remgro Group with the same level of voting rights in Distell as it will hold pursuant to the RCI Exchange, namely 52.8%. The requisite number of B Shares will be issued to Remgro Beverages and, subsequent to the Remgro Exchange, will be linked (as detailed below) to those DGHL Ordinary Shares that Remgro International will receive in exchange for its RCI-Related Capevin Shares in terms of the Capevin Scheme. The B Shares and accompanying Linked Ordinary Shares will provide Remgro Beverages with a 52.8% voting interest in DGHL. In terms of the Capevin Scheme, Remgro International will also receive DGHL Ordinary Shares in exchange for its current 19.0% interest in Capevin, however, those DGHL Ordinary Shares will not be linked to B Shares following implementation of the Remgro Exchange.
- 3.4 After Remgro International is issued with its DGHL Ordinary Shares pursuant to the Capevin Scheme, Remgro International will transfer such DGHL Ordinary Shares to Remgro Beverages in exchange for the issue by Remgro Beverages of further shares in Remgro Beverages to Remgro International. Following implementation of the Remgro Exchange, the B Shares held by Remgro Beverages pursuant to the B Share Issuance will be linked to the RCI-Related Ordinary Shares in DGHL (previously held by Remgro International and transferred to Remgro Beverages in terms of the Remgro Exchange) in the B Share Ratio in accordance with the B Share Terms.

- 3.5 As stated above, subsequent to the aforementioned steps, Distell will become a wholly-owned Subsidiary of DGHL directly and indirectly (via RCI and Capevin). As part of the Distell Scheme, the Distell Shares will be delisted from the JSE. Similarly, as part of the Capevin Scheme, the Capevin Shares will be delisted from the JSE. The DGHL Listing will ensure that Capevin Shareholders are able to trade their DGHL Ordinary Shares on the JSE, as they were previously able to trade their Capevin Shares.
- 3.6 The DGHL Listing, B Share Issuance, RCI Exchange, Capevin Scheme, Remgro Exchange, Distell Scheme, Capevin Delisting and Distell Delisting collectively represent the Transaction.
- 3.7 It should be noted that (i) the Remgro Group will not be entitled to vote on the resolutions to approve the RCI Exchange, Waiver and the Capevin Scheme as proposed at the Capevin Scheme Meeting; and (ii) RCI will not be entitled to vote on the resolutions required to approve the Waiver and Distell Scheme as proposed at the Distell Scheme Meeting.
- 3.8 The multi-tiered ownership structure of Distell has resulted in:
- a discount between the intrinsic value of Capevin's investment in Distell and the traded market value of Capevin Shares;
  - lower levels of liquidity and tradability for Distell Shares due to the control structure with multiple listed entry points into Distell;
  - lower weighting in various local and international stock exchange indices as a result of the reduced free float in Distell Shares; and
  - additional operating expenditure and infrastructure to administer the ownership structure.
- The Transaction seeks to address these issues, as detailed more fully below in paragraph 4.
- 3.9 Key features of the Transaction include:
- the Remgro Group will retain their level of voting in Distell, obtained pursuant to the RCI Exchange, through the proposed creation and issue of 124 226 613 B Shares and the resulting dilution of the voting rights of the Capevin Minorities and the Distell Minorities;
  - the B Share Issuance will not lead to any economic dilution for the Capevin Minorities or the Distell Minorities;
  - notwithstanding the fact that the economic interests of the Distell Minorities will not be diluted by the B Share Issuance, their voting rights will be diluted. The dilution of Distell Shareholders from a voting perspective (after the implementation of the Transaction) is detailed in the Distell Circular; and
  - while Capevin Minorities currently have no ability to exercise voting rights directly in Distell, upon the implementation of the Transaction they will become DGHL Ordinary Shareholders and be entitled to vote DGHL Ordinary Shares. The votes exercisable by Capevin Minorities in Distell (via DGHL, Capevin and RCI) after the Transaction will, despite no change in the economic position of the Capevin Shareholders, be less than the votes they currently indirectly exercise at meetings of Distell Shareholders through RCI. A table illustrating the dilutive effect on votes of Capevin Shareholders in DGHL compared to the indirect vote they currently enjoy in Distell is detailed in Annexure 8 of this Circular.

**Pre- and Post-Transaction diagrams**

**Material Shareholding Pre-Transaction Diagram**

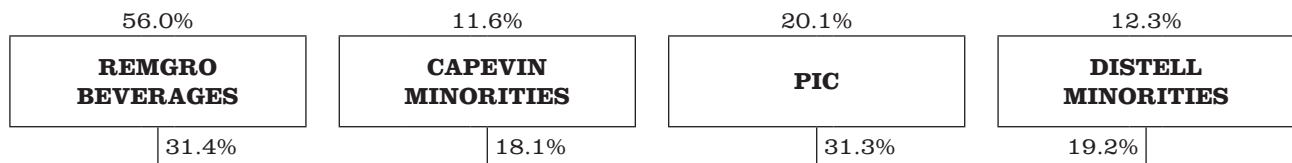


**Notes:**

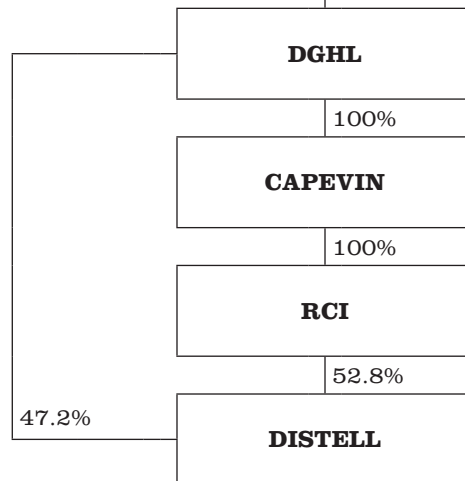
1. Capevin minorities excluding the PIC and Coronation.
2. Distell minorities excluding the PIC.

**Material Shareholding Post-Transaction diagram**

**VOTING RIGHTS**



**ECONOMIC RIGHTS**



**Notes:**

1. Capevin minorities include a 6.0% economic interest and 3.8% voting interest held by Coronation.
2. The 56% voting interest and 31.4% economic interest held by Remgro Beverages includes the Linked Ordinary Shares as well as the DGHL Ordinary Shares that Remgro International will receive in exchange for its current 19.0% interest in Capevin, both of which will be transferred to Remgro Beverages in terms of the Remgro Exchange.
3. The term "Distell minorities" in the table above does not include PIC



#### 4. RATIONALE FOR THE TRANSACTION

- 4.1 The rationale proposed to the Capevin Independent Board, of which the Capevin Independent Board is in agreement in principle, is that the Transaction, although providing the Remgro Group with specific rights regarding control of DGHL, will nonetheless be beneficial to Capevin and the Capevin Minorities, as it will, *inter alia*:
- result in the elimination of the current multi-tiered ownership structure of Distell, leaving a single entry point to investing in Distell (namely DGHL);
  - likely unlock value for Capevin Shareholders by eliminating all or part of the historical trading discount evident between the Capevin share price and the see-through value of Capevin's interest in Distell;
  - likely improve the demand, liquidity and marketability of the DGHL Ordinary Shares, by comparison to the equivalent for Distell Shares and Capevin Shares, respectively;
  - result in an increased free float of DGHL Ordinary Shares, which should enhance the weighting thereof in stock market indices both on the JSE and internationally;
  - simplify Distell's capital structure and thereby likely improve Distell's investment appeal to both foreign and local investors;
  - simplify DGHL's ability to raise capital, should it need to do so to support its long-term growth strategy; and
  - retain the stability and continuity which follows as a result of the Remgro Group remaining as an anchor shareholder of DGHL.
- 4.2 Accordingly, the Capevin Independent Board has resolved to submit the Capevin Scheme to Capevin Shareholders for their consideration.

#### 5. TERMS OF THE TRANSACTION AND THE CAPEVIN SCHEME

- 5.1 For information purposes it is confirmed that, subject to the Transaction becoming unconditional, the Transaction will be implemented by way of a number of Transaction Steps as follows:
- i. The DGHL Ordinary Shares will be listed on the JSE;
  - ii. In terms of the B Share Issuance, DGHL will issue 124 226 613 B Shares to Remgro Beverages for an issue price of R0.00001 per B Share;
  - iii. In terms of the RCI Exchange, Capevin will issue further Capevin Shares to Remgro International (the RCI-Related Capevin Shares) and Remgro International will settle its obligation to pay the issue price in respect of such shares through the transfer to Capevin of Remgro International's 50% shareholding in RCI;
  - iv. In terms of the Capevin Scheme, DGHL will issue 117 348 000 DGHL Ordinary Shares to the Capevin Shareholders and the Capevin Shareholders will settle their obligation to pay the issue price in respect of such DGHL Ordinary Shares through the delivery and transfer to DGHL of their Capevin Shares, by way of a Scheme of Arrangement;
  - v. In terms of the Remgro Exchange, Remgro Beverages will issue further shares in Remgro Beverages to Remgro International and Remgro International will settle its obligation to pay the issue price in respect of such shares through the delivery and transfer to Remgro Beverages of the DGHL Ordinary Shares held by Remgro International pursuant to the Capevin Scheme (being the RCI-Related Ordinary Shares and the Non-RCI Related Ordinary Shares);
  - vi. In terms of the Distell Scheme, DGHL will issue 105 034 356 DGHL Ordinary Shares to the Distell Minorities and the Distell Minorities will settle their obligation to pay the issue price in respect of such DGHL Ordinary Shares through the delivery and transfer to DGHL of their Distell Shares, by way of a Scheme of Arrangement;
  - vii. Capevin and Distell will be delisted (in terms of the Capevin Delisting and the Distell Delisting, respectively); and
  - viii. DGHL will repurchase the one DGHL Ordinary Share held by Remgro Beverages prior to implementation of the Transaction for a nominal amount of R1.00),
- (each a "Transaction Step" and together the "Transaction").



## 6. **CONDITIONS PRECEDENT**

- 6.1 The Transaction is subject to the fulfilment or, if applicable, waiver of the following Conditions Precedent, namely:
- 6.1.1 all resolutions required by Capevin Shareholders to implement the RCI Exchange, the Waiver and the Capevin Scheme, as contained in the notice of the Capevin Scheme Meeting annexed to this Circular, are adopted by the requisite majorities of Capevin Minorities;
  - 6.1.2 that the Distell Scheme becomes unconditional in accordance with its terms, save for the condition requiring that the Capevin Scheme becomes unconditional;
  - 6.1.3 in respect of the Capevin Shareholder Appraisal Rights, no Valid Demands are received by Capevin or if any Valid Demands are received by Capevin, such Valid Demands are received from Capevin Shareholders who, in aggregate, hold less than 5% of the aggregate Capevin Shares in issue as at the Last Practicable Date;
  - 6.1.4 the South African Competition Authorities approve the implementation of the Transaction;
  - 6.1.5 the Foreign Competition Authorities approve the implementation of the Transaction; and
  - 6.1.6 the TRP approves the Waiver Exemption and issues a compliance certificate in respect of the Transaction,
- (collectively, the “Conditions Precedent”).
- 6.2 Unless all the Conditions Precedent are fulfilled or waived, if appropriate and as the case may be, the Transaction will not proceed.
- 6.3 The Conditions Precedent must be fulfilled or waived, if applicable, on or before Monday, 29 January 2018 (unless this date is extended by agreement between Capevin, Distell and DGHL to allow for any outstanding regulatory approval/s), failing which the Transaction will not proceed.
- 6.4 None of the Conditions Precedent can be waived, except for the (i) Condition Precedent detailed in paragraph 6.1.3 of this Circular, relating to the receipt by Capevin of Valid Demands from Dissenting Capevin Shareholders, which may be waived by agreement between Capevin, Distell and DGHL, and (ii) the Condition Precedent detailed in paragraph 6.1.5 of this Circular, relating to the approval of the Transaction by the Foreign Competition Authorities, which may be waived by agreement between Capevin, Distell and DGHL.

## 7. **REGULATORY APPROVALS**

- 7.1 Save for (i) the approval of the South African Competition Authorities and the Foreign Competition Authorities, and (ii) the TRP granting the TRP Waiver Ruling, and issuing a TRP compliance certificate in respect of the Transaction, all requisite regulatory approvals regarding the Schemes and the issue and listing of the DGHL Ordinary Shares, including SARB approval, have been obtained. In this regard:
- the issue of the Distell Circular to the Distell Shareholders in respect of the Distell Scheme and the waiver of the Mandatory Offer Requirement was approved by the TRP on Thursday, 14 September 2017 and the JSE on Monday, 18 September 2017;
  - the issue of the Capevin Circular to the Capevin Shareholders in respect of the Capevin Scheme, the RCI Exchange and the waiver of the Mandatory Offer Requirement was approved by the TRP on Thursday, 14 September 2017 and the JSE on Monday, 18 September 2017;
  - the issue of the Prospectus by DGHL was registered by CIPC on Friday, 15 September 2017 and approved by the JSE on Monday, 18 September 2017; and
  - the DGHL Listing was approved by the JSE on Monday, 18 September 2017.

## 8. **ISSUE AND ALLOTMENT OF DGHL ORDINARY SHARES TO SCHEME PARTICIPANTS PURSUANT TO THE CAPEVIN SCHEME**

- 8.1 If the Conditions Precedent are timeously fulfilled or waived, if applicable, and subject to there being no legal impediment to the implementation of the Capevin Scheme immediately prior to its proposed implementation on Monday, 12 February 2018, the Capevin Scheme will be implemented.
- 8.2 Pursuant to the Capevin Scheme, each Capevin Scheme Participant will be issued and allotted 0.0667 DGHL Ordinary Shares for one Capevin Share held on the Capevin Record Date. In respect of fractional entitlements that arise, all allocations of DGHL Ordinary Shares will be rounded down to the nearest whole number resulting in allocations of whole DGHL Ordinary Shares only and a

cash payment for the fractional entitlement. The weighted average traded price of DGHL Ordinary Shares traded on the JSE on Wednesday, 7 February 2018, discounted by 10%, will be used to determine the cash payment.

#### 8.3 Payment in respect of DGHL Ordinary Shares

- No cash is payable in respect of the subscription for DGHL Ordinary Shares in terms of the Schemes. The consideration payable to DGHL by each Scheme Participant in respect of the issue and allotment of the DGHL Ordinary Shares is the delivery and transfer to DGHL of such Scheme Participant's Capevin Shares.

#### 8.4 Issue and allotment of the DGHL Ordinary Shares

- All shares will be issued at the expense of DGHL.
- All shares to be issued are subject to the provisions of the DGHL MOI.
- The DGHL Ordinary Shares will rank *pari passu* in all respects with each other. Annexure E to the Prospectus contains relevant extracts from the DGHL MOI.
- As required in terms of the FMA, DGHL Ordinary Shares will only be issued in Dematerialised form.
- DGHL Ordinary Shares can only be traded on the JSE trading system in electronic form, as detailed more fully in paragraph 8.5 of this Circular.
- DGHL will adhere to the recognised and standardised electronic clearing and settlement procedures operating within the JSE environment.
- Subsequent to implementation of the Capevin Scheme, DGHL Ordinary Shareholders are entitled to Certificate their DGHL Ordinary Shares at any time, should they so wish.

#### 8.5 Trading of DGHL Ordinary Shares

8.5.1 Subject to the provisions of the B Share Terms relating to the transfer of Linked Ordinary Shares, DGHL Ordinary Shares may only be traded on the JSE in electronic form (Dematerialised Shares) and will be trading for electronic settlement in terms of Strate following the DGHL Listing on the JSE.

8.5.2 Strate is a system of "paperless" transfer of shares. If any Scheme Participant has any doubt as to the mechanics of Strate, the Capevin Scheme Participant should consult with his CSDP or Broker or other appropriate adviser and is also referred to the Strate website at [www.strate.co.za](http://www.strate.co.za) for more information.

8.5.3 Some of the principal features of Strate are as follows:

- trades executed on the JSE must be settled on a T+3 basis, being three Business Days after the date of the trade;
- there are penalties for late settlement;
- electronic record of ownership replaces share certificates and physical delivery thereof; and
- all Capevin Scheme Participants are required to appoint either a Broker or CSDP to act on their behalf and to handle their settlement requirements.

### 9. OPERATION OF THE CAPEVIN SCHEME

9.1 Subject to the Capevin Scheme becoming unconditional and operative, Capevin Scheme Participants shall:

9.1.1 be deemed with effect from the Capevin Operative Date to have disposed of their Capevin Shares to DGHL (and shall be deemed to have undertaken to transfer), free of encumbrances, and all risk and benefit in the Capevin Scheme Participants' Capevin Shares will pass from the Capevin Scheme Participants to DGHL;

9.1.2 be entitled to receive DGHL Ordinary Shares in the Entitlement Ratio, and the Transfer Secretaries will, in accordance with their mandate from the Company, administer the issue of the DGHL Ordinary Shares to the Capevin Scheme Participants, in accordance with the "Action Required by Capevin Shareholders" section on page 5 of this Circular.

9.2 With effect from the Capevin Operative Date, the Transfer Secretaries and/or each and every Director of Capevin or any other person nominated by Capevin will irrevocably be deemed to be the attorney and agent *in rem suam* of the Capevin Scheme Participants to implement the transfer of the Capevin Shares to DGHL, and to sign any instrument of transfer in respect thereof or any other documents

and to do any other acts required or desirable to implement the Capevin Scheme and to take all steps necessary to procure electronic delivery of Capevin Shares which are Dematerialised.

## 10. SALIENT PROVISIONS OF THE DGHL ORDINARY SHARES

- 10.1 The DGHL Ordinary Shares are non-convertible, no par value shares, which rank *pari passu* with one another and which have the preferences, rights, limitations and other terms as detailed in the DGHL MOI, extracts of which are provided in Annexure E to the Prospectus.
- 10.2 There are no restrictions as to the transferability, and no prohibition on the disposal, of the DGHL Ordinary Shares. Regard should be had to the B Share Terms (provided in Annexure F to the Prospectus and summarised in paragraph 11 below) which detail the consequences which will follow if Linked Ordinary Shares and/or B Shares are not transferred in accordance with the B Share Terms.
- 10.3 If the Capevin Scheme is implemented, the DGHL Ordinary Shares will be listed on the JSE.
- 10.4 The DGHL Ordinary Shares will afford Scheme Participants the same economic interest and participation in Distell, via DGHL, as such participants held prior to implementation of the Transaction. The Distell Minorities' voting rights and the Capevin Minorities' indirect voting rights in relation to Distell will, however, be diluted. The table below contains an illustrative example of the effect of such dilution, namely a Distell Shareholder's shareholding and voting rights, and a Capevin Shareholder's shareholding and indirect voting rights, in Distell pre- and post- the Transaction:

<b>Distell Shareholder's direct interest in Distell</b>	<b>Before</b>	<b>After</b>
Direct economic interest in Distell/DGHL	5.00%	5.00%
Direct voting interest in Distell/DGHL	5.00%	3.21%
<b>Capevin Shareholder's indirect interest in Distell</b>	<b>Before</b>	<b>After</b>
Direct interest in Capevin	5.00%	–
Indirect/direct economic interest in Distell/DGHL	1.32%	1.32%
Indirect/direct voting interest in Distell/DGHL	–	0.85%

- 10.5 Detail is set out in Section One paragraph 1.3.12 of the Prospectus regarding dividends and distributions which may be paid or distributed by DGHL in relation to the DGHL Ordinary Shares.
- 10.6 Each DGHL Ordinary Share will entitle the holder thereof to one vote per DGHL Ordinary Share.
- 10.7 Pre-emptive rights apply in respect of the issue of DGHL Ordinary Shares, subject to the terms and conditions of the DGHL MOI, as detailed in Annexure E to the Prospectus.

## 11. SALIENT PROVISIONS OF THE B SHARE TERMS

- 11.1 The B Shares are unlisted, non-convertible, no par value shares which have the preferences, rights, limitations and other terms as summarised below and detailed in full in the B Share Terms attached as Annexure F of the Prospectus. Annexure 6 contains a tabular-form summary of the B Share Terms.
- 11.2 The B Shares will be issued to Remgro Beverages, on a once-off basis, in the B Share Ratio, namely 2.117 B Shares for every one RCI-Related Ordinary Share held by Remgro Beverages. In this regard:
- the RCI-Related Ordinary Shares are 58 674 000 DGHL Ordinary Shares which will be issued to Remgro International in terms of the Capevin Scheme, in exchange for Remgro International's RCI-Related Capevin Shares. The RCI-Related Ordinary Shares will, subsequent to their issue to Remgro International, be transferred to Remgro Beverages in terms of the Remgro Exchange;
  - having regard to the number of RCI-Related Ordinary Shares which are to be issued by DGHL in terms of the Capevin Scheme and applying the B Share Ratio, this equates to 124 226 613 B Shares which will be issued by DGHL to Remgro Beverages.

- 11.3 The B Shares will be issued to Remgro Beverages in order to maintain the 52.8% voting rights in Distell which the Remgro Group will obtain pursuant to the implementation of the RCI Exchange. The B Shareholders are only entitled to voting rights and have no right to any economic participation in DGHL save for the right, if the B Shares are repurchased, to be repurchased at their issue price and the right, upon liquidation of DGHL, for the B Shareholders to be paid the issue price of the B Shares before any liquidation payment or distribution is made to the DGHL Ordinary Shareholders. Other than as detailed above, the B Shareholders are not entitled to share in any dividends or distributions by DGHL.
- 11.4 In the circumstances, the B Share Issuance does not lead to any economic dilution for the Capevin Minorities or the Distell Minorities.
- 11.5 The B Shares will be issued to Remgro Beverages at an issue price of R0.00001 per B Share. The aggregate issue price for the 124 226 613 B Shares which will be issued by DGHL to Remgro Beverages in terms of the B Share Issuance is, in the circumstances, an amount of R1 242.27.
- 11.6 The B Shares will be linked to certain DGHL Ordinary Shares (referred to as “Linked Ordinary Shares”) by virtue of the provisions of the DGHL MOI (including the B Share Terms). Shareholders should note that, while the transfer of DGHL Ordinary Shares must, in the ordinary course, be effected on-market (in other words, through the JSE’s order book), the transfer of Linked Ordinary Shares should be effected off-market (in other words, not through the JSE’s order book). If a transfer of Linked Ordinary Shares is effected on-market, the voting rights attaching to the relevant B Shares which are linked to such Linked Ordinary Shares will immediately lapse and be of no further force and effect.
- 11.7 In addition, the B Share Terms provide for the immediate cessation of the voting rights attaching to the relevant B Shares, and an option in favour of DGHL to repurchase the relevant B Shares at their issue price, upon the happening of certain further events, namely:
- any disposal and/or transfer of B Shares without the relevant B Shareholder giving prior written notice to DGHL’s company secretary;
  - any disposal and/or transfer of B Shares without the accompanying Linked Ordinary Shares simultaneously being disposed of;
  - any disposal and/or transfer of Linked Ordinary Shares which is effected on-market (i.e. via the JSE’s normal order book);
  - if, at any time, there is no B Shareholder (whether individually or together with persons who may be related to and/or concert parties with a B Shareholder) which holds more than 25% of the Total Voting Rights;
  - if, at any time, a particular B Shareholder (together with such B Shareholder’s related and concert parties) ceases to hold more than 25% of the Total Voting Rights; and
  - if a transferee, as contemplated in paragraph 11.8 of this Circular below, does not make an offer to purchase all the DGHL Ordinary Shares held by the DGHL Ordinary Shareholders *mutatis mutandis* in accordance with section 123 of the Companies Act in the circumstances contemplated in paragraph 11.8 of this Circular, below,
- (collectively, the “Option Events”).
- 11.8 If, as a result of the disposal and/or transfer of any B Shares together with their accompanying Linked Ordinary Shares, the transferor and the transferee (together with any other shareholders related to or acting in concert with the transferor and transferee, respectively) each hold more than 25% of the Total Voting Rights, the transferee is entitled to offer to purchase all the DGHL Ordinary Shares held by the DGHL Ordinary Shareholders *mutatis mutandis* in accordance with section 123 of the Companies Act. The transferee’s failure to make such an offer constitutes an Option Event as contemplated in paragraph 11.7. Where an offer to the DGHL Ordinary Shareholders (the minorities) is triggered, the full consideration payable to the B Shareholders in terms of the transaction which triggers this offer will be attributed to the Linked Ordinary Shares and no value will be attributed to the B Shares.
- 11.9 If DGHL undertakes an alteration of its capital structure or a corporate action, which impacts the voting rights exercisable by the B Shareholders in relation to the Total Voting Rights (referred to as an “Adjustment Event” in the B Share Terms), the number of B Shares held by the B Shareholders and, if necessary, also the number of Linked Ordinary Shares, shall be increased or decreased, as the case may be, to maintain the position of the B Shareholders as regards their voting rights in relation to the Total Voting Rights after the Adjustment Event as was the position prior to such Adjustment Event. In this regard:

- 11.9.1 If, for example, the Adjustment Event is a renounceable rights issue of DGHL Ordinary Shares in which the B Shareholders elect to follow their rights in respect of their Linked Ordinary Shares, further B Shares will be issued to the B Shareholders so as to ensure that they are able to exercise the same proportion of the Total Voting Rights after the Adjustment Event as they were able to exercise before the Adjustment Event. This is to prevent any unwarranted dilution of the B Shareholders' voting rights. Similarly, if there is any alteration to the capital structure of DGHL which has a dilutionary effect on the voting rights of the B Shareholders, such as a share split or a capital distribution, further B Shares will be issued to the B Shareholders so as to ensure that they are able to exercise the same proportion of the Total Voting Rights after the relevant Adjustment Event as they were able to exercise before the relevant Adjustment Event;
- 11.9.2 If, for example, the Adjustment Event is a consolidation of the DGHL Ordinary Shares or similar alteration of the capital structure of DGHL which has an accretion effect on the voting rights which the B Shareholders can exercise, the number of B Shares held by the B Shareholders will be reduced, so as to ensure that the B Shareholders are able to exercise the same proportion of the Total Voting Rights after the relevant Adjustment Event as they were able to exercise before the relevant Adjustment Event. This is to prevent any unwarranted accretion of the B Shareholders' voting rights in DGHL;
- 11.9.3 If a B Shareholder increases its interests in DGHL through the purchase of DGHL Ordinary Shares (and not through an Adjustment Event, such as a rights offer for example), no Adjustment Event will have occurred and, therefore, no further B Shares will be issued to such B Shareholder as a result of such purchase;
- 11.9.4 Any Adjustment Event which requires an increase in the number of B Shares held by the B Shareholders will be effected by way of an allotment and issue to the B Shareholders of the requisite number of B Shares at an issue price of R0.00001 per B Share;
- 11.9.5 Any Adjustment Event which requires a reduction in the number of B Shares held by the B Shareholders will be effected by way of a repurchase of the relevant number of B Shares by DGHL, in accordance with the provisions of the Companies Act and the Listings Requirements, for a repurchase price equal to the issue price of each B Share, namely R0.00001; and
- 11.9.6 The following will not constitute Adjustment Events and will not result in an increase or decrease of the number of B Shares held by the B Shareholders and, in the circumstances, the B Shareholders will be diluted as a consequence of the occurrence of any of the following events, namely:
- 11.9.6.1 an issue of DGHL Ordinary Shares in respect of which DGHL Ordinary Shareholders (including B Shareholders, as holders of Linked Ordinary Shares) are not entitled to participate, such as the issue of DGHL Ordinary Shares under a share incentive scheme;
  - 11.9.6.2 a rights issue in respect of DGHL Ordinary Shares where the B Shareholders do not follow their rights in respect of their Linked Ordinary Shares;
  - 11.9.6.3 an issue of DGHL Ordinary Shares pursuant to an acquisition;
  - 11.9.6.4 a vendor consideration placing of DGHL Ordinary Shares;
  - 11.9.6.5 an issue of DGHL Ordinary Shares for cash or for the extinction of any liability, obligation, expense or commitment; or
  - 11.9.6.6 an amalgamation or merger in accordance with the provisions of section 113 of the Companies Act.



## 12. MAJOR CAPEVIN SHAREHOLDERS

12.1 Insofar it is known to Capevin, the names of all Capevin Shareholders, other than Remgro International, that, directly or indirectly, are beneficially interested in 5% or more of Capevin Shares, together with the extent of such interests, as at the Last Practicable Date, are as follows:

### Capevin

Shareholder	Number of Capevin Shares held	Beneficial shareholding <sup>1</sup>	Beneficial shareholding excluding Remgro International <sup>2</sup>
Coronation	198 488 820	22.6%	27.9%
PIC	109 587 699	12.5%	15.4%

#### Notes:

1. Based on an aggregate of 880 103 265 issued Capevin Shares.
2. Based on an aggregate of 880 103 265 issued Capevin Shares, but excluding 167 645 356 Capevin Shares held by Remgro International pre the Transaction.
3. Capevin does not hold any Treasury Shares.

12.2 Following implementation of the Transaction, the shareholders of DGHL who will hold more than 5% of the economic interests or voting rights, as the case may be, in DGHL will be:

### DGHL

Shareholder	Number of DGHL Ordinary Shares held (economic interest)	Beneficial shareholding (voting interest)
Remgro Beverages	31.4%	56.0%
PIC	31.3%	20.1%
Coronation <sup>1</sup>	9.1%	5.9%

#### Note:

1. Representing clients of Coronation

## 13. LETTERS OF SUPPORT

13.1 As at the Last Practicable Date, the following Capevin Shareholders, who collectively hold 35.1% of the Capevin Shares, have provided letters of support to vote in favour of the Transaction with regards to the resolutions of Capevin relating to the Waiver, the RCI Exchange and the Capevin Scheme at the Capevin Scheme Meeting, namely:

Shareholder	Number of Capevin Shares	% of Capevin Shares <sup>1</sup>
Coronation	198 488 820	22.6%
PIC	109 587 699	12.5%

#### Note:

1. Based on the number of issued Capevin Shares of 880 103 265

13.2 The letters of support are available for inspection as stated in paragraph 39 below.

## 14. OVERVIEW OF DISTELL AND DGHL

### 14.1 DGHL's Business

Upon implementation of the Transaction, DGHL's only assets will be 100% of the Capevin Shares and 47.2% of the Distell Shares. Capevin's sole asset will, in turn, be 100% of the shares in RCI, and RCI's sole asset will be 52.8% of the Distell Shares. Therefore DGHL will hold 100% of the Distell Shares, directly and indirectly.

Both Capevin and RCI have, historically, served solely as vehicles for the holding of Distell Shares. In this regard, the shares in RCI held by Capevin are Capevin's sole asset, and the Distell Shares held by RCI are RCI's sole asset. Neither Capevin nor RCI has conducted any business, other than

the holding of the direct and indirect interests in Distell, during the three years preceding the Last Practicable Date.

DGHL will serve primarily as an investment holding company, holding shares in Distell (directly and indirectly via Capevin and RCI).

#### 14.2 Distell and Distell's business

Distell was created through the merger of Distillers Corporation (SA) Limited and Stellenbosch Farmers Winery Group Limited in 2001. Distell became a public company on 11 October 1988. There has been no material change in the business of Distell during the three years preceding the Last Practicable Date.

Distell is a listed holding company which holds equity interests directly and indirectly in various operating companies in South Africa and abroad.

The Distell Group is South Africa and Africa's leading producer and marketer of wines, spirits, ciders and other ready-to-drink (RTD) beverages, sold across the world. With a diverse portfolio of brands with rich provenance and authenticity, its products are priced across the pricing continuum to cater to a broad spectrum of consumers.

Many of its brands are household names to consumers in Africa and select international markets. These brands include Amarula, Hunter's, J.C. Le Roux, Klipdrift, Nederburg, Richelieu, Savanna, Viceroy and Zonnebloem, among others. Amarula is South Africa's most widely distributed international alcoholic beverage brand. Distell's wines are sold on every continent.

Further information relating to Distell is available in the Prospectus, the Distell Financial Information and on Distell's website, [www.distell.co.za](http://www.distell.co.za).

### 15. **LONG-TERM EMPLOYEE SHARE INCENTIVE SCHEMES**

#### 15.1 Distell Employee Scheme and DGHL SAR Scheme

Distell established a group equity settled share appreciation right scheme in 2010 (Distell Employee Scheme), which scheme was approved by the Distell Shareholders at the Distell annual general meeting held in October 2010. In relation to Distell, the intention is for the CSP Scheme, if approved by Distell Shareholders in relation to Distell as detailed in the Distell Incentive Plan Circular, to replace the Distell Employee Scheme over time and, in the circumstances and as at the Last Practicable Date, the remuneration committee of Distell does not intend to grant further SARs in terms of the Distell Employee Scheme. The same position will apply in respect of DGHL, namely that if the CSP Scheme is approved in relation to DGHL as detailed in the Incentive Plan Circulars, the intention is for the CSP Scheme to replace the DGHL SAR Scheme over time, with no further grants being made under the DGHL SAR Scheme. The DGHL SAR Scheme must, however, nonetheless be adopted in relation to DGHL so as to ensure that participants in the Distell Employee Scheme are no worse off, due to the Transaction, and are able to receive equivalent grants in the DGHL SAR Scheme (as detailed in the following paragraph of this Circular, below).

If the Transaction proceeds, the Distell Employee Scheme will terminate and participants in the Distell Employee Scheme will be afforded share appreciation rights in DGHL in terms of the DGHL SAR Scheme, that will replace unexercised appreciation rights granted to such participants in terms of the Distell Employee Scheme ("Prior Accepted Grants"), so as to ensure that such Distell participants are in a position, after implementation of the Transaction, which substantively mirrors the position they would have been in, had the Transaction not been implemented. Accordingly, Distell participants in possession of Prior Accepted Grants will be granted SARs in terms of the DGHL SAR Scheme that are equivalent in value to the relevant Prior Accepted Grants. This ensures that the Distell participants in the Distell Employee Scheme are not prejudiced through the implementation of the Transaction.

The DGHL SAR Scheme is subject to terms and conditions which are substantially similar to the Distell Employee Scheme. Further details on the DGHL SAR Scheme can be found in Section Four paragraph 4.2 of the Prospectus, and extracts thereof are included in Annexure M of the Prospectus.

#### 15.2 Additional Long-Term Incentive Scheme

As detailed above, Distell wishes to introduce a different incentive scheme (the CSP Scheme), which will replace the DGHL SAR Scheme over time, to ensure that appropriate talent and skills are retained within the Distell Group. Further details of this CSP Scheme are provided in the Incentive Scheme Circulars.



### 15.3 Implementation and commencement of the CSP Scheme in relation to DGHL

It is recognised that it is important to obtain shareholder buy-in and approval in respect of any incentive scheme that is implemented in respect of a listed company. In the context of the reorganisation of Distell's ownership structure contemplated by the Transaction and assuming the Transaction is implemented, there will be no opportunity for the Distell Shareholders and the Capevin Shareholders to vote, as shareholders of DGHL, to approve the CSP Scheme detailed in the Incentive Scheme Circulars in relation to DGHL. Therefore Distell, Capevin, DGHL and Remgro have agreed that, if the Transaction becomes unconditional and is implemented, the introduction and implementation of the CSP Scheme in relation to DGHL is conditional on the Distell Shareholders and the Capevin Shareholders approving such CSP Scheme through an advisory vote as detailed below and in the Incentive Scheme Circulars.

As sole shareholder of DGHL as at the Last Practicable Date, Remgro Beverages has approved the CSP Scheme and its rules, as detailed in the Incentive Plan Circulars. This approval by Remgro Beverages is, however, subject to:

- the Transaction being implemented;
- the remuneration committee of DGHL, immediately upon their appointment, ratifying the introduction of the CSP Scheme in relation to DGHL;
- the Distell Shareholders adopting an advisory vote at the Distell CSP Meeting in terms of which advisory vote the Distell Shareholders approve, in relation to DGHL, the CSP Scheme; and
- the Capevin Shareholders adopting an advisory vote at the Capevin CSP Meeting in terms of which advisory vote the Capevin Shareholders approve, in relation to DGHL, the CSP Scheme.

Unless affirmative advisory votes are obtained from both the Distell Shareholders and the Capevin Shareholders in relation to the CSP Scheme, the condition to the Remgro Beverages' approval of the CSP Scheme shall not be fulfilled, in which event the CSP Scheme will not be implemented in relation to DGHL.

RCI will be entitled to vote in respect of the aforesaid advisory vote at the Distell CSP Meeting and Remgro will be entitled to vote in respect of the aforesaid advisory vote at the Capevin CSP Meeting.

### 15.4 Implementation and commencement of the CSP Scheme in relation to Distell

If the Distell Scheme and Capevin Scheme do not become operative, resulting in the Transaction not becoming unconditional and not being implemented, the CSP Scheme will, subject to the passing of the resolution detailed below, be implemented within Distell.

In order to implement the CSP Scheme in relation to Distell and in accordance with the requirements of Schedule 14 of the Listings Requirements, an ordinary resolution (requiring a 75% majority vote) must be considered and, if deemed fit, approved by the requisite majority of Distell Shareholders at the Distell General Meeting.

The ordinary resolution in respect of the CSP Scheme is contained in the notice of Distell General Meeting which is attached to and forms part of the Distell Incentive Plan Circular.

## 16. CAPEVIN DELISTING

Subject to the fulfilment of the Conditions Precedent detailed in paragraph 6 of this Circular, above, the Capevin Shares will be suspended from trading on the JSE at the commencement of business on Wednesday, 7 February 2018 and Capevin will delist from the JSE, with effect from the commencement of business on Tuesday, 13 February 2018.

## 17. WAIVER OF MANDATORY OFFER REQUIREMENT

17.1 At the Last Practicable Date, Remgro International holds 167 645 356 Capevin Shares, which equates to approximately 19.0% of the issued share capital of Capevin immediately before the implementation of the RCI Exchange. The implementation of the RCI Exchange will result in Remgro International holding 1 047 748 621 Capevin Shares which will equate to approximately 59.5% of the issued share capital of Capevin immediately after the implementation of the RCI Exchange. This means that Remgro International will:

- 17.1.1 acquire a beneficial interest in, and be able to exercise, 59.5% of voting rights in Capevin, having previously exercised less than 35% of such voting rights in Capevin; and
- 17.1.2 through its 59.5% holding in Capevin, also acquire a beneficial interest in, and be able to exercise, the voting rights attaching to 52.8% of the shares in Distell (through RCI), having previously exercised less than 35% of such voting rights in Distell.

- 17.2 The RCI Exchange would ordinarily require that Remgro International make a Mandatory Offer to acquire:
- 17.2.1 the remaining Capevin Shares not held by Remgro International following the implementation of the RCI Exchange, in accordance with the provisions of the Companies Act; and
- 17.2.2 the Distell Shares held by the Distell Minorities, in accordance with the provisions of the Companies Act.
- 17.3 Shareholders are, however, advised that, to the extent that the Waiver Resolution is adopted by the Capevin Minorities and the Distell Minorities, respectively, and the Waiver Exemption is granted by the TRP, Remgro International will no longer be obliged to make a Mandatory Offer to the Capevin Minorities or the Distell Minorities, respectively. Capevin Shareholders are further advised that the adoption of the Waiver Resolution by the Capevin Minorities and the Distell Minorities, respectively, and the obtaining of the Waiver Exemption from the TRP, are Conditions Precedent to the Transaction. Accordingly, no requirement to extend a Mandatory Offer will arise if the Waiver Resolutions are not approved, as the Transaction will, in those circumstances, not proceed.
- 17.4 Regulation 86(4) of the Companies Regulations permits an exemption from the obligation to make a Mandatory Offer if the Capevin Minorities or the Distell Minorities, as the case may be, as independent shareholders holding more than 50% of the general voting rights of all the issued shares of Capevin or Distell, respectively, agree to waive the benefit of the Mandatory Offer in accordance with the principles detailed in section 125(3)(b)(ii) of the Companies Act. As indicated above, the Schemes are subject to the Conditions Precedent that, *inter alia*, the Waiver Resolution is obtained from the Distell Minorities and Capevin Minorities, respectively. The Waiver Resolution in respect of the Capevin Minorities is included in the notice of the Capevin Scheme Meeting forming part of this Circular.
- 17.5 In terms of Regulation 86(7) of the Companies Regulations, the Waiver by the Capevin Minorities requires a fair and reasonable opinion. The required fair and reasonable opinion prepared by the independent expert is contained in Annexure 1B to this Circular. The Capevin Independent Board, having received and considered the fair and reasonable opinion, is of the opinion that the Waiver is fair and reasonable to the Capevin Minorities. The Capevin Independent Board accordingly recommends that Capevin Minorities vote in favour of the Waiver Resolution proposed at the Capevin Scheme Meeting.
- 17.6 The TRP has advised that it is willing to consider the application for the Waiver if the required majority of Capevin Minorities waive their entitlement to the Mandatory Offer Requirement in accordance with Regulation 86(4) of the Companies Regulations.
- 17.7 If the Waiver Resolutions are validly passed by the Capevin Minorities and the Distell Minorities, respectively, the application for the TRP Waiver Ruling will be submitted to the TRP.
- 17.8 Any Capevin Shareholder who wishes to make representations to the TRP regarding the Waiver has 10 Business Days, from the date of the distribution of this Circular, to make such representations to the TRP. Representations should be made in writing and delivered by hand, posted or faxed to:
- |   |                     |                           |
|---|---------------------|---------------------------|
| <b>If delivered by hand or courier:</b> | <b>If emailed:</b>  | <b>If faxed:</b>          |
| The Executive Director                  | admin@trpanel.co.za | The Executive Director    |
| Takeover Regulation Panel               |                     | Takeover Regulation Panel |
| 1st Floor, Block 2, Freestone Park      |                     | + 27 (0) 11 784 0062      |
| 135 Patricia Road                       |                     |                           |
| Atholl                                  |                     |                           |
| Johannesburg                            |                     |                           |
| 2196                                    |                     |                           |
- Such representations should reach the TRP by no later than the close of business on Thursday, 5 October 2017 in order to be considered.
- 17.9 Representations made to the TRP within the permitted timeframe will be considered by the TRP, before the TRP makes the TRP Waiver Ruling.
- 17.10 Capevin will make an announcement regarding the results of the application to the TRP for the TRP Waiver Ruling upon receipt of same. Following such announcement, Capevin Shareholders are entitled, within five Business Days of the issue of the aforesaid announcement by Capevin, to request the Takeover Special Committee to review the TRP Waiver Ruling.

## 18. CAPEVIN SHAREHOLDER APPRAISAL RIGHTS

18.1 Section 164 of the Companies Act provides that:

- 18.1.1 at any time before the resolutions to enter into the Capevin Scheme are voted on, a Capevin Shareholder may give a written notice objecting thereto (“**Notice of Objection**”);
- 18.1.2 within 10 Business Days after the Capevin Shareholders have adopted the resolutions to enter into the Capevin Scheme, Capevin must send a notice (“**Results Notice**”) that the resolutions have been adopted to each Capevin Shareholder who gave a Notice of Objection and who neither withdrew such Notice of Objection nor voted in favour of the resolutions in question;
- 18.1.3 a Capevin Shareholder may, within 20 Business Days after receipt of the Results Notice, demand in writing that Capevin pay the Capevin Shareholder the fair value for all the Capevin Shares held by that Capevin Shareholder if:
  - the Capevin Shareholder sent Capevin a Notice of Objection;
  - Capevin has adopted the resolutions in question; and
  - the Capevin Shareholder voted against the resolutions in question and complied with all the procedural requirements of section 164 of the Companies Act.

18.2 The demand sent by the Capevin Shareholders to Capevin, as detailed in paragraph 18.1.3 above, must set out:

- the Capevin Shareholder’s name and address;
- the number of Capevin Shares in respect of which the Capevin Shareholder seeks payment; and
- a demand for payment of the fair value of such Capevin Shares. The fair value of the Capevin Shares is determined as at the date on which, and the time immediately before, Capevin adopted the resolutions in question.

A copy of the demand must also be provided to the TRP.

Any Capevin Shareholder that is in doubt as to what action to take, should consult its legal or professional adviser in this regard.

18.3 Capevin Shareholders should have regard to the fact that, in appropriate circumstances as detailed in section 164 of the Companies Act (an extract of which is included in Annexure 5 to this Circular), the court is empowered to grant a costs order in favour of, or against, a Dissenting Capevin Shareholder, as may be applicable.

18.4 Capevin Shareholders should further have regard to the fact that one of the Conditions Precedent to the Capevin Scheme is that either no Valid Demands are received by Capevin in respect of the exercise by Dissenting Capevin Shareholders of their Capevin Shareholder Appraisal Rights or, if any Valid Demands are received, such demands are received from Dissenting Capevin Shareholders holding less than 5% of the aggregate Capevin Shares in issue as at the Last Practicable Date. Thus, if Valid Demands are received by Capevin from Dissenting Capevin Shareholders holding 5% or more of the Capevin Shares, the Capevin Scheme will not become unconditional and will not be implemented, unless this Condition Precedent is waived as contemplated in paragraph 6.4 of this Capevin Circular. In such event, the Capevin Shares held by the Dissenting Capevin Shareholders will not be purchased by Capevin in terms of section 164 of the Companies Act.

18.5 The same condition precedent applies to the Distell Scheme, in respect of the receipt by Distell of Valid Demands from dissenting Distell Shareholders in respect of the Distell Shareholder Appraisal Rights. Thus, if Valid Demands are received by Distell from dissenting Distell Shareholders holding 5% or more of the Distell Shares, the Distell Scheme will not become unconditional and will not be implemented unless the relevant condition precedent is waived as contemplated in the Distell Circular.

18.6 If a Dissenting Capevin Shareholder withdraws its demand to be paid the fair value of its Capevin Shares before Capevin makes an offer in terms of section 164(11) of the Companies Act or allows an offer by Capevin to lapse, or if Capevin fails to make an offer in terms of section 164(11) of the Companies Act and the Dissenting Capevin Shareholder withdraws its demand to be paid the fair value of its Capevin Shares, as contemplated in section 164(9)(a) and (b) of the Companies Act (an “**Offer Termination Event**”), such Dissenting Capevin Shareholder shall:

- if the Offer Termination Event takes place on or before the Voting Record Date, be deemed to be a Scheme Participant and be subject to the provisions of the Capevin Scheme; and
- if the Offer Termination Event takes place after the Voting Record Date, be deemed to have been a Capevin Shareholder as at the Capevin Operative Date, provided that settlement of the DGHL Ordinary Shares to which such Dissenting Capevin Shareholder is entitled, calculated in accordance with the Entitlement Ratio, and transfer of such Dissenting Capevin Shareholders' Capevin Shares to DGHL shall take place as follows, namely: if the relevant Capevin Shareholder is a Dematerialised Capevin Shareholder, on the later of the Capevin Operative Date and the date which is five Business Days after the Offer Termination Event occurs, or if the relevant Capevin Shareholder is a Certificated Capevin Shareholder, on the later of the Capevin Operative Date and the date which is five Business Days after that Dissenting Capevin Shareholder surrenders its Documents of Title and delivers a completed Form of Surrender and Transfer (*yellow*) in respect of the Capevin Scheme to the Transfer Secretaries.

An extract of the Companies Act, containing the full text of sections 115 and 164, forms Annexure 5 to this Capevin Circular.

## 19. FINANCIAL EFFECTS OF THE TRANSACTION

19.1 In simplistic terms, the Schemes entail a swap by Capevin Shareholders and Distell Minorities of their Capevin Shares and Distell Shares for DGHL Ordinary Shares, respectively, with the result that Distell becomes a Subsidiary of RCI, which is a Subsidiary of Capevin, which is a Subsidiary of DGHL. The implementation of the Schemes (and the Transaction) will have no impact on the financial position of Capevin Shareholders or Distell Shareholders because:

- in relation to Capevin Shareholders, such shareholders will retain their indirect investment in Distell but will hold such investment through DGHL (with Capevin and RCI as intervening conduit vehicles through which part of such investment is held); and
- in relation to Distell Shareholders, such shareholders will retain their investment in Distell, but will hold such investment through DGHL (with Capevin and RCI as intervening conduit vehicles through which part of such investment is held).

19.2 Having regard to the above and the fact that DGHL is a shell which has never traded, DGHL will, after the Transaction has been implemented, effectively be a "mirror" of Distell save and except that Capevin and RCI will no longer be indirect and direct Distell Shareholders, respectively, but Subsidiaries of DGHL.

19.3 The following historical financial information of RCI is provided:

- annexure C to the Prospectus contains the consolidated audited financial information of Capevin for the three years ended 30 June 2017, prepared in accordance with IFRS, Annexure B to the Prospectus contains the consolidated audited financial information of Distell for the three years ended 30 June 2017, prepared in accordance with IFRS, and Annexure D to the Prospectus contains the consolidated audited financial information of RCI for the three years ended 30 June 2017, prepared in accordance with IFRS; and
- further historical financial information regarding Capevin can be obtained from the Capevin website at [www.capevin.com](http://www.capevin.com) and regarding Distell can be obtained from the Distell website [www.distell.co.za](http://www.distell.co.za).

## 20. GOVERNING LAW

The Transaction, including the Capevin Scheme, will be governed by the laws of South Africa.

## 21. FOREIGN CAPEVIN SHAREHOLDERS

21.1 The issue of DGHL Ordinary Shares to Foreign Capevin Shareholders in terms of the Capevin Scheme may be affected by the laws of such Foreign Capevin Shareholders' relevant jurisdiction. Those Foreign Capevin Shareholders should consult their professional advisers as to whether they require any governmental or other consent or need to observe any other formalities to enable them to realise their entitlement in terms of the Transaction.

Foreign Capevin Shareholders are referred to Annexure 2 for further information on the restrictions applicable to Foreign Capevin Shareholders.

**22. EXCHANGE CONTROL**

22.1 Capevin Shareholders whose registered address is outside the Common Monetary Area will need to comply with the Exchange Control Regulations set out in Annexure 4.

22.2 If Capevin Shareholders are in any doubt as to what action to take, they should consult their professional advisers.

**23. TAXATION CONSIDERATIONS RELATING TO THE CAPEVIN SCHEME**

23.1 Capevin and DGHL intend to rely on the provisions of section 42 of the Income Tax Act in respect of the Capevin Scheme. This section provides relief from income tax, CGT and STT which would ordinarily be payable in respect of a transaction of the nature contemplated in the Capevin Scheme.

23.2 Capevin Shareholders are referred to Annexure 3 for information on the taxation consequences relating to the Capevin Scheme.

**24. MATERIAL INTERESTS OF CAPEVIN DIRECTORS**

24.1 As at the Last Practicable Date, the Capevin Directors held no interests in Capevin Shares.

24.2 As at the Last Practicable Date, there were no dealings by Capevin Directors subsequent to the financial period ended 30 June 2017.

**25. CAPEVIN DIRECTORS' SERVICE CONTRACTS AND REMUNERATIONS**

Given the nature of Capevin, as an investment holding company with its sole asset being the 26.4% indirect interest in Distell, Capevin Directors do not have service contracts with Capevin. Following the implementation of the Capevin Scheme, Capevin Directors will no longer earn directors' fees from Capevin.

**26. CAPEVIN DIRECTORS' INTERESTS IN THE CAPEVIN SCHEME**

The Capevin Directors do not have any interest in the Capevin Scheme.

**27. CAPEVIN INDEPENDENT BOARD'S OPINION AND RECOMMENDATIONS**

The Capevin Independent Board was appointed by Capevin, as is required by the Takeover Regulations, to provide its opinion on the Capevin Scheme in terms of section 114 of the Companies Act. The Capevin Independent Board has considered the terms of the Capevin Scheme and has taken into account the opinion of the independent expert, as included in paragraph 28 below and as Annexure 1A to this Circular. It is the opinion of the Capevin Independent Board that such terms are for the benefit of all Capevin Shareholders and, accordingly, the Capevin Independent Board recommends that Capevin Minorities vote in favour of the resolutions required to implement the Capevin Scheme, which will result in the Capevin Delisting.

**28. INDEPENDENT EXPERT'S OPINION**

Based on the results of the procedures performed by the independent expert, detailed valuation work and other considerations set out in the fair and reasonable opinion letter attached as Annexure 1A to this Circular, the independent expert is of the opinion that the Capevin Scheme is fair and reasonable to the Capevin Shareholders.

## 29. TRANSACTION EXPENSES

The estimated expenses (excluding VAT) that will be incurred by Capevin in the implementation of the Capevin Scheme, and which will be settled from Capevin's cash resources, are as follows:

<b>Service</b>	<b>Service provider</b>	<b>Estimated amount (R'000)</b>
<b>Financial Adviser and Transaction Sponsor</b>	PSG Capital	5 500
Legal adviser	CDH	1 500
Independent expert	BDO	250
JSE inspection fees	JSE	14
TRP inspection fees	TRP	400
	Strate	5
Transfer Secretaries	Computershare	45
Ince	Printing	150
Miscellaneous	Miscellaneous	136
<b>Total</b>		<b>8 000</b>

## 30. RESPONSIBILITY STATEMENT

### 30.1 Capevin Independent Board

The members of the Capevin Independent Board, collectively and individually, accept full responsibility for the accuracy of the information given in this Circular, and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which 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 and the Listings Requirements.

## 31. CONSENTS

The financial adviser and transaction sponsor to Capevin, legal adviser, independent expert and Transfer Secretaries, whose names are included in this Circular, have consented in writing to act in the capacities stated and to their names being included in the Circular and have not withdrawn their consents prior to the publication of the Circular.

## 32. MATERIAL CHANGES

The Capevin Directors are not aware of any material changes in the financial or trading position of Capevin or its Subsidiaries subsequent to the latest published annual report for the period ended 30 June 2017, other than the changes noted in this Circular.

## 33. LITIGATION

There are currently no legal or arbitration proceedings, including any such proceedings that are pending or threatened which may have, or have had, a material effect on Capevin's financial position during the 12 months preceding the date of issue of this Circular.



#### **34. MATERIAL CONTRACTS**

Save as detailed below, Capevin has not, for the two years preceding the Last Practicable Date, entered into any material contracts, being restrictive funding arrangements and/or any contract entered into otherwise than in the ordinary course of the business carried on by Capevin, which contains an obligation or settlement that is material to Capevin. The only material contracts out of the ordinary course of business entered into by Capevin in the two years preceding the Last Practicable Date are (i) the agreement to propose and implement the Transaction, concluded with Distell and DGHL and (ii) the RCI Exchange Agreement. Regarding (i), Capevin, Distell and DGHL agreed on 21 June 2017 that, subject to the Conditions Precedent being met or waived, if applicable, and the required regulatory approvals being obtained, the Transaction would be proposed and implemented.

#### **35. WORKING CAPITAL STATEMENT**

The Capevin Directors have considered the effects of the Transaction and are of the opinion that, the working capital of Capevin is sufficient for the working capital requirements for the next 12 months from the date of issue of the Circular.

#### **36. FUNDING OF THE CAPEVIN SCHEME**

DGHL has confirmed to the Capevin Directors that it will be able to issue the number of DGHL Ordinary Shares which will be required to be issued pursuant to the Capevin Scheme and the Distell Scheme, and that it has the necessary board and shareholder authority to issue such DGHL Ordinary Shares in accordance with the Capevin Scheme and the Distell Scheme, respectively.

#### **37. GENERAL**

37.1 Subject to the prior written consent of DGHL, and subject to the approval of the TRP, the Capevin Independent Board may consent, before or at the Capevin Scheme Meeting, to any amendments, variations or modification to the Capevin Scheme, provided that the Entitlement Ratio shall not be changed.

37.2 A certificate signed by a duly authorised director of each of Capevin, Distell and DGHL stating that the Capevin Scheme is unconditional and has become operative, shall be binding on DGHL, Capevin, Distell and their shareholders.

37.3 All times and dates referred to in this Circular are subject to change by agreement between DGHL, Capevin and Distell, with the approval of the TRP and JSE, where required. Any changes will be published on SENS.

#### **38. CAPEVIN SCHEME MEETING**

38.1 The Capevin Scheme Meeting is to be held at 09h00 on Friday, 27 October 2017, at the Burgher House, corner of Alexander and Blom Streets, Stellenbosch, 7600, in order to consider and, if deemed fit, pass the special and ordinary resolutions of Capevin necessary to give effect to the Waiver and the Capevin Scheme, which will result in the Capevin Delisting.

38.2 A notice convening the Capevin Scheme Meeting is attached to and forms part of this Circular.

38.3 Remgro International and its Related Parties and any persons Acting in Concert with Remgro International will not vote their Capevin Shares on the resolutions to be proposed at the Capevin Scheme Meeting and RCI and its Related Parties and any persons Acting in Concert with RCI will not vote its Distell Shares on the resolutions to be proposed at the Distell Scheme Meeting.

### 39. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of Capevin and the registered offices of PSG Capital, whose details can be found in the “Corporate Information and Advisers” section of this Circular, during normal business hours and on Business Days, from the date of issue of this Circular up to and including the date of the Capevin Scheme Meeting:

- the written letters of consent as given in paragraph 31 above;
- the Capevin Financial Information referred to in paragraph 19 above;
- the letter from the TRP, approving this Circular;
- the DGHL MOI, incorporating the B Share Terms;
- the Prospectus of DGHL;
- a signed copy of the independent expert’s reports detailed in Annexure 1A and Annexure 1B;
- a signed copy of the RCI Exchange Agreement;
- a signed copy of this Circular;
- a signed copy of the Distell Circular (which is also available on the Distell website: <http://www.distell.co.za/investor-centre/>); and
- the letters of support referred to in paragraph 13.

For and on behalf of the Capevin Independent Board

**Remgro Management Services Limited**

*Company Secretary*

Stellenbosch

13 September 2017

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## REPORT OF THE INDEPENDENT EXPERT ON THE SCHEME

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**Private and confidential**

The Independent Board  
 Capevin Holdings Limited  
 Millennia Park  
 16 Stellentia Avenue  
 Stellenbosch  
 7600

14 September 2017

Dear Sirs

**REPORT OF THE INDEPENDENT PROFESSIONAL EXPERT TO THE INDEPENDENT BOARD OF CAPEVIN HOLDINGS LIMITED REGARDING THE SCHEME OF ARRANGEMENT BETWEEN CAPEVIN HOLDINGS LIMITED AND ITS SHAREHOLDERS IN TERMS OF WHICH BUSINESS VENTURE INVESTMENTS NO 1997 LIMITED, WHICH IS TO BE RENAMED DISTELL GROUP HOLDINGS LIMITED (“DGHL”), WILL ISSUE SHARES TO ALL THE SHAREHOLDERS OF CAPEVIN HOLDINGS LIMITED IN EXCHANGE FOR THEIR SHARES IN CAPEVIN HOLDINGS LIMITED**

**INTRODUCTION**

In terms of the announcement published by Capevin Holdings Limited (“Capevin” or the “Company”) on the Stock Exchange News Service of the JSE Limited (“JSE”) (“SENS”) on 22 June 2017 and in the press on 23 June 2017, Capevin shareholders (“Shareholders”) were advised of the proposed restructuring of Distell Group Limited’s (“Distell”) multi-tiered ownership structure, which will result in Capevin’s interest in Distell being restructured (the “Transaction”). The Transaction will be implemented by way of a number of transaction steps, which are subject to the conditions precedent set out in the circular to be issued to shareholders on Wednesday, 20 September 2017 (“Circular”), as follows:

- the ordinary shares of Business Venture Investments No 1997 Limited (“DGHL Ordinary Shares”), which is to be renamed Distell Group Holdings Limited (“DGHL”), will be listed on the JSE;
- DGHL will issue unlisted, non-convertible, no par value shares of DGHL (“B Shares”) to Remgro Beverages Proprietary Limited (“Remgro Beverages”);
- Capevin will issue further Capevin ordinary no par value shares (“Capevin Shares”) to Remgro International Holdings Proprietary Limited (“Remgro International”) (“RCI-Related Capevin Shares”) and Remgro International will settle its obligation to pay the issue price in respect of such shares through the transfer to Capevin of Remgro International’s 50% shareholding in Remgro-Capevin Investments Proprietary Limited (“RCI”) (“RCI Exchange”);
- DGHL will issue DGHL Ordinary Shares to the Capevin shareholders and the Capevin shareholders will settle their obligation to pay the issue price in respect of such DGHL Ordinary Shares through the delivery and transfer to DGHL of their Capevin Shares, by way of a scheme of arrangement in terms of section 114 of the Companies Act 2008 (Act 71 of 2008) (“Companies Act”), as amended (“Scheme of Arrangement”) (“Capevin Scheme”);
- the DGHL Ordinary Shares to be issued to Remgro International in terms of the Capevin Scheme in respect of Remgro’s RCI-Related Capevin Shares (“RCI-Related Ordinary Shares”) will, upon implementation of the transfer of such shares to Remgro Beverages, be linked to the B Shares issued to Remgro Beverages. The B Shares will have no economic rights, but will provide Remgro, together with its DGHL Ordinary Shares, with the same level of voting rights in Distell as it held pursuant to the RCI Exchange. The B Shares and accompanying linked DGHL Ordinary Shares will provide Remgro with a 52.8% voting interest in DGHL. In terms of the Capevin Scheme, Remgro International will also receive DGHL Ordinary Shares in exchange for its current 19.0% interest in Capevin, however, those DGHL Ordinary Shares will not be linked to B Shares.
- DGHL will issue DGHL Ordinary Shares to the shareholders of Distell other than RCI (“Distell Minorities”) and the Distell Minorities will settle their obligation to pay the issue price in respect of such DGHL Ordinary Shares through the delivery and transfer to DGHL of their Distell ordinary shares (“Distell Shares”), by way of a Scheme of Arrangement (“Distell Scheme”);

- Capevin and Distell will be delisted from the JSE; and
- DGHL will repurchase the one DGHL Ordinary Share held by Remgro Beverages prior to implementation of the Transaction for a nominal amount.

The Capevin Scheme, if implemented, will result in the acquisition by DGHL of Capevin's entire ordinary issued capital ("Scheme Shares") from holders of Scheme Shares ("Scheme Participants"), in exchange for 0.0667 DGHL ordinary shares ("DGHL Shares") for each Capevin Share held ("Scheme Consideration").

The Capevin Scheme, if implemented, will result in the acquisition by DGHL of 100% of the ordinary share capital of Capevin and will result in Capevin delisting from the JSE.

The Capevin Scheme is an affected transaction as defined in Section 117(1)(c) of the Companies Act. In terms of Section 114(2) of the Companies Act the independent board of directors of Capevin ("Independent Board") is required to retain an independent expert to provide an independent expert report (in the form of a fair and reasonable opinion) in terms of section 114(3) of the Companies Act and Regulation 90 and 110 of the Companies Regulations, 2011 as amended ("Companies Regulations").

BDO Corporate Finance Proprietary Limited ("BDO Corporate Finance") has been appointed as the independent expert by the Independent Board to assess the Capevin Scheme as required in terms of section 114 of the Companies Act and Regulation 90 and 110 of the Companies Regulations and this report is provided for the sole purpose of assisting the Independent Board in forming and expressing an opinion on the Capevin Scheme for the benefit of Shareholders.

As at the issue date of this opinion, the share capital of the Company comprises:

- issued share capital of 880 103 265 Capevin Shares.

As at the last practicable date prior to finalisation of the Circular, no director of Capevin (or associate of any of the directors), holds an interest in the securities of the Company.

Full details of the Transaction are contained in the Circular, which will include a copy of this letter.

Copies of sections 115 and 164 of the Companies Act are set out in Annexure 5 of the Circular.

The material interests of the Capevin Directors are set out in section 24 of the Circular.

## **RESPONSIBILITY**

Compliance with the Companies Act and the Companies Regulations is the responsibility of the Independent Board. Our responsibility is to provide advice to the Independent Board on whether the terms and conditions of the Capevin Scheme are fair and reasonable to Scheme Participants.

## **EXPLANATION AS TO HOW THE TERMS "FAIR" AND "REASONABLE" APPLY IN THE CONTEXT OF THE CAPEVIN SCHEME**

The "fairness" of a transaction is based on quantitative issues. A transaction may be said to be fair if the benefits received by shareholders, as a result of a transaction, are equal to or greater than the value ceded by shareholders.

The Capevin Scheme, may be said to be fair to Scheme Participants if the Scheme Consideration is equal to or greater than the fair value of a Capevin Share, or unfair if the Scheme Consideration is less than the fair value of a Capevin Share.

The assessment of reasonableness of the Capevin Scheme is based on the Scheme Consideration in relation to the prevailing trading price of a Capevin Share as well as qualitative factors.

## **DETAILS AND SOURCES OF INFORMATION**

- In arriving at our opinion we have relied upon the following principal sources of information:
  - The terms and conditions of the Transaction;
  - Audited annual financial statements of Capevin and Distell for the years ended 30 June 2016 and 2017;
  - Forecast financial information of Distell, on a consolidated basis, for the financial years ("FY") 2018 to 2021;
  - Estimation of appropriate valuation discounts or premiums to apply to the results of our valuation analysis;
  - Discussions with management of Capevin and Distell or their professional advisors regarding the rationale for the Transaction;
  - Discussions with management of Capevin and Distell or their professional advisors regarding the historical and forecast financial information of Distell;

- Discussions with management of Capevin and Distell or their professional advisors on prevailing market, economic, legal and other conditions which may affect underlying value; and
- Publicly available information relating to Capevin and Distell that we deemed to be relevant, including company announcements and media articles.
- The information above was secured from:
  - Management of Capevin and Distell or their professional advisors; and
  - Third party sources, including information related to publicly available economic, market and other data which we considered applicable to, or potentially influencing Capevin and Distell.

## **PROCEDURES**

In arriving at our opinion we have undertaken the following procedures and taken into account the following factors:

- Reviewed the terms and conditions of the Transaction;
- Reviewed the financial and other information related to Capevin and Distell, as detailed above;
- Reviewed and obtained an understanding from management as to the forecasts of Distell for the financial years ending 30 June 2018 to 2021 prepared by management of Distell. Considered the forecasts and the basis of the assumptions therein including the prospects of the business of Distell. This review included an assessment of the reasonableness of the outlook assumed based on discussions with management and an assessment of the achievability thereof by considering historical information as well as macro-economic and sector-specific data;
- Performed a valuation of a DGHL Share (references to the valuation of DGHL also relate to Distell as there will be no change in the underlying financial information and financial position of Distell pursuant to the Transaction save for the cost savings to be attained following the Capevin delisting) as well as a Capevin Share by applying generally accepted valuation approaches and methods in use in the market from time to time as detailed further below;
- Assessed the long-term potential of Distell;
- Evaluated the relative risks associated with Distell and the Distillers & Wineries sector;
- Held discussions with the directors and management of Capevin and Distell or their professional advisors as to the long-term strategy and the rationale for the Transaction and considered such other matters as we considered necessary, including assessing the prevailing economic and market conditions and trends in the sector in which Capevin operates;
- Reviewed certain publicly available information relating to Capevin and Distell and the Distillers & Wineries sector that we deemed relevant, including company announcements and media articles;
- Performed such other studies and analyses as we considered appropriate and have taken into account our assessment of general economic, market and financial conditions and our experience in other transactions, as well as our experience in securities valuation and knowledge of the Distillers & Wineries sector generally.

## **ASSUMPTIONS**

We arrived at our opinion based on the following assumptions:

- That all agreements that are to be entered into in terms of the Transaction will be legally enforceable;
- That the Transaction will have the legal, accounting and taxation consequences described in discussions with, and materials furnished to us by representatives of Capevin and Distell or their professional advisors; and
- That reliance can be placed on the financial information of Capevin and Distell.

## **APPROPRIATENESS AND REASONABLENESS OF UNDERLYING INFORMATION AND ASSUMPTIONS**

We satisfied ourselves as to the appropriateness and reasonableness of the information and assumptions employed in arriving at our opinion by:

- Determining the extent to which representations from management were confirmed by documentary evidence as well as our understanding of Capevin and Distell and the economic environment in which the companies operates.

## LIMITING CONDITIONS

This opinion is provided in connection with and for the purposes of the Capevin Scheme. The opinion does not purport to cater for each individual shareholder's perspective, but rather that of the general body of Capevin shareholders.

Individual shareholders' decisions regarding the Capevin Scheme may be influenced by such shareholders' particular circumstances and accordingly individual shareholders should consult an independent adviser if in any doubt as to the merits or otherwise of the Capevin Scheme.

We have relied upon and assumed the accuracy of the information provided to us in deriving our opinion. Where practical, we have corroborated the reasonableness of the information provided to us for the purpose of our opinion, whether in writing or obtained in discussion with management, by reference to publicly available or independently obtained information. While our work has involved an analysis of, *inter alia*, the annual financial statements, and other information provided to us, our engagement does not constitute an audit conducted in accordance with generally accepted auditing standards.

We have also assumed that the Capevin Scheme will have the legal consequences described in discussions with, and materials furnished to us by representatives and advisors of Capevin and Distell and we express no opinion on such consequences.

Our opinion is based on current economic, regulatory and market as well as other conditions. Subsequent developments may affect the opinion, and we are under no obligation to update, review or re-affirm our opinion based on such developments.

## INDEPENDENCE, COMPETENCE AND FEES

We confirm that neither we nor any related person with us have a direct or indirect interest in Scheme Shares or the Capevin Scheme nor any relationship as contemplated in section 114(2)(b) of the Companies Act, and specifically declare, as required by Regulation 90(6)(i) and Regulation 90(3)(a) of the Companies Regulations, that we are independent in relation to the Capevin Scheme and will reasonably be perceived to be independent taking into account other existing relationships and appointments. We also confirm that we have the necessary competence to provide the independent expert report on the Capevin Scheme and meet the criteria set out in section 114(2)(a) of the Companies Act.

Furthermore, we confirm that our professional fees of R125 000 (excluding VAT) are payable in cash and are not contingent upon the success of the Transaction.

## VALUATION APPROACH AND RESULTS

The sole investment of Capevin is an effective interest of 26.4% in the issued share capital of Distell. BDO Corporate Finance performed a valuation of DGHL to determine whether the Scheme Consideration in respect of the Capevin Scheme represents fair value to the Scheme Participants. The valuation was performed at the most recent practicable date, which was 30 June 2017.

The valuation methodologies employed in respect of DGHL included the discounted cash flow methodology as the primary valuation methodology and the capitalisation of maintainable earnings methodology as a secondary methodology to support the results of the discounted cash flow valuation.

The valuations were performed taking cognisance of risk and other market and industry factors affecting DGHL. Additionally, sensitivity analyses were performed considering key value drivers.

Key internal value drivers to the discounted cash flow valuation included revenue growth, the discount rate, working capital and capital expenditure requirements and operating margins.

External value drivers, including; interest rates, headline inflation rates and prevailing market and industry conditions in respect of the sector within which the company operates were also considered in assessing the forecast cash flows and risk profile of DGHL.

BDO Corporate Finance performed a valuation of a Capevin Share based on the see-through value of an underlying DGHL Share adjusted for the capitalisation of Capevin's administrative costs at an appropriate discount rate and other cash and cash equivalents and net working capital as at the valuation date.

In arriving at our valuation range for Capevin Shares we also considered a dividend discount model based on the forecast dividends payable by Capevin which equate to c.95% of the dividends received from Distell.

In undertaking the valuation exercise above, we determined a valuation range and implied exchange ratio as follows:

<b>Rand</b>	<b>DGHL</b>	<b>Capevin</b>	<b>Implied Ratio</b>
Lower end of the range	129.16	8.20	0.0635
Core value	140.75	8.96	0.0637
Upper end of the range	154.45	9.41	0.0609



Based on the above value ranges the minimum number of DGHL Shares to be issued as consideration for the each Capevin Share would be 0.0637 DGHL Shares for each Capevin Share. The Scheme Consideration of 0.0667 DGHL Shares for each Capevin Share ("Exchange Ratio") falls above the minimum number derived from the suggested range calculated from our valuation. We note that the fair value of a Capevin Share would be expected to be lower than the see-through value of a DGHL Share due to the effect of the capitalisation of administrative costs, i.e. a Capevin Share would be expected to be at a discount to the see-through value of Distell purely from a quantitative perspective. Capevin has historically traded at an average discount of 13.3% over the last five years which reflects the impact of the multi-tiered ownership structure. The Scheme Consideration is based on 100% of the economic benefit of an underlying Capevin Share with no discount for administrative costs or historical trading discounts.

## **OTHER CONSIDERATIONS**

In assessing the reasonableness of the Capevin Scheme we note the following:

- Based on the closing price of a Capevin Share and Distell Share on the JSE on 21 June 2017, being the last trading day prior to the publication of the announcement released on SENS on 22 June 2017, the implied Exchange Ratio is 0.0596 DGHL Shares for each Capevin Share; and
- DGHL is expected to benefit from the simplification of the shareholding structure, increased free-float and improved trading liquidity. These benefits are expected to accrue to both classes of shareholders.

## **EFFECTS OF THE TRANSACTION ON THE RIGHTS AND INTEREST OF CAPEVIN SHAREHOLDERS**

In accordance with section 114(3)(c) and section 114(3)(f) of the Companies Act, we confirm that the impact of the Capevin Scheme on the rights and interests of Scheme Participants, is that the Capevin Scheme will result in the expropriation of all the Scheme Shares from Scheme Participants.

Shareholders will, pursuant to the Capevin Scheme, no longer hold Capevin Shares and will to that extent no longer have the rights of shareholders or a financial interest in Capevin.

## **OPINION**

The Capevin Scheme will result in the expropriation of Scheme Shares from Scheme Participants. The Scheme Consideration represents a premium of 11.9% to the closing price of a Capevin Share on the JSE on 21 June 2017, and a premium of 4.7% to the core fair value of R8.96 per Capevin Share and R140.75 per DGHL Share. The rationale of the Transaction on the business and prospects of DGHL are set out in section 4 of the Circular.

BDO Corporate Finance has considered the proposed terms and conditions of the Capevin Scheme, and based upon and subject to the conditions set out herein, is of the opinion that the terms and conditions of the Capevin Scheme, based on quantitative considerations, are fair to Scheme Participants.

Furthermore, based on qualitative factors, we are of the opinion that the terms and conditions of the Capevin Scheme are reasonable from the perspective of Scheme Participants.

Our opinion is necessarily based upon the information available to us up to 13 September 2017, including in respect of the financial information as well as other conditions and circumstances existing and disclosed to us.

We have assumed that all conditions precedent, including any material regulatory and other approvals or consents required in connection with the Transaction will be fulfilled or obtained.

Accordingly, it should be understood that subsequent developments may affect this report, which we are under no obligation to update, revise or re-affirm.

This opinion may be included, in whole or in part, in any required regulatory announcement or documentation for circulation to shareholders.

Yours faithfully

**N Lazanakis**

CA(SA)

Director

**BDO Corporate Finance Proprietary Limited**

22 Wellington Road

Parktown

2193

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## REPORT OF THE INDEPENDENT EXPERT ON THE WAIVER

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**Private and confidential**

The Independent Board  
 Capevin Holdings Limited  
 Millennia Park  
 16 Stellentia Avenue  
 Stellenbosch  
 7600

14 September 2017

Dear Sirs

### REPORT OF THE INDEPENDENT PROFESSIONAL EXPERT TO THE INDEPENDENT BOARD OF CAPEVIN HOLDINGS LIMITED REGARDING THE WAIVER OF A MANDATORY OFFER

**INTRODUCTION**

In terms of the announcement published by Capevin Holdings Limited (“Capevin” or the “Company”) on the Stock Exchange News Service of the JSE Limited (“JSE”) (“SENS”) on 22 June 2017 and in the press on 23 June 2017, Capevin shareholders (“Shareholders”) were advised of the proposed restructuring of Distell Group Limited’s (“Distell”) multi-tiered ownership structure, which will result in Capevin’s interest in Distell being restructured (the “Transaction”). The Transaction will be implemented by way of a number of transaction steps, which are subject to the conditions precedent set out in the circular to be issued to shareholders on Wednesday, 20 September 2017 (“Circular”), as follows:

- the ordinary shares of Business Venture Investments No 1997 Limited (“DGHL Ordinary Shares”), which is to be renamed Distell Group Holdings Limited (“DGHL”), will be listed on the JSE;
- DGHL will issue unlisted, non-convertible, no par value shares of DGHL (“B Shares”) to Remgro Beverages Proprietary Limited (“Remgro Beverages”);
- Capevin will issue further Capevin ordinary no par value shares (“Capevin Shares”) to Remgro International Holdings Proprietary Limited (“Remgro International”) (“RCI-Related Capevin Shares”) and Remgro International will settle its obligation to pay the issue price in respect of such shares through the transfer to Capevin of Remgro International’s 50% shareholding in Remgro-Capevin Investments Proprietary Limited (“RCI”) (“RCI Exchange”);
- DGHL will issue DGHL Ordinary Shares to the Capevin shareholders and the Capevin shareholders will settle their obligation to pay the issue price in respect of such DGHL Ordinary Shares through the delivery and transfer to DGHL of their Capevin Shares, by way of a scheme of arrangement in terms of section 114 of the Companies Act 2008 (Act 71 of 2008), as amended (“Companies Act”) (“Scheme of Arrangement”) (“Capevin Scheme”);
- the DGHL Ordinary Shares to be issued to Remgro International in terms of the Capevin Scheme in respect of Remgro’s RCI-Related Capevin Shares (“RCI-Related Ordinary Shares”) will, upon implementation of the transfer of such shares to Remgro Beverages, be linked to the B Shares issued to Remgro Beverages. The B Shares will have no economic rights, but will provide Remgro, together with its DGHL Ordinary Shares, with the same level of voting rights in Distell as it held pursuant to the RCI Exchange. The B Shares and accompanying linked DGHL Ordinary Shares will provide Remgro with a 52.8% voting interest in DGHL. In terms of the Capevin Scheme, Remgro International will also receive DGHL Ordinary Shares in exchange for its current 19.0% interest in Capevin, however, those DGHL Ordinary Shares will not be linked to B Shares.
- DGHL will issue DGHL Ordinary Shares to the shareholders of Distell other than RCI (“Distell Minorities”) and the Distell Minorities will settle their obligation to pay the issue price in respect of such DGHL Ordinary Shares through the delivery and transfer to DGHL of their Distell ordinary shares (“Distell Shares”), by way of a Scheme of Arrangement (“Distell Scheme”);
- Capevin and Distell will be delisted from the JSE; and
- DGHL will repurchase the one DGHL Ordinary Share held by Remgro Beverages prior to implementation of the Transaction for a nominal amount.

Remgro International currently holds 167 645 356 Capevin Shares, which equates to approximately 19.0% of the issued share capital of Capevin immediately before the implementation of the RCI Exchange. The implementation of the RCI Exchange will result in Remgro International holding 1 047 748 621 Capevin Shares which will equate to approximately 59.5% of the issued share capital of Capevin immediately after the implementation of the RCI Exchange. This means that Remgro International will acquire a beneficial interest in, and be able to exercise, 59.5% of the voting rights in Capevin, having previously exercised less than 35% of such voting rights in Capevin.

Consequently, in terms of Section 123 of the Companies Act read with the Companies Regulations, 2011, as amended (“Companies Regulations”), Remgro International is obligated to make a mandatory offer to Capevin shareholders to acquire all of the ordinary shares of Capevin, other than those that it already owns (“Mandatory Offer”), unless same is waived in accordance with Regulation 86(4) of the Companies Regulations (“Waiver of Mandatory Offer”).

Regulation 86(4) of the Companies Regulations permits an exemption from the obligation to make a Mandatory Offer if the shareholders of Capevin other than Remgro International (“Capevin Minorities”), as independent shareholders holding more than 50% of the general voting rights of all the issued shares of Capevin, agree to waive the benefit of the Mandatory Offer in accordance with the principles detailed in section 125(3)(b)(ii) of the Companies Act.

In terms of regulation 86(7) of the Companies Regulations, the Waiver of Mandatory Offer requires a fair and reasonable opinion to be included in the Circular, in terms of which approval is sought for the issue of the RCI-Related Capevin Shares in terms of the RCI Exchange and the Capevin Scheme.

BDO Corporate Finance Proprietary Limited (“BDO Corporate Finance”) has been appointed as the independent expert to advise on whether the terms and conditions of the RCI Exchange, and therefore the Waiver of Mandatory Offer, are fair and reasonable to Capevin Minorities.

Full details of the Transaction are contained in the Circular, which will include a copy of this letter.

## **RESPONSIBILITY**

Compliance with the Companies Act and the Companies Regulations is the responsibility of the Independent Board. Our responsibility is to provide advice to the Independent Board on whether the terms and conditions of the RCI Exchange, and therefore the Waiver of Mandatory Offer, are fair and reasonable to Capevin Minorities.

### **Explanation as to how the terms “fair” and “reasonable” apply in the context of the RCI Exchange**

The “fairness” of a transaction is based on quantitative issues. A transaction may be said to be fair if the benefits received by shareholders, as a result of a transaction, are equal to or greater than the value ceded by shareholders.

In respect of the RCI Exchange, the RCI Exchange would be considered fair and reasonable to Capevin Minorities if the market value range of the ordinary shares immediately after the RCI Exchange is implemented is approximate to and within the market value range of the ordinary shares immediately before the RCI Exchange is implemented. This would confirm that the RCI Exchange does not give rise to any value dilution as far as Capevin Minorities are concerned.

In respect of the B Shares, we analysed the rights of the B Shares and the economics of the RCI Exchange and also considered the B Share consideration to form part of the broader RCI Exchange. Regarding the B Shares, the RCI Exchange would be considered fair and reasonable to Capevin Minorities if the Capevin Minorities are not economically diluted by the issuance of the B Shares. As the B Shares are linked to ordinary shares and cannot be traded separately, we considered the issuance of the B Shares in the context of the entire RCI Exchange.

Fairness is primarily based on quantitative issues, however, certain qualitative issues surrounding the particular transaction may also need to be considered in arriving at our conclusion. The assessment of reasonableness is generally based on qualitative issues. Even though the consideration may differ from the market value of the shares subject to a transaction, a transaction may still be reasonable after considering other significant qualitative factors. We also considered qualitative and other factors in reaching our conclusion.

## **DETAILS AND SOURCES OF INFORMATION**

- In arriving at our opinion we have relied upon the following principal sources of information:
  - The terms and conditions of the Transaction;
  - Audited annual financial statements of Capevin and Distell for the years ended 30 June 2016 and 2017;
  - Forecast financial information of Distell, on a consolidated basis, for the financial years (“FY”) 2018 to 2021;

- Estimation of appropriate valuation discounts or premiums to apply to the results of our valuation analysis;
- Discussions with management of Capevin and Distell or their professional advisors regarding the rationale for the Transaction;
- Discussions with management of Capevin and Distell or their professional advisors regarding the historical and forecast financial information of Distell;
- Discussions with management of Capevin and Distell or their professional advisors on prevailing market, economic, legal and other conditions which may affect underlying value; and
- Publicly available information relating to Capevin and Distell that we deemed to be relevant, including company announcements and media articles.
- The information above was secured from:
  - Management of Capevin and Distell or their professional advisors; and
  - Third party sources, including information related to publicly available economic, market and other data which we considered applicable to, or potentially influencing Capevin and Distell.

## **PROCEDURES**

In arriving at our opinion we have undertaken the following procedures and taken into account the following factors:

- Reviewed the terms and conditions of the Transaction;
- Reviewed the financial and other information related to Capevin and Distell, as detailed above;
- Reviewed and obtained an understanding from management as to the forecasts of Distell for the financial years ending 30 June 2018 to 2021 prepared by management of Distell. Considered the forecasts and the basis of the assumptions therein including the prospects of the business of Distell. This review included an assessment of the reasonableness of the outlook assumed based on discussions with management and an assessment of the achievability thereof by considering historical information as well as macro-economic and sector-specific data;
- Performed a valuation of a DGHL Ordinary Share (references to the valuation of DGHL also relate to Distell as there will be no change in the underlying financial information and financial position of Distell pursuant to the Transaction save for the cost savings to be attained following the Capevin delisting) as well as a Capevin Share by applying generally accepted valuation approaches and methods in use in the market from time to time as detailed further below;
- Assessed the long-term potential of Distell;
- Evaluated the relative risks associated with Distell and the Distillers & Wineries sector;
- Held discussions with the directors and management of Capevin and Distell or their professional advisors as to the long-term strategy and the rationale for the Transaction and considered such other matters as we considered necessary, including assessing the prevailing economic and market conditions and trends in the sector in which Capevin operates;
- Reviewed certain publicly available information relating to Capevin and Distell and the Distillers & Wineries sector that we deemed relevant, including company announcements and media articles; and
- Performed such other studies and analyses as we considered appropriate and have taken into account our assessment of general economic, market and financial conditions and our experience in other transactions, as well as our experience in securities valuation and knowledge of the Distillers & Wineries sector generally.

## **ASSUMPTIONS**

We arrived at our opinion based on the following assumptions:

- That all agreements that are to be entered into in terms of the Transaction will be legally enforceable;
- That the Transaction will have the legal, accounting and taxation consequences described in discussions with, and materials furnished to us by representatives of Capevin and Distell or their professional advisors; and
- That reliance can be placed on the financial information of Capevin and Distell.

## **APROPRIATENESS AND REASONABLENESS OF UNDERLYING INFORMATION AND ASSUMPTIONS**

We satisfied ourselves as to the appropriateness and reasonableness of the information and assumptions employed in arriving at our opinion by:

- Determining the extent to which representations from management were confirmed by documentary evidence as well as our understanding of Capevin and Distell and the economic environment in which the companies operates.

## **LIMITING CONDITIONS**

This opinion is provided in connection with and for the purposes of the RCI Exchange and therefore the Waiver of Mandatory Offer. The opinion does not purport to cater for each individual shareholder's perspective, but rather that of the general body of Capevin shareholders.

Individual shareholders' decisions regarding the RCI Exchange, and therefore the Waiver of Mandatory Offer, may be influenced by such shareholders' particular circumstances and accordingly individual shareholders should consult an independent adviser if in any doubt as to the merits or otherwise of the RCI Exchange, and therefore the Waiver of Mandatory Offer.

We have relied upon and assumed the accuracy of the information provided to us in deriving our opinion. Where practical, we have corroborated the reasonableness of the information provided to us for the purpose of our opinion, whether in writing or obtained in discussion with management, by reference to publicly available or independently obtained information. While our work has involved an analysis of, *inter alia*, the annual financial statements, and other information provided to us, our engagement does not constitute an audit conducted in accordance with generally accepted auditing standards.

We have also assumed that the RCI Exchange will have the legal consequences described in discussions with, and materials furnished to us by representatives and advisors of Capevin and Distell and we express no opinion on such consequences.

Our opinion is based on current economic, regulatory and market as well as other conditions. Subsequent developments may affect the opinion, and we are under no obligation to update, review or re-affirm our opinion based on such developments.

## **INDEPENDENCE, COMPETENCE AND FEES**

We confirm that neither we nor any related person with us have a direct or indirect interest in the RCI Exchange nor any relationship as contemplated in section 114(2)(b) of the Companies Act, and specifically declare, as required by Regulation 90(6)(i) and Regulation 90(3)(a) of the Companies Regulations, that we are independent in relation to the RCI Exchange and will reasonably be perceived to be independent taking into account other existing relationships and appointments. We also confirm that we have the necessary competence to provide the independent expert report on the RCI Exchange, and therefore the Waiver of Mandatory Offer, and meet the criteria set out in section 114(2)(a) of the Companies Act.

Furthermore, we confirm that our professional fees of R125 000 (excluding VAT) are payable in cash and are not contingent upon the success of the Transaction.

## **APPROACH TO FAIRNESS AND REASONABLENESS OF THE RCI EXCHANGE, AND THEREFORE THE WAIVER OF MANDATORY OFFER**

In assessing the fairness and reasonableness of the RCI Exchange, BDO Corporate Finance considered the following:

- The context under which the B Shares are created;
- The legal attributes and voting rights of each class of shares; and
- The net benefits that accrue to each class of shares as a result of the RCI Exchange (i.e. the economic and voting rights before and after the RCI Exchange).

BDO Corporate Finance reviewed and considered precedent multi-tiered ownership collapse transactions. The following factors, *inter alia*, were considered:

- Remgro holds 50% in RCI, and RCI has a 52.8% direct interest in Distell. In addition, Remgro holds a 19.0% direct shareholding in Capevin. The proposed terms of the B Shares confer no additional economic rights to Remgro post the Transaction and function only to maintain the status quo;
- Given that the B Shares strictly confer voting rights and do not have the ability to participate in any economic benefits, the B Shares would not have material value to a hypothetical market participant. However, as the B Shares are linked to the RCI-Related Ordinary Shares, and cannot be traded separately, it is necessary to consider the issuance of the B Shares in the context of the RCI Exchange. We therefore considered the B Share consideration to form part of the RCI Exchange;



Subsequent to the implementation of the RCI Exchange, the earnings and dividends for all shareholders will be the same as before the RCI Exchange. Ultimately the rights and interests of Capevin Minorities are not varied pursuant to the RCI Exchange.

## **VALUATION APPROACH AND RESULTS**

The sole investment of Capevin is an effective interest of 26.4% in the issued share capital of Distell. BDO Corporate Finance performed a valuation of a Capevin Share to determine whether the RCI Exchange is fair and reasonable to Capevin Minorities. The valuation was performed at the most recent practicable date, which was 30 June 2017.

The valuation methodologies employed in respect of Distell included the discounted cash flow methodology as the primary valuation methodology and the capitalisation of maintainable earnings methodology as a secondary methodology to support the results of the discounted cash flow valuation.

The valuations were performed taking cognisance of risk and other market and industry factors affecting Distell. Additionally, sensitivity analyses were performed considering key value drivers.

Key internal value drivers to the discounted cash flow valuation included revenue growth, the discount rate, working capital and capital expenditure requirements and operating margins.

External value drivers, including; interest rates, headline inflation rates and prevailing market and industry conditions in respect of the sector within which the company operates were also considered in assessing the forecast cash flows and risk profile of Distell.

BDO Corporate Finance performed a valuation of a Capevin Share based on the see-through value of an underlying Distell Share adjusted for the capitalisation of Capevin's administrative costs at an appropriate discount rate and other cash and cash equivalents and net working capital as at the valuation date.

In arriving at our valuation range for Capevin Shares we also considered a dividend discount model based on the forecast dividends payable by Capevin which equate to 95% of the dividends received from Distell.

In undertaking the valuation exercise above, we determined a valuation range of R8.20 to R9.41 per Capevin Share with a most likely value of R8.96 per Capevin Share, immediately before the RCI Exchange is implemented and after the RCI Exchange is implemented. This confirms that the RCI Exchange does not give rise to any value dilution as far as the Capevin Minorities are concerned.

## **OPINION**

Subsequent to the implementation of the RCI Exchange, the earnings and dividends for all shareholders will be the same as before the RCI Exchange. Ultimately the economic rights and interests of Capevin Minorities are not varied pursuant to the RCI Exchange.

BDO Corporate Finance has considered the proposed terms and conditions of the RCI Exchange and, based upon and subject to the conditions set out herein, is of the opinion that the terms and conditions of the RCI Exchange, and therefore the Waiver of Mandatory Offer, are fair and reasonable to Capevin Minorities.

Our opinion is necessarily based upon the information available to us up to 13 September 2017, including in respect of the financial information as well as other conditions and circumstances existing and disclosed to us.

We have assumed that all conditions precedent, including any material regulatory and other approvals or consents required in connection with the Transaction will be fulfilled or obtained.

Accordingly, it should be understood that subsequent developments may affect this report, which we are under no obligation to update, revise or re-affirm.

This opinion may be included, in whole or in part, in any required regulatory announcement or documentation for circulation to shareholders.

Yours faithfully

**N Lazanakis**

CA(SA)

Director

**BDO Corporate Finance Proprietary Limited**

22 Wellington Road

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## **INFORMATION FOR FOREIGN CAPEVIN SHAREHOLDERS AND FOR ALL CAPEVIN SHAREHOLDERS IN RESPECT OF EXCHANGE CONTROL REGULATIONS**

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### **1. DISTRIBUTIONS TO FOREIGN CAPEVIN SHAREHOLDERS**

The distribution of DGHL Ordinary Shares to Foreign Capevin Shareholders, in terms of the Capevin Scheme, may be affected by the laws of such Foreign Capevin Shareholders' relevant jurisdiction. Those Foreign Capevin Shareholders should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their entitlements.

This section sets out the restrictions applicable to Capevin Shareholders who have registered addresses outside South Africa, who are nationals, citizens or residents of countries other than South Africa, or who are persons (including, without limitation, custodians, nominees and trustees) who have a contractual or legal obligation to forward this document to a jurisdiction outside South Africa or who hold shares for the account or benefit of any such Foreign Capevin Shareholder.

It is the responsibility of any Foreign Capevin Shareholder (including, without limitation, nominees, agents and trustees for such persons) receiving this Circular and wishing to take up their entitlement to DGHL Ordinary Shares to satisfy themselves as to full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories. Foreign Capevin Shareholders are obliged to observe the applicable legal requirements of their relevant jurisdictions.

Accordingly, persons (including, without limitation, nominees, agents and trustees) receiving this Circular should not distribute or send the same to any person in, or citizen or resident of, or otherwise into any jurisdiction where to do so would or might contravene local securities laws or regulations. Any person who does distribute this Circular into any such territory (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this Annexure.

Capevin reserves the right, but shall not be obliged, to treat as invalid any distribution of DGHL Ordinary Shares, in terms of the Capevin Scheme, which appears to Capevin or its agents to have been executed, effected or dispatched in a manner which may involve a breach of the securities laws or regulations of any jurisdiction or if Capevin believes or its agents believe that the same may violate applicable legal or regulatory requirements.

An "**Excluded Foreign Capevin Shareholder**" includes any Foreign Capevin Shareholder who is unable to receive any of the DGHL Ordinary Shares to be distributed to him because of the laws of the jurisdiction of that Capevin Shareholder, or any Foreign Capevin Shareholder that Capevin is not permitted to distribute any of the Capevin Shares to because of the laws of the jurisdiction of that Capevin Shareholder. The DGHL Ordinary Shares to which Excluded Foreign Capevin Shareholders would be entitled in terms of the Capevin Scheme may be aggregated and disposed of on the JSE by the Transfer Secretaries on behalf of and for the benefit of Excluded Foreign Capevin Shareholders as soon as is reasonably practical after the implementation of the Capevin Scheme.

Excluded Foreign Capevin Shareholders will, in respect of their entitlement to the DGHL Ordinary Shares, receive the average consideration per Capevin Share (net of transaction and currency conversion costs) received by the Transfer Secretaries pursuant to the sale process as set out in the preceding paragraph. The average consideration per DGHL Ordinary Share due to each Excluded Foreign Capevin Shareholder will only be paid once all such Capevin Shares have been disposed of.

### **2. EXCHANGE CONTROL**

The DGHL Ordinary Shares are not freely transferable from the common monetary area and must be dealt with in terms of the Exchange Control Regulations. The following is a summary of the Exchange Control Regulations, is not comprehensive and is intended as a guide only. In the event that Capevin Shareholders have any doubts in respect of their obligations in terms of the Exchange Control Regulations, they should consult their professional advisers.

#### **2.1 Emigrants from the Common Monetary Area**

The DGHL Ordinary Shares received by the Capevin Shareholders who are emigrants from the Common Monetary Area and whose registered address is outside the common monetary area will:

- in the case of Dematerialised Capevin Shareholders be credited to their blocked share accounts at the CSDP controlling their blocked portfolios; or
- in the case of Certificated Capevin Shareholders whose Documents of Title have been restrictively endorsed under the Exchange Control Regulations, be endorsed “Non-Resident” and will be sent to the Authorised Dealer in foreign exchange controlling their blocked assets.

The CSDP or Broker will ensure that all requirements of the Exchange Control Regulations are adhered to in respect of their clients falling into this category of investor, whether shares are held in dematerialised or certificated form.

Any entitlement to payment pursuant to the Capevin Scheme will, in the case of Dematerialised Capevin Shareholders, be credited to their blocked banking account at the CSDP controlling their blocked portfolios or, in the case of Certificated Capevin Shareholders whose Documents of Title have been restrictively endorsed under the Exchange Control Regulations, be sent to the Authorised Dealer in foreign exchange controlling their blocked assets for credit to their blocked Rand account.

## 2.2 **All other Non-residents of the Common Monetary Area**

The DGHL Ordinary Shares received by the Capevin Shareholders who are Non-residents of the Common Monetary Area and who have never resided in the Common Monetary Area and whose registered address are outside the Common Monetary Area will:

- in the case of Dematerialised Capevin Shareholders be credited to their share accounts at the CSDP controlling their portfolios; or
- in the case of Certificated Capevin Shareholders whose Documents of Title have been restrictively endorsed under the Exchange Control Regulations, be deposited with an Authorised Dealer in foreign exchange in South Africa nominated by such Capevin Shareholder. It will be incumbent on the Capevin Shareholder concerned to nominate the Authorised Dealer and to instruct the nominated Authorised Dealer as to the disposal of the relevant DGHL Ordinary Shares. If the information regarding the Authorised Dealer is not given, the DGHL Ordinary Shares will be held in trust for the Capevin Shareholder concerned pending the receipt of the necessary information or instruction.

The CSDP or Broker will ensure that all requirements of the Exchange Control Regulations are adhered to in respect of their clients falling into this category of investor, whether held in Dematerialised or Certificated form.

Any payment of the Entitlement Ratio distributed pursuant to the Capevin Scheme will be regarded as freely transferable and, in the case of Dematerialised Capevin Shareholders, be credited to their banking account at the CSDP controlling their portfolios or, in the case of certificated shareholders whose Documents of Title have been restrictively endorsed under the Exchange Control Regulations, be deposited with an Authorised Dealer in foreign exchange in South Africa nominated by such Capevin Shareholder. It will be incumbent on the Capevin Shareholder concerned to nominate the Authorised Dealer and to instruct the nominated Authorised Dealer as to the disposal of the relevant cash. If the information regarding the Authorised Dealer is not given, the cash will be held in trust for the Capevin Shareholder concerned pending the receipt of the necessary information or instruction.

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## TAXATION CONSIDERATIONS RELATING TO THE CAPEVIN SCHEME

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The summary below is a general guide and is not intended to constitute a complete analysis of the taxation consequences of the Capevin Scheme provisions in terms of South African taxation law. It is not intended to be, nor should it be considered as legal or taxation advice. This summary is therefore intended solely to draw the Capevin Shareholders' attention to certain key aspects of the tax legislation that may be relevant to them pursuant to the Capevin Scheme.

Capevin and its advisers cannot be held responsible for the taxation consequences that the Capevin Scheme may have on individual Capevin Shareholders and therefore Capevin Shareholders are advised to consult their own tax advisers if they are in any doubt about their tax position. They should also confirm how the general comments below apply to their specific personal circumstances and, in particular, ascertain whether there are any additional or exceptional tax consequences which could apply to them, taking into account that the summary below is only applicable to Capevin Shareholders that are subject to South African tax legislation whose receipts and accruals are not otherwise exempt from income tax.

The Capevin Scheme may constitute an "asset-for-share transaction" between Capevin Shareholders and DGHL. The disposal may be effected utilising the tax concessions provided for in section 42 of the Income Tax Act.

The concessions provided for in section 42 of the Income Tax Act are outlined below:

### 1. EXCHANGE OF CAPEVIN SHARES BY CAPEVIN SHAREHOLDERS FOR DGHL ORDINARY SHARES

Where the market value of the Capevin Shares exceed their base costs, on the basis that Capevin Shareholders hold the Capevin Shares as capital assets, the Capevin Scheme should not attract CGT. Capevin Shareholders will be deemed to have disposed of their Capevin Shares for an amount equal to base cost, which base cost will be attributed to the DGHL Ordinary Shares acquired and be deemed expenditure actually incurred and paid by that shareholder in respect of their DGHL Ordinary Shares.

Capevin Shareholders will be deemed to have acquired the DGHL Ordinary Shares on the date on which the Capevin Shares were originally acquired.

### 2. CAPEVIN SHARES HELD AS TRADING STOCK

Where the market value of the Capevin Shares exceeds the amount taken into account in terms of sections 11(a) or 22(1) or (2) of the Income Tax Act, on the basis that Capevin Shareholders hold the Capevin Shares as trading stock, the exchange should not attract income tax. Capevin Shareholders will be deemed to have disposed of their Capevin Shares for an amount taken into account in terms of sections 11(a) or 22(1) or (2), which original cost will be attributed to the DGHL Ordinary Shares acquired and be deemed cost or expenditure actually incurred and paid by that shareholder in respect of their DGHL Ordinary Shares.

Capevin Shareholders will be deemed to have acquired the DGHL Ordinary Shares on the date on which the Capevin Shares were originally acquired.

### 3. SECURITIES TRANSFER TAX

The exchange of the Capevin Shares for DGHL Ordinary Shares will be exempt from the payment of any STT.

### 4. NON-RESIDENT SHAREHOLDERS

Capevin Shareholders who are Non-Resident for tax purposes in South Africa are advised to consult their own professional tax advisers regarding the tax treatment of the Capevin Scheme in their respective jurisdictions, having regard to the tax laws in their jurisdiction and any applicable tax treaties between South Africa and their country of residence.

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## EXTRACT OF THE EXCHANGE CONTROL REGULATIONS

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The following summary is provided for information purposes only. It is therefore not comprehensive and should not be construed as advice.

In terms of the South African Exchange Control Regulations, persons who are not resident in the Common Monetary Area (non-residents) may acquire or dispose of shares in companies that are resident in the common monetary area (residents), provided that:

- any shares so acquired must be endorsed as “non-resident” by an authorised dealer (in the case of certificated shares) or flagged as “non-resident” by a CSDP or a settlement agent (in the case of uncertificated shares); and
- the endorsement or non-resident flagging of shares (as the case may be) of any shares so disposed of must be cancelled.

It is further noted that, in terms of the Exchange Control Regulations:

- a former resident of the Common Monetary Area who has emigrated, may use funds in the emigrant capital account to subscribe for DGHL Ordinary Shares in terms of this Circular;
- all payments in respect of subscriptions for DGHL Ordinary Shares by an emigrant, using funds from an emigrant’s capital account, must be made through the Authorised Dealer controlling the remaining assets;
- any DGHL Ordinary Shares issued pursuant to the use of funds from emigrant’s capital account, will be credited to their share accounts at the central securities depository participant controlling their remaining portfolios;
- DGHL Ordinary Shares subsequently re-materialised and issued in certificated form, will be endorsed “Non-Resident” and will be sent to the Authorised Dealer through whom the payment was made;
- if applicable, refund monies payable in respect of unsuccessful applications or partly successful applications, as the case may be, for shares in terms of this Circular, emanating from emigrant capital accounts, will be returned to the Authorised Dealer through whom the payments were made, for credit to such emigrants’ capital accounts; 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 Exchange Control Regulations.

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## EXTRACTS OF SECTIONS 115 AND 164 OF THE COMPANIES ACT

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### “Section 115: Required approval for transactions contemplated in Part A

- 1) Despite section 65, and any provision of a company’s Memorandum of Incorporation, or any resolution adopted by its board or holders of its securities, to the contrary, a company may not dispose of, or give effect to an agreement or series of agreements to dispose of, all or the greater part of its assets or undertaking, implement an amalgamation or a merger, or implement a scheme of arrangement, unless:
    - a) The disposal, amalgamation or merger, or scheme of arrangement:
      - i) has been approved in terms of this section; or
      - ii) is pursuant to or contemplated in an approved business rescue plan for that company, in terms of Chapter 6; and
    - b) to the extent that Parts B and C of this Chapter and the Takeover Regulations apply to a company that proposes to:
      - i) dispose of all or the greater part of its assets or undertaking;
      - ii) amalgamate or merge with another company; or
      - iii) implement a scheme of arrangement,

the Panel has issued a compliance certificate in respect of the transaction, in terms of section 119 (4)(b), or exempted the transaction in terms of section 119(6).
  - 2) A proposed transaction contemplated in subsection (1) must be approved:
    - a) by a special resolution adopted by persons entitled to exercise voting rights on such a matter, at a meeting called for that purpose and at which sufficient persons are present to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised on that matter, or any higher percentage as may be required by the company’s Memorandum of Incorporation, as contemplated in section 64(2); and
    - b) by a special resolution, also adopted in the manner required by paragraph (a), by the shareholders of the company’s holding company if any, if:
      - i) the holding company is a company or an external company;
      - ii) the proposed transaction concerns a disposal of all or the greater part of the assets or undertaking of the Subsidiary; and
      - iii) having regard to the consolidated financial statements of the holding company, the disposal by the Subsidiary constitutes a disposal of all or the greater part of the assets or undertaking of the holding company; and
    - c) by the court, to the extent required in the circumstances and manner contemplated in subsections (3) to (6).
  - 3) Despite a resolution having been adopted as contemplated in subsections (2)(a) and (b), a company may not proceed to implement that resolution without the approval of a court if:
    - a) the resolution was opposed by at least 15% of the voting rights that were exercised on that resolution and, within five business days after the vote, any person who voted against the resolution requires the company to seek court approval; or
    - b) the court, on an application within 10 business days after the vote by any person who voted against the resolution, grants that person leave, in terms of subsection (6), to apply to a court for a review of the transaction in accordance with subsection (7).
  - 4) For the purposes of subsections (2) and (3), any voting rights controlled by an acquiring party, a person related to an acquiring party, or a person acting in concert with either of them, must not be included in calculating the percentage of voting rights:
    - a) required to be present, or actually present, in determining whether the applicable quorum requirements are satisfied; or
    - b) required to be voted in support of a resolution, or actually voted in support of the resolution.
- 4A) In subsection (4), ‘act in concert’ has the meaning set out in section 117(1)(b).

- 5) If a resolution requires approval by a court as contemplated in terms of subsection (3)(a), the company must either:
  - a) within 10 business days after the vote, apply to the court for approval, and bear the costs of that application; or
  - b) treat the resolution as a nullity.
- 6) On an application contemplated in subsection (3)(b), the court may grant leave only if it is satisfied that the applicant:
  - a) is acting in good faith;
  - b) appears prepared and able to sustain the proceedings; and
  - c) has alleged facts which, if proved, would support an order in terms of subsection (7).
- 7) On reviewing a resolution that is the subject of an application in terms of subsection (5)(a), or after granting leave in terms of subsection (6), the court may set aside the resolution only if:
  - a) the resolution is manifestly unfair to any class of holders of the company's securities; or
  - b) the vote was materially tainted by conflict of interest, inadequate disclosure, failure to comply with the Act, the Memorandum of Incorporation or any applicable rules of the company, or other significant and material procedural irregularity.
- 8) The holder of any voting rights in a company is entitled to seek relief in terms of section 164 if that person:
  - a) notified the company in advance of the intention to oppose a special resolution contemplated in this section; and
  - b) was present at the meeting and voted against that special resolution.
- 9) If a transaction contemplated in this Part has been approved, any person to whom assets are, or an undertaking is, to be transferred, may apply to a court for an order to effect:
  - a) the transfer of the whole or any part of the undertaking, assets and liabilities of company contemplated in that transaction;
  - b) the allotment and appropriation of any shares or similar interests to be allotted or appropriated as a consequence of the transaction;
  - c) the transfer of shares from one person to another;
  - d) the dissolution, without winding-up, of a company, as contemplated in the transaction;
  - e) incidental, consequential and supplemental matters that are necessary for the effectiveness and completion of the transaction; or
  - f) any other relief that may be necessary or appropriate to give effect to, and properly implement, the amalgamation or merger."

**"Section 164: Dissenting shareholders appraisal rights**

- 1) This section does not apply in any circumstances relating to a transaction, agreement or offer pursuant to a business rescue plan that was approved by shareholders of a company, in terms of section 152.
- 2) If a company has given notice to shareholders of a meeting to consider adopting a resolution to:
  - a) amend its Memorandum of Incorporation by altering the preferences, rights, limitations or other terms of any class of its shares in any manner materially adverse to the rights or interests of holders of that class of shares, as contemplated in section 37(8); or
  - b) enter into a transaction contemplated in section 112, 113 or 114, that notice must include a statement informing shareholders of their rights under this section.
- 3) At any time before a resolution referred to in subsection (2) is to be voted on, a dissenting shareholder may give the company a written notice objecting to the resolution.
- 4) Within 10 business days after a company has adopted a resolution contemplated in this section, the company must send a notice that the resolution has been adopted to each shareholder who:
  - a) gave the company a written notice of objection in terms of subsection (3); and
  - b) has neither:
    - i) withdrawn that notice; or
    - ii) voted in support of the resolution.



- 5) A shareholder may demand that the company pay the shareholder the fair value for all of the shares of the company held by that person if:
  - a) the shareholder:
    - a) sent the company a notice of objection, subject to subsection (6); and
    - b) in the case of an amendment to the company's Memorandum of Incorporation, holds shares of a class that is materially and adversely affected by the amendment;
  - b) the company has adopted the resolution contemplated in subsection (2); and
  - c) the shareholder:
    - a) voted against that resolution; and
    - b) has complied with all of the procedural requirements of this section.
- 6) The requirement of subsection (5)(a)(i) does not apply if the company failed to give notice of the meeting, or failed to include in that notice a statement of the shareholders rights under this section.
- 7) A shareholder who satisfies the requirements of subsection (5) may make a demand contemplated in that subsection by delivering a written notice to the company within:
  - a) 20 business days after receiving a notice under subsection (4); or
  - b) if the shareholder does not receive a notice under subsection (4), within 20 business days after learning that the resolution has been adopted.
- 8) A demand delivered in terms of subsections (5) to (7) must also be delivered to the Panel, and must state:
  - a) the shareholder's name and address;
  - b) the number and class of shares in respect of which the shareholder seeks payment; and
  - c) a demand for payment of the fair value of those shares.
- 9) A shareholder who has sent a demand in terms of subsections (5) to (8) has no further rights in respect of those shares, other than to be paid their fair value, unless:
  - a) the shareholder withdraws that demand before the company makes an offer under subsection (11), or allows an offer made by the company to lapse, as contemplated in subsection (12)(b);
  - b) the company fails to make an offer in accordance with subsection (11) and the shareholder withdraws the demand; or
  - c) the company, by a subsequent special resolution, revokes the adopted resolution that gave rise to the shareholder's rights under this section.
- 10) If any of the events contemplated in subsection (9) occur, all of the shareholder's rights in respect of the shares are reinstated without interruption.
- 11) Within five business days after the later of:
  - a) the day on which the action approved by the resolution is effective;
  - b) the last day for the receipt of demands in terms of subsection (7)(a); or
  - c) the day the company received a demand as contemplated in subsection (7)(b), if applicable, the company must send to each shareholder who has sent such a demand a written offer to pay an amount considered by the company's directors to be the fair value of the relevant shares, subject to subsection (16), accompanied by a statement showing how that value was determined.
- 12) Every offer made under subsection (11):
  - a) in respect of shares of the same class or series must be on the same terms; and
  - b) lapses if it has not been accepted within 30 business days after it was made.
- 13) If a shareholder accepts an offer made under subsection (12):
  - a) the shareholder must either in the case of:
    - a) shares evidenced by certificates, tender the relevant share certificates to the company or the company's transfer agent; or
    - b) uncertificated shares, take the steps required in terms of section 53 to direct the transfer of those shares to the company or the company's transfer agent; and
  - b) the company must pay that shareholder the agreed amount within 10 business days after the shareholder accepted the offer and:

- a) tendered the share certificates; or
  - b) directed the transfer to the company of uncertificated shares.
- 14) A shareholder who has made a demand in terms of subsections (5) to (8) may apply to a court to determine a fair value in respect of the shares that were the subject of that demand, and an order requiring the company to pay the shareholder the fair value so determined, if the company has:
- a) failed to make an offer under subsection (11); or
  - b) made an offer that the shareholder considers to be inadequate, and that offer has not lapsed.
- 15) On an application to the court under subsection (14):
- a) all dissenting shareholders who have not accepted an offer from the company as at the date of the application must be joined as parties and are bound by the decision of the court;
  - b) the company must notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to participate in the court proceedings; and
  - c) the court:
    - a) may determine whether any other person is a dissenting shareholder who should be joined as a party;
    - b) must determine a fair value in respect of the shares of all dissenting shareholders, subject to subsection (16);
    - c) in its discretion may:
      - aa) appoint one or more appraisers to assist it in determining the fair value in respect of the shares; or
      - bb) allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective, until the date of payment;
    - d) may make an appropriate order of costs, having regard to any offer made by the company, and the final determination of the fair value by the court; and
    - e) must make an order requiring:
      - aa) the dissenting shareholders to either withdraw their respective demands or to comply with subsection (13)(a); and
      - bb) the company to pay the fair value in respect of their shares to each dissenting shareholder who complies with subsection (13)(a), subject to any conditions the court considers necessary to ensure that the company fulfils its obligations under this section.
- 15A) At any time until the court has made an order contemplated in subsection (15)(c)(v), a dissenting shareholder may accept the offer made by the company in terms of subsection (11), in which case:
- d) that shareholder must comply with the requirements of subsection 13(a); and
  - e) the company must comply with the requirements of subsection 13(b).
- 16) The fair value in respect of any shares must be determined as at the date on which, and time immediately before, the company adopted the resolution that gave rise to a shareholder's rights under this section.
- 17) If there are reasonable grounds to believe that compliance by a company with subsection (13)(b), or with a court order in terms of subsection (15)(c)(v)(bb), would result in the company being unable to pay its debts as they fall due and payable for the ensuing 12 months:
- a) the company may apply to a court for an order varying the company's obligations in terms of the relevant subsection; and
  - b) the court may make an order that:
    - i) is just and equitable, having regard to the financial circumstances of the company; and
    - ii) ensures that the person to whom the company owes money in terms of this section is paid at the earliest possible date compatible with the company satisfying its other financial obligations as they fall due and payable.
- 18) If the resolution that gave rise to a shareholder's rights under this section authorised the company to amalgamate or merge with one or more other companies, such that the company whose shares are the subject of a demand in terms of this section has ceased to exist, the obligations of that company under this section are obligations of the successor to that company resulting from the amalgamation or merger.

- 19) For greater certainty, the making of a demand, tendering of shares and payment by a company to a shareholder in terms of this section do not constitute a distribution by the company, or an acquisition of its shares by the company within the meaning of section 48, and therefore are not subject to:
- a) the provisions of that section; or
  - b) the application by the company of the solvency and liquidity test set out in section 4.
- 20) Except to the extent:
- a) expressly provided in this section; or
  - b) that the Panel rules otherwise in a particular case, a payment by a company to a shareholder in terms of this section does not obligate any person to make a comparable offer under section 125 to any other person.”

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## TABULAR SUMMARY OF THE B SHARE TERMS

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### Key B Share terms

Key Term	B Share terms
Class of Shares	<ul style="list-style-type: none"> <li>• Unlisted, non-convertible, no par value shares</li> <li>• Voting rights but no economic participation (save as detailed below)</li> <li>• Issued at a nominal value of R0.00001 per B Share</li> <li>• B Shares will be linked to the Linked Ordinary Shares (collectively, for purposes of this Annexure, “<b>B Linked Ordinary Shares</b>”) immediately after implementation of the Remgro Exchange and cannot be traded separately from each other</li> <li>• To be issued in a pre-determined ratio of B Shares to DGHL Ordinary Shares, namely the B Share Ratio is 2.117 B Shares for every one Linked Ordinary Share</li> </ul>
Voting Rights	<ul style="list-style-type: none"> <li>• B Shares will provide additional voting rights to ensure that the Remgro Group retains the same level of voting control in DGHL after the implementation of the Transaction as the Remgro Group will enjoy after the implementation of the RCI Exchange, namely 52.8% of the total voting rights in Distell</li> </ul>
Economic Rights	<ul style="list-style-type: none"> <li>• The B Shares will not have any economic rights, save and except for the right (i) upon a repurchase, to be repaid their issue price; and (ii) upon a winding up of DGHL, to be repaid their issue price in priority to any liquidation payment or distribution to the DGHL Ordinary Shareholders <ul style="list-style-type: none"> <li>– Not entitled to participate in any profits of DGHL</li> <li>– Not entitled to any dividends from DGHL</li> </ul> </li> </ul>
Administering B Shares	<ul style="list-style-type: none"> <li>• Disposal or transfer of B Linked Ordinary Shares held by a B Shareholder must be as follows: <ul style="list-style-type: none"> <li>– Linked Ordinary Shares (linked to B Shares): <p>can be on- or off-market, but if effected on-market, the voting rights attaching to the B Shares linked to such Linked Ordinary Shares will immediately cease, and DGHL will be entitled to repurchase such B Shares,</p> <p>plus</p> </li> <li>– B Shares (linked to Linked Ordinary Shares): <p>must be off-market</p> </li> </ul> </li> <li>• In order to ensure the “linked” nature of the B Linked Ordinary Shares, the DGHL company secretary must be informed of any proposed disposal of B Linked Ordinary Shares prior to such disposal. A failure to notify the company secretary as aforesaid will result in the voting rights attaching to the relevant B Shares linked to the Linked Ordinary Shares being “cancelled” through a cessation of the voting rights and DGHL will be entitled to repurchase the relevant B Shares</li> </ul>
Adjustments	<ul style="list-style-type: none"> <li>• Should there be a corporate event or an alteration of the share capital of DGHL, which increases or decreases the number of DGHL Ordinary Shares in issue, then in certain circumstances the number of B Shares held by such B Shareholder shall be increased or decreased, as the case may be, to maintain the proportionate Total Voting Rights exercisable by such B Shareholder before and after the implementation of the relevant corporate event or alteration of share capital</li> </ul>

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<b>Effective voting threshold/procedural issue</b>	<b>Disposal term</b>	<b>Effect</b>	<b>Rationale for the term</b>
Procedural	<p>The DGHL company secretary must be informed of any proposed disposal of B Linked Ordinary Shares prior to such disposal. The voting rights attaching to the B Shares linked to those Linked Ordinary Shares will be cancelled through a cessation of the voting rights and DGHL will be entitled to repurchase the relevant B Shares, if the company secretary is not given prior notice of a disposal.</p> <p>The trading of Linked Ordinary Shares (linked to B Shares) can take place “off-market” (i.e. in materialised form, or in Dematerialized form not via the JSE’s normal order book) or “on-market” (i.e. in Dematerialized form via the JSE’s normal order book). However, if a disposal of Linked Ordinary Shares which are linked to B Shares is performed “on-market” by a B Shareholder, the voting rights attaching to the B Shares linked to those Linked Ordinary Shares will be cancelled through a cessation of the voting rights and DGHL will be entitled to repurchase the relevant B Shares.</p>	<p>If the company secretary is not informed prior to a disposal of the B Linked Ordinary Shares, the voting rights attaching to the B Shares linked to those Linked Ordinary Shares will be cancelled through a cessation of the voting rights and DGHL will be entitled to repurchase the relevant B Shares.</p> <p>The voting rights attaching to B Shares linked to Linked Ordinary Shares, which are disposed of “on-market”, will be cancelled through a cessation of the voting rights and DGHL will be entitled to repurchase the relevant B Shares.</p>	<p>As the B Shares are unlisted, the transfer and holding thereof (to ensure the “linked” nature of the B Shares to the Linked Ordinary Shares) will be managed by the company secretary. The company secretary will only be able to record who the holders of B Shares (linked to Linked Ordinary Shares) are if information on the disposal of such shares is provided to the company secretary prior to such a disposal.</p> <p>In an “on-market” transaction of Linked Ordinary Shares, it will not be possible to identify the purchaser. As such, the company secretary will not be able to record the concomitant transfer of the B Shares (linked to those Linked Ordinary Shares) appropriately. To ensure a proper recording of B Shareholders, the voting rights attaching to the B Shares will be cancelled through a cessation of the voting rights and DGHL will be entitled to repurchase the relevant B Shares, in any “on-market” transaction of Linked Ordinary Shares.</p>

Effective voting threshold/ procedural issue	Disposal term	Effect	Rationale for the term
< 25%	<p>In a disposal of B Linked Ordinary Shares by a B Shareholder, where the combined voting rights of all other shares in DGHL plus the B Linked Ordinary Shares acquired by a purchaser (together with its concert parties and related parties), are not more than an effective aggregated 25% of the Total Voting Rights after implementing such disposal, the voting rights attaching to the B Shares thus acquired will be cancelled through the cessation of the voting rights and DGHL will be entitled to repurchase the relevant B Shares.</p> <p>Similarly, if the combined voting rights of all other shares in DGHL plus the B Linked Ordinary Shares still held by the selling B Shareholder (together with such B Shareholder's concert parties and related parties), are not more than an effective aggregated 25% of the Total Voting Rights after implementing such disposal, the voting rights attaching to the B Shares held by the seller will be cancelled through a cessation of the voting rights and DGHL will be entitled to repurchase the relevant B Shares.</p>	<p>The voting rights attaching to the B Shares linked to the Linked Ordinary Shares are cancelled in the hands of a B Shareholder that does not hold more than 25% of the Total Voting Rights (taken together with such B Shareholder's concert parties and related parties), and DGHL will be entitled to repurchase the relevant B Shares.</p>	<p>Ordinarily any single shareholder and its concert parties and related parties would lose so-called "negative" control below 25% shareholding. The cessation of the voting rights of the B Shares held by a B Shareholder who, together with its concert parties and related parties, falls below this threshold is intended to simulate this loss of "negative" control.</p> <p>Further, this also ensures that when a B Shareholder disposes of B Linked Ordinary Shares in very small numbers at a time, the voting rights attaching to the B Shares in those circumstances are cancelled, as it will not be possible to administer the B Linked Ordinary Shares and their holders if too many different parties are able to hold these B Linked Ordinary Shares.</p>
	<p>If at any point in time there is not a single B Shareholder who, together with its concert parties and related parties, holds more than an effective aggregate 25% of the Total Voting Rights, then the voting rights attaching to all the B Shares will be cancelled through a cessation of the voting rights and DGHL will be entitled to repurchase the relevant B Shares.</p>	<p>The voting rights attaching to all B Shares are cancelled through a cessation of the voting rights and DGHL will be entitled to repurchase the relevant B Shares, if there are no more B Shareholders who, together with their concert parties and related parties, hold more than 25% of the Total Voting Rights.</p>	<p>B Shares provide voting rights to the Remgro Group similar to the effective voting status which will be in place in relation to Distell following the RCI Exchange. If at any time no B Shareholder (together with its concert parties and related parties) holds more than 25% of the Total Voting Rights, the B Shares should not operate further to reflect the aforesaid voting status.</p>



Effective voting threshold/ procedural issue	Disposal term	Effect	Rationale for the term
≥ 25%	<p>If a purchaser acquires B Linked Ordinary Shares from a B Shareholder and, post such acquisition, holds more than 25% of the effective aggregated Total Voting Rights (taken together with such purchasing B Shareholder's concert parties and related parties, and including the B Linked Ordinary Shares acquired and existing DGHL Ordinary Shares previously held), and</p> <p>the selling B shareholder (taken together with such selling B Shareholder's concert parties and related parties) also continues to hold an effective aggregated Total Voting Rights of more than 25%, then the purchaser of the B Linked Ordinary Shares will have the choice to elect either to (i) make an offer to all other DGHL Ordinary Shareholders to acquire their DGHL Ordinary Shares at the same price paid for the B Linked Ordinary Shares; or (ii) to have the voting rights attaching to the B Shares linked to the Linked Ordinary Shares thus acquired cancelled through a cessation of the voting rights and DGHL will be entitled to repurchase the relevant B Shares ("<b>25% Election Term</b>").</p> <p>Should an offer to minorities be made in accordance with the 25% Election Term, the full consideration payable to B Shareholders in terms of the transaction which triggers the offer shall be attributed to the Linked Ordinary Shares and no value shall be attributed to the B Shares.</p>	<p>The purchaser of B Linked Ordinary Shares can elect either:</p> <ul style="list-style-type: none"> <li>• to make the same offer to all other DGHL Ordinary Shareholders at the same price it paid for the B Linked Ordinary Shares; or</li> <li>• if the purchaser does not wish to make such an offer, to have the voting rights attaching to its B Shares in respect of the B Linked Ordinary Shares cancelled through a cessation of the voting rights and DGHL will be entitled to repurchase the relevant B Shares, and thus hold only Ordinary Shares.</li> </ul>	<p>The 25% Election Term is meant to counteract a "synthetic double 25%" voting position where, after a disposal of B Linked Ordinary Shares, there are 2 B Shareholders holding more than an effective 25% of the Total Voting Rights by virtue of the fact that the B Shares have voting rights.</p> <p>As such, the purpose is to give an election to the purchaser to decide if retaining the B Shares, with their accompanying effective 25% voting rights (notwithstanding that the purchaser may have acquired less than 25% of DGHL's shares), is sufficiently important to the purchaser that he is willing to pay a premium, which premium is then paid to minority DGHL Ordinary Shareholders to prevent minority shareholders from being disadvantaged.</p> <p>The purpose of the provision ascribing the full value of an offer to minorities to the Linked Ordinary Shares per the 25% Election Term is to ensure that minority DGHL Ordinary Shareholders enjoy the full benefit of the offer (despite not owning any B Shares).</p>

<b>Effective voting threshold/ procedural issue</b>	<b>Disposal term</b>	<b>Effect</b>	<b>Rationale for the term</b>
≥ 35%	<p>Should an offer to minorities be made, the full consideration payable to the B Shareholders in terms of the transaction which triggers the offer shall be attributed to the Linked Ordinary Shares and no value shall be attributed to the B Shares.</p> <p>No further specific terms are applicable.</p>	<p>Where B Linked Ordinary Shares are transferred that constitute 35% or more of the voting rights in DGHL, the usual TRP rules apply regarding the obligation to make a Mandatory Offer to all DGHL Ordinary Shareholders.</p>	<p>The standard TRP rules require a Mandatory Offer to be made in any transaction where more than 35% of the voting rights in a company are acquired.</p> <p>Provided the thresholds above are met, the B Shares will be transferred and not cancelled.</p> <p>Again, the purpose of the term ascribing the full value of an offer to minorities to the Linked Ordinary Shares is to ensure that minority DGHL Ordinary Shareholders enjoy the full benefit of the offer (despite not owning any B Shares).</p>

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## MANAGEMENT OF CONFLICT AND MAINTENANCE OF INDEPENDENCE

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In compliance with the Companies Act and the Takeover Regulations, the Capevin Independent Board was established for the purposes of considering and dealing with the Transaction and the Capevin Scheme. The Capevin Independent Board, being cognisant of actual and potential conflicts between the position of Remgro International in relation to the Transaction, including the Capevin Scheme and the position of Capevin Minorities, has taken care to ensure that its independence was and will remain in place for the duration of the Transaction, including the Capevin Scheme.

In particular:

- the Capevin Independent Board independently evaluated the Transaction without the presence of Remgro International, their directors and their advisers; and
- the Capevin Independent Board appointed independent advisers to those appointed by Remgro International.

Remgro International, who were likewise seized with the actual and potential conflicts flowing from their position in relation to the Transaction, including the Capevin Scheme will not vote their Capevin Shares at the Capevin Scheme and RCI will not vote their Distell Shares at the Distell Scheme.

The Capevin Independent Board in relation to the Transaction comprised of:

- CA Otto
- AE v Z Botha
- EM Jansen; and
- EG Matenge-Sebesho

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**ILLUSTRATIVE DILUTIVE EFFECT ON VOTES EXERCISABLE BY CAPEVIN  
SHAREHOLDERS IN DGHL**

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**Indirect voting interest of Capevin Shareholders pre-Transaction**

Coronation	22.6%
Remgro International	19%
PIC	12.5%
Capevin minorities	45.9%

**Effective voting interest after the Capevin Scheme is implemented, including issue and allotment of the B Shares to Remgro Beverages**

Remgro Beverages (linked shares only)	52.8%
Remgro Beverages (unlinked shares)	3.2%
PIC (as a result of Capevin and Distell holdings)	20.1%
Coronation (as a result of Capevin and Distell holdings)	5.9%
Distell Minorities (excluding PIC and Coronation)	10.2%
Capevin Minorities (excluding PIC and Coronation)	7.8%

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**TABLE OF ENTITLEMENT**


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The following table sets out the number of DGHL Ordinary Shares to which Capevin Scheme Participants will be entitled, should the Capevin Scheme be implemented. Capevin Scheme Participants will be entitled to receive 0.0667 DGHL Ordinary Shares for every 1 Capevin Share held by Capevin Shareholders on the Capevin Record Date:

<b>No. of Capevin Shares held on the Capevin Record Date</b>	<b>DGHL Ordinary Shares entitlement</b>	<b>No. of Capevin Shares held on the Capevin Record Date</b>	<b>DGHL Ordinary Shares entitlement</b>	<b>No. of Capevin Shares held on the Capevin Record Date</b>	<b>DGHL Ordinary Shares entitlement</b>
1	0.06670	41	2.73470	81	5.40270
2	0.13340	42	2.80140	82	5.46940
3	0.20010	43	2.86810	83	5.53610
4	0.26680	44	2.93480	84	5.60280
5	0.33350	45	3.00150	85	5.66950
6	0.40020	46	3.06820	86	5.73620
7	0.46690	47	3.13490	87	5.80290
8	0.53360	48	3.20160	88	5.86960
9	0.60030	49	3.26830	89	5.93630
10	0.66700	50	3.33500	90	6.00300
11	0.73370	51	3.40170	91	6.06970
12	0.80040	52	3.46840	92	6.13640
13	0.86710	53	3.53510	93	6.20310
14	0.93380	54	3.60180	94	6.26980
15	1.00050	55	3.66850	95	6.33650
16	1.06720	56	3.73520	96	6.40320
17	1.13390	57	3.80190	97	6.46990
18	1.20060	58	3.86860	98	6.53660
19	1.26730	59	3.93530	99	6.60330
20	1.33400	60	4.00200	100	6.67000
21	1.40070	61	4.06870	125	8.33750
22	1.46740	62	4.13540	150	10.00500
23	1.53410	63	4.20210	175	11.67250
24	1.60080	64	4.26880	200	13.34000
25	1.66750	65	4.33550	1 000	66.70000
26	1.73420	66	4.40220	5 000	333.50000
27	1.80090	67	4.46890	10 000	667.00000
28	1.86760	68	4.53560	20 000	1 334.00000
29	1.93430	69	4.60230	50 000	3 335.00000
30	2.00100	70	4.66900	100 000	6 670.00000
31	2.06770	71	4.73570	200 000	13 340.00000
32	2.13440	72	4.80240	300 000	20 010.00000
33	2.20110	73	4.86910	400 000	26 680.00000
34	2.26780	74	4.93580	500 000	33 350.00000
35	2.33450	75	5.00250	1 000 000	66 700.00000
36	2.40120	76	5.06920	2 000 000	133 400.00000
37	2.46790	77	5.13590	3 000 000	200 100.00000
38	2.53460	78	5.20260	4 000 000	266 800.00000
39	2.60130	79	5.26930	5 000 000	333 500.00000
40	2.66800	80	5.33600	10 000 000	667 000.00000

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# CAPEVIN

HOLDINGS LIMITED

## Capevin Holdings Limited

(Incorporated in the Republic of South Africa)

(Registration Number: 1997/020857/06)

JSE Code: CVH ISIN: ZAE000167714

("Capevin" or "the Company")

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### Capevin Directors

#### Executive

PR Louw

#### Independent Non-executive

CA Otto (*Chairman*)

AE v Z Botha

RM Jansen

E G Matenge-Sebesho

#### Non-executive

J J Durand

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## NOTICE OF SCHEME MEETING

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**If you are in any doubt as to what action you should take in respect of the Capevin Scheme Meeting and/or the following resolutions, please consult your CSDP, Broker, banker, legal adviser, accountant or other professional adviser immediately.**

Notice is hereby given that a meeting of the Capevin Shareholders will be held at the Burgher House, corner of Alexander and Blom Streets, Stellenbosch, 7600, at 09h00 on Friday, 27 October 2017 for the purpose of considering and if deemed fit, passing with or without modification, the resolutions set out below.

#### Important dates and times to note

Record date for receipt of notice of the Capevin Scheme Meeting	Friday, 15 September 2017
Last day to trade in order to be eligible to attend and to vote at the Capevin Scheme Meeting	Tuesday, 17 October 2017
Record date for Capevin Shareholders to be recorded in the Register in order to be eligible to attend and vote at the Capevin Scheme Meeting	Friday, 20 October 2017
For administrative purposes, date by which forms of proxy for the Capevin Scheme Meeting are to be lodged by 09h00	Wednesday, 25 October 2017
Date of Capevin Scheme Meeting (09h00)	Friday, 27 October 2017
Results of Capevin Scheme Meeting released on SENS	Friday, 27 October 2017

Where appropriate and applicable, the terms defined in the Circular, dated Wednesday, 20 September 2017 to which this Notice of the Capevin Scheme Meeting is attached and forms part of ("Capevin Circular"), bear the same meanings in this notice of the Capevin Scheme Meeting, and in particular in the resolutions set out below.

In terms of section 62(3)(e) of the Companies Act:

- A Capevin Shareholder who is entitled to attend and vote at the Capevin Scheme Meeting is entitled to appoint a proxy, or 2 or more proxies, to attend and participate in and vote at the Capevin Scheme Meeting in the place of the Capevin Shareholder, by completing the form of proxy in accordance with the instructions set out herein, and Capevin Shareholders are referred to the attached form of proxy in this regard.
- A proxy need not be a Capevin Shareholder.
- Capevin Shareholders recorded in the Register of the Company on the Voting Record Date, and their proxies are required to provide reasonably satisfactory identification, to the satisfaction of the Chairman of the Capevin Scheme Meeting, before being entitled to attend or participate in the Capevin Scheme Meeting. Forms of identification include valid identity documents or smart cards, driver's licences and passports.



## **SPECIAL RESOLUTION NUMBER 1: APPROVAL FOR ISSUING OF SHARES IN TERMS OF THE RCI EXCHANGE**

“**RESOLVED THAT**, subject to the Capevin Scheme becoming unconditional (save for any condition relating to this resolution being passed), the allotment and issue of 880 103 265 Capevin Shares to Remgro International pursuant to the RCI Exchange and upon the terms and conditions set out in the RCI Exchange Agreement, which was made available for inspection by Capevin Shareholders and the salient terms of which are set out in the Capevin Circular, be and is hereby approved as a special resolution in terms of section 41(3) of the Companies Act.”

### **Voting requirement**

The percentage of voting rights that will be required in terms of the Companies Act for this Special Resolution Number 1 to be adopted is at least 75% of the voting rights exercised on the resolution.

Remgro International will not be entitled to vote on Special Resolution Number 1.

### **Explanatory Note**

In terms of section 41(3) of the Companies Act, the issue of shares in a company requires the approval of the shareholders by special resolution if the voting power of the class of shares that are issued as a result of the transaction will equal or exceed 30% of the voting power of all the shares of that class held by shareholders immediately before the transaction.

The reason for special resolution number 1 is to obtain the approval of Capevin Shareholders, in terms of section 41(3) of the Companies Act, for the issue of Capevin Shares to Remgro International pursuant to the RCI Exchange, which shares will equal or exceed 30% of the voting power of all the Capevin Shares of that class held by shareholders immediately before the RCI Exchange.

## **ORDINARY RESOLUTION NUMBER 1: WAIVER BY CAPEVIN MINORITIES OF THE MANDATORY OFFER REQUIREMENT IN TERMS OF REGULATION 86(4) OF THE REGULATIONS TO THE COMPANIES ACT**

“**RESOLVED THAT**, in terms of regulation 86(4) of the Companies Regulations, the Capevin Minorities hereby irrevocably waive the benefits of a Mandatory Offer by Remgro International arising from the implementation of the RCI Exchange (as fully set out in the Capevin Circular).”

### **Voting requirement**

The percentage of voting rights that will be required for this Ordinary Resolution Number 1 to be adopted is more than 50% of the voting rights exercised on the resolution.

Remgro International will not be entitled to vote on Ordinary Resolution Number 1.

### **Explanatory Note**

In terms of regulation 86(4) of the Companies Regulations, the TRP has advised that it is willing to consider the application to grant an exemption from the obligation on Remgro International to make a Mandatory Offer (arising from it acquiring in excess of 35% of the voting rights in Capevin) if the majority of the Capevin Minorities waive their entitlement to receive the Mandatory Offer.

## **SPECIAL RESOLUTION NUMBER 2: APPROVAL OF THE CAPEVIN SCHEME**

“**RESOLVED THAT**, subject to the Distell Scheme becoming unconditional (save for any condition relating to this resolution being passed), the Capevin Scheme (more fully described in the Capevin Circular), proposed by Capevin between Capevin and the Capevin Shareholders, be and is hereby approved in terms of section 115(2)(a) of the Companies Act.”

### **Voting requirement**

The percentage of voting rights that will be required in terms of the Companies Act for this Special Resolution Number 2 to be adopted is at least 75% of the voting rights exercised on the resolution.

Remgro International will not be entitled to vote on Special Resolution Number 2.

### **Explanatory Note**

In terms of section 115(1) and 115(2) of the Companies Act, a company may only implement a Scheme of Arrangement in terms of section 114 of the Companies Act if the Scheme of Arrangement is approved by special resolution adopted by persons entitled to vote on such a matter, at a meeting called for that purpose and at which sufficient persons are present to exercise, in aggregate, at least 25% of all voting rights that are entitled to be exercised on the special resolution.

The reason for special resolution number 2 is to obtain the approval of Capevin Shareholders, in terms of section 114 read with section 115 of the Companies Act for the Capevin Scheme.

### **SPECIAL RESOLUTION NUMBER 3: REVOCATION OF SPECIAL RESOLUTION NUMBER 2 IF THE CAPEVIN SCHEME DOES NOT BECOME UNCONDITIONAL OR IS NOT CONTINUED**

“**RESOLVED THAT**, subject to and in the event of –

- i) Special Resolution Number 2 being approved by the Capevin Shareholders; and
- ii) the Capevin Scheme not becoming unconditional for whatever reason,

Special Resolution Number 2 is revoked with effect from the date of the announcement by Capevin that the Capevin Scheme will not be continued or pursued any further, as contemplated in section 164(9)(c) of the Companies Act.”

#### **Voting requirement**

The percentage of voting rights that will be required for this Special Resolution Number 3 to be adopted is at least 75% of the voting rights exercised on the resolution.

Remgro International will not be entitled to vote on Special Resolution Number 3.

#### **Explanatory Note**

The reason for and effect of Special Resolution Number 3 is to ensure that the Capevin Scheme will terminate and not be implemented, notwithstanding the approval of Special Resolution Number 2, if the Capevin Scheme does not become unconditional for whatever reason and, further, to ensure that in such circumstances and in compliance with section 164(9)(c) of the Companies Act, Capevin is not obliged to pay any Dissenting Capevin Shareholder the fair value of their Capevin Shares.

### **ORDINARY RESOLUTION NUMBER 2: AUTHORISATION OF MEMBERS OF THE CAPEVIN INDEPENDENT BOARD**

“**RESOLVED THAT** any member of the Capevin Independent Board be and is hereby authorised to do all things and sign all documents required to give effect to and implement Ordinary Resolution Number 1, Special Resolution Number 1, Special Resolution Number 2 and Special Resolution Number 3 set out above.”

#### **Voting requirement**

The percentage of voting rights that will be required for this Ordinary Resolution Number 2 to be adopted is more than 50% of the voting rights exercised on the resolution.

Remgro International will not be entitled to vote on Ordinary Resolution Number 2.

#### **QUORUM AND RECORD DATE**

A quorum for the purposes of considering the resolutions above shall consist of three Capevin Shareholders personally present (or represented by proxy) and entitled to vote at the Capevin Scheme Meeting. In addition, a quorum shall comprise at least 25% of all voting rights entitled to be exercised by Capevin Shareholders in respect of the resolutions above.

The time and date on which Capevin Shareholders must be recorded as such in the Register maintained by the Transfer Secretaries, Computershare Investor Services Proprietary Limited (15 Biermann Avenue, Rosebank, Johannesburg, 2196, Republic of South Africa (PO Box 61051, Marshalltown, 2107) for the purposes of being entitled to attend, participate in and vote at the Capevin Scheme Meeting is 17h00 on Friday, 20 October 2017. Accordingly, the last day to trade Capevin Shares in order to be recorded in the Register of Capevin Shareholders to vote at the Capevin Scheme Meeting will be Tuesday, 17 October 2017.

#### **VOTING AND PROXIES**

A Capevin Shareholder entitled to attend and vote at the Capevin Scheme Meeting is entitled to appoint one or more proxies (who need not be a shareholder of the Company) to attend, vote and speak in his/her stead.

On a show of hands, every Capevin Shareholder present in person or represented by proxy shall have one vote only. On a poll, every Capevin Shareholder present in person or represented by proxy shall have one vote for every share held in the Company by such Capevin Shareholder.

A form of proxy is attached for the convenience of any Capevin Shareholder holding Certificated Capevin Shares or Dematerialised Capevin Shareholders who have elected “own-name” registration, who cannot attend the Capevin Scheme Meeting but who wish to be represented thereat. Forms of proxy may also be obtained on request from the Company’s registered office. The completed form of proxy must, for administrative purposes, be deposited at or posted to the office of the Transfer Secretaries, Computershare Investor Services Proprietary Limited, 15 Biermann Avenue, Rosebank, Johannesburg, 2196 (PO Box 61051, Marshalltown, 2107) or the registered office of the Company, to be received by no later than 09h00 on Wednesday, 25 October 2017 Alternatively, the form of proxy may be handed to the Chairperson of the Capevin Scheme Meeting before the Capevin Scheme Meeting commences at 09h00 on Friday, 27 October

2017. Any Capevin Shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend and vote in person at the Capevin Scheme Meeting should the Capevin Shareholder subsequently decide to do so.

Attached to the form of proxy is an extract of Section 58 of the Companies Act, to which Capevin Shareholders are referred.

All beneficial owners whose shares have been Dematerialised through a CSDP or Broker other than with "own-name" registration, must provide the CSDP or Broker with their voting instructions in terms of their custody agreement should they wish to vote at the Capevin Scheme Meeting. Alternatively, they may request the CSDP or Broker to provide them with a letter or representation, in terms of their custody agreements, should they wish to attend the Capevin Scheme Meeting. Such Capevin Shareholder must not complete the attached form of proxy.

#### **CAPEVIN SHAREHOLDER APPRAISAL RIGHTS**

In accordance with section 164, read with section 115, of the Companies Act, at any time before Special Resolution 2 as set out in this notice convening the Capevin Scheme Meeting is voted on, a Capevin Shareholder may give the Company a written notice objecting to the special resolution.

Within 10 Business Days after Capevin has adopted Special Resolution 2, Capevin must send a notice that the special resolution has been adopted to each Capevin Shareholder who:

- gave Capevin a written notice of objection as contemplated above; and
- has neither withdrawn that notice nor voted in support of the special resolution.

A Capevin Shareholder may demand that Capevin pay the Capevin Shareholder the fair value for all of the Capevin Shares held by that person if:

- the Capevin Shareholder has sent Capevin a written notice of objection;
- Capevin has adopted Special Resolution 2; and
- the Capevin Shareholder voted against Special Resolution 2 and has complied with all of the procedural requirements of section 164 of the Companies Act.

A copy of sections 115 and 164 of the Companies Act is set out in Annexure 5 to the Capevin Circular. Further detail regarding the process and consequences of a Capevin Shareholder exercising its Capevin Shareholder Appraisal Rights are set out in paragraph 18 of the Capevin Circular.

By order of the Board

#### **Capevin Holdings Limited**

##### **Registered office**

Capevin Holdings Limited  
Millennia Park  
16 Stellantia Avenue  
Stellenbosch, 7600  
(PO Box 456, Stellenbosch, 7599)

##### **Transfer secretaries to Capevin**

Computershare Investor Services Proprietary Limited  
(Registration number 2004/003647/07)  
Rosebank Towers  
15 Biermann Avenue, Rosebank,  
Johannesburg, 2196  
(PO Box 61051, Marshalltown, 2107)  
Telephone: +27 11 370 5000  
Facsimile: +27 11 688 5210

# CAPEVIN

HOLDINGS LIMITED

## Capevin Holdings Limited

(Incorporated in the Republic of South Africa)

(Registration Number: 1997/020857/06)

JSE Code: CVH ISIN: ZAE000167714

("Capevin" or "the Company")

### Capevin Directors

#### Executive

PR Louw

#### Independent Non-executive

CA Otto (*Chairman*)

AE v Z Botha

RM Jansen

EG Matenge-Sebesho

#### Non-executive

JJ Durand

## FORM OF PROXY

Where appropriate and applicable, the terms defined in the Circular to which this form of proxy is attached and forms part of bear the same meanings in this form of proxy.

For use by Capevin Shareholders holding Certificated Capevin Shares and/or Dematerialised Capevin Shareholders who have elected "own-name" registration, nominee companies of CSDPs and Brokers' nominee companies, registered as such at the close of business on Friday, 20 October 2017 (the "**Voting Record Date**"), at the Capevin Scheme Meeting to be held at the Burgher House, corner of Alexander and Blom Streets, Stellenbosch, 7600, at 09h00 on Friday, 27 October 2017 (the "**Capevin Scheme Meeting**") or any postponement or adjournment thereof.

If you are a Dematerialised Capevin Shareholder, other than with "own-name" registration, do not use this form. Dematerialised Capevin Shareholders, other than with "own-name" registration, should provide instructions to their appointed CSDP or Broker in the form as stipulated in the agreement entered into between the shareholder and the CSDP or Broker.

Companies and other corporate bodies who are Capevin Shareholders having Capevin Shares registered in their own-names may, instead of completing this form of proxy, appoint a duly authorised representative to represent them and exercise all of their rights at the Capevin Scheme Meeting by giving written notice to Capevin of the appointment of that representative.

Each Capevin Shareholder is entitled to appoint one or more proxies (who need not be shareholders of the Company) to attend, speak and vote in place of that Capevin Shareholder at the Capevin Scheme Meeting.

**Please read the notes on the reverse hereof carefully, which, amongst other things, set out the rights of Capevin Shareholders in terms of section 58 of the Companies Act with regard to the appointment of proxies.**

I/We (FULL NAME IN BLOCK LETTERS PLEASE)

of (ADDRESS)

Telephone number

cell phone number

Email address

being the holder/s of

Capevin Shares hereby appoint:

1.  or failing him/her,

2.  or failing him/her,

3. the Chairman of the Capevin Scheme Meeting,

as my/our proxy to attend and speak and to vote for me/us and on my/our behalf at the Capevin Scheme Meeting and at any adjournment or postponement thereof, for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed at the Capevin Scheme Meeting, and to vote on the resolutions in respect of the Capevin Shares registered in my/our name(s), in the following manner (see note 1):

	Number of votes		
	Shares		
	For*	Against*	Abstain*
Special Resolution Number 1: Approval for issuing of shares in terms of the RCI Exchange			
Ordinary Resolution Number 1: Waiver by Capevin Minorities of the Mandatory Offer in terms of regulation 86(4) of the Companies Regulations			
Special Resolution Number 2: Approval of the Capevin Scheme			
Special Resolution Number 3: Revocation of Special Resolution Number 2 if the Capevin Scheme does not become unconditional and is not continued			
Ordinary Resolution Number 2: Directors' authority			

\* 1 vote per share held by Capevin Shareholders recorded in the Register on the Voting Record Date.

\* Mark "for", "against" or "abstain" as required. If no options are marked the proxy will be entitled to vote as he/she thinks fit.

However, if you wish to cast your votes in respect of a lesser number of Capevin Shares than you own in the Company, insert the number of shares held in respect of which you desire to vote.

Unless otherwise instructed, my/our proxy may vote or abstain from voting as he/she thinks fit.

Signed this

day of

2017

Signature

Assisted by me (where applicable)

(State capacity and full name)

A Capevin Shareholder entitled to attend and vote at the Capevin Scheme Meeting is entitled to appoint a proxy to attend, vote and speak in his/her stead. A proxy need not be a shareholder of the Company. Each Capevin Shareholder is entitled to appoint one or more proxies to attend, speak and vote in place of that Capevin Shareholder at the Capevin Scheme Meeting.

**Please read the notes on the following page hereof.**



**Notes:**

1. This form of proxy is only to be completed by those Capevin Shareholders who:
  - a) hold Capevin Shares in certificated form; or
  - b) are recorded in the sub-register in electronic form in their "own-name", on the date on which Capevin Shareholders must be recorded as such in the Register (Voting Record Date) maintained by the Transfer Secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196, or at the registered office of the Company, in order to vote at the Capevin Scheme Meeting being held on Friday, 27 October 2017, and who wish to appoint another person to represent them at the Capevin Scheme Meeting.
2. This form of proxy will apply to all the Capevin Shares registered in the name of the Capevin Shareholder who signs this form of proxy on the Voting Record Date (and all the votes associated with those shares) unless a lesser number of shares is inserted.
3. Certificated Capevin Shareholders wishing to attend the Capevin Scheme Meeting must, before the meeting, verify with the Transfer Secretaries (being Computershare Investor Services Proprietary Limited) that their Capevin Shares are registered in their name.
4. Beneficial Shareholders whose Capevin Shares are not registered in their "own-name", but in the name of another, for example, a nominee, may not complete a form of proxy, unless a form of proxy is issued to them by a registered Capevin Shareholder and they should contact the registered Capevin Shareholder for assistance in issuing instructions on voting their Capevin Shares, or obtaining a proxy to attend, speak and vote at the Capevin Scheme Meeting.
5. A Capevin Shareholder may insert the name of a proxy or the names of two or more alternative proxies of the Capevin Shareholder's choice in the space provided, with or without deleting "the Chairman of the Capevin Scheme Meeting". The person whose name stands first on this form of proxy and who is present at the Capevin Scheme Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
6. The proxy appointed in this form of proxy may delegate the authority given to him or her in this form of proxy by delivering to Capevin, in the manner required by these instructions, a further form of proxy which has been completed in a manner consistent with the authority given to the proxy in this form of proxy.
7. Unless revoked in the manner contemplated in note 10 below, the appointment of proxy in terms of this form of proxy shall remain valid until the end of the Capevin Scheme Meeting, even if the Capevin Scheme Meeting or a part thereof is postponed or adjourned. This form of proxy shall not be used at the resumption of the Capevin Scheme Meeting (if adjourned), if it could not have been used at the Capevin Scheme Meeting from which the adjournment took place for any reason other than that it was not lodged timeously for the Capevin Scheme Meeting from which the adjournment took place.
8. A Capevin Shareholder's instructions to the proxy must be indicated by means of a tick or a cross in the appropriate box provided. However, if a Capevin Shareholder wishes to cast his/her votes in respect of a lesser number of Capevin Shares than he/she owns in the Company, he/she should insert the number of Capevin Shares in respect of which he/she desires to vote in the space provided. If: (i) a Capevin Shareholder fails to comply with the above; or (ii) gives contrary instructions in relation to any matter or any additional resolution(s) which are properly put before the meeting; or (iii) the resolution listed in the form of proxy is modified or amended, the Capevin Shareholder will be deemed to authorise the Chairman of the Capevin Scheme Meeting, if the Chairman is the authorised proxy, to vote in favour of the resolutions at the Capevin Scheme Meeting, or any other proxy to vote or to abstain from voting at the Capevin Scheme Meeting as he/she deems fit, in respect of all the Capevin Shareholder's votes exercisable thereat. If, however, the Capevin Shareholder has provided further written instructions which accompany this form of proxy and which indicate how the proxy should vote or abstain from voting in any of the circumstances referred to in (i) to (iii) above, then the proxy shall comply with those instructions.
9. The completion and lodgement of this form of proxy will not preclude the relevant Capevin Shareholder from attending the Capevin Scheme Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Capevin Shareholder wish to do so. Accordingly, the appointment of a proxy in terms hereof is suspended at any time and to the extent that the Capevin Shareholder chooses to act directly and in person in the exercise of any rights as a Capevin Shareholder. In addition to the foregoing, a shareholder may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and (ii) delivering a copy of the revocation instrument to the proxy, and to the Company. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the Capevin Shareholder as at the later of the date stated in the revocation instrument, if any, and the date on which the revocation instrument was delivered in the required manner.
10. The Chairman of the Capevin Scheme Meeting may reject or accept any form of proxy which is completed and/or received other than in compliance with these notes provided that, in respect of acceptances, he is satisfied as to the manner in which the Capevin Shareholder(s) concerned wish(es) to vote.
11. Any alteration to this form of proxy, other than a deletion of alternatives, must be initialled by the signatory/ies.
12. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy, unless such authority has previously been recorded by the Company or the Transfer Secretaries, Computershare Investor Services Proprietary Limited or is waived by the Chairman of the Capevin Scheme Meeting.
13. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Transfer Secretaries, Computershare Investor Services Proprietary Limited, or the Company.
14. Where there are joint holders of Capevin Shares:
  - 14.1 any one holder may sign this form of proxy; and
  - 14.2 the vote of the senior who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint holder(s) of Capevin Shares. For this purpose, seniority will be determined by the order in which the names of such Capevin Shareholders appear in the Register.
15. If duly authorised, companies and other corporate bodies who are Capevin Shareholders having Capevin Shares registered in their own-name may, instead of completing this form of proxy, appoint a representative to represent them and exercise all of their rights at the Capevin Scheme Meeting by giving written notice of the appointment of that representative. This notice will not be effective at the Capevin Scheme Meeting unless it is accompanied by a duly certified copy of the resolution or other authority in terms of which that representative is appointed and is received at Computershare Investor Services Proprietary Limited, 15 Biermann Avenue, Rosebank, Johannesburg, 2196 or at the registered office of the Company, to reach the Company by no later than 09h00 on Wednesday, 25 October 2017.
16. This form of proxy may be used at any adjournment or postponement of the Capevin Scheme Meeting, including any postponement due to a lack of quorum, unless withdrawn by the Capevin Shareholder.

17. Forms of proxy must, for administrative purposes, be lodged with or mailed to the Transfer Secretaries, to be received by no later than 09h00 on Wednesday, 25 October 2017 (or 48 hours (on Business Days only) before the resumption of an adjourned Capevin Scheme Meeting which date, if necessary, will be released on SENS). Alternatively, this form of proxy may be handed to the Chairman of the Capevin Scheme Meeting before the Capevin Scheme Meeting commences at 09h00 on Friday, 27 October 2017.
18. If this form of proxy has been delivered to Capevin, as long as that appointment remains in effect, any notice that is required by the Companies Act or Capevin's memorandum of incorporation to be delivered by Capevin to the Capevin Shareholder must be delivered by the Company to (i) the Capevin Shareholder or (ii) the proxy or proxies, if the Capevin Shareholder has directed Capevin in writing to do so and paid any reasonable fee charged by Capevin for doing so.
19. The foregoing notes contain a summary of the relevant provisions of section 58 of the Companies Act, as required in terms of that section. In addition, an extract from the Companies Act reflecting the provisions of section 58 of the Companies Act, is provided below.

**Extract from the Companies Act****"58. Shareholder right to be represented by proxy**

- (1) At any time, a shareholder of a company may appoint any individual, including an individual who is not a shareholder of that company, as a proxy to:
  - (a) participate in, and speak and vote at, a shareholders meeting on behalf of the shareholder; or
  - (b) give or withhold written consent on behalf of the shareholder to a decision contemplated in section 60.
- (2) A proxy appointment –
  - (a) must be in writing, dated and signed by the shareholder; and
  - (b) remains valid for –
    - (i) one year after the date on which it was signed; or
    - (ii) any longer or shorter period expressly set out in the appointment, unless it is revoked in a manner contemplated in subsection (4)(c), or expires earlier as contemplated in subsection (8)(d).
- (3) Except to the extent that the Memorandum of Incorporation of a company provides otherwise –
  - (a) a shareholder of that company may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder;
  - (b) a proxy may delegate the proxy's authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy; and
  - (c) a copy of the instrument appointing a proxy must be delivered to the company, or to any other person on behalf of the company, before the proxy exercises any rights of the shareholder at a shareholders meeting.
- (4) Irrespective of the form of instrument used to appoint a proxy –
  - (a) the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder.
  - (b) the appointment is revocable unless the proxy appointment expressly states otherwise; and
  - (c) if the appointment is revocable, a shareholder may revoke the proxy appointment by:
    - (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and
    - (ii) delivering a copy of the revocation instrument to the proxy, and to the company.
- (5) The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of –
  - (a) the date stated in the revocation instrument, if any; or
  - (b) the date on which the revocation instrument was delivered as required in subsection (4)(c)(ii).
- (6) If the instrument appointing a proxy or proxies has been delivered to a company, as long as that appointment remains in effect, any notice that is required by this Act or the company's Memorandum of Incorporation to be delivered by the company to the shareholder must be delivered by the company to –
  - (a) the shareholder; or
  - (b) the proxy or proxies, if the shareholder has:
    - (i) directed the company to do so, in writing; and
    - (ii) paid any reasonable fee charged by the company for doing so.
- (7) A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent that the Memorandum of Incorporation, or the instrument appointing the proxy, provides otherwise.
- (8) If a company issues an invitation to shareholders to appoint one or more persons named by the company as a proxy, or supplies a form of instrument for appointing a proxy –
  - (a) the invitation must be sent to every shareholder who is entitled to notice of the meeting at which the proxy is intended to be exercised;
  - (b) the invitation, or form of instrument supplied by the company for the purpose of appointing a proxy, must:
    - (i) bear a reasonably prominent summary of the rights established by this section;
    - (ii) contain adequate blank space, immediately preceding the name or names of any person or persons named in it, to enable a shareholder to write in the name and, if so desired, an alternative name of a proxy chosen by the shareholder; and
    - (iii) provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution or resolutions to be put at the meeting, or is to abstain from voting;
  - (c) the company must not require that the proxy appointment be made irrevocable; and
  - (d) the proxy appointment remains valid only until the end of the meeting at which it was intended to be used, subject to subsection (5).
- (9) Subsection (8)(b) and (d) do not apply if the company merely supplies a generally available standard form of proxy appointment on request by a shareholder."

# CAPEVIN

HOLDINGS LIMITED

## Capevin Holdings Limited

(Incorporated in the Republic of South Africa)

(Registration Number: 1997/020857/06)

JSE Code: CVH ISIN: ZAE000167714

("Capevin" or "the Company")

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### Capevin Directors

#### Executive

PR Louw

#### Independent Non-executive

CA Otto (*Chairman*)

AE v Z Botha

RM Jansen

EG Matenge-Sebesho

#### Non-executive

JJ Durand

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## FORM OF SURRENDER AND TRANSFER

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Where appropriate and applicable, the terms defined in the Circular to which this Form of Surrender and Transfer is attached and forms part of bear the same meanings in this Form of Surrender and Transfer.

Important notes concerning this form:

- This form is only for use in respect of the Scheme of Arrangement in terms of section 114 of the Companies Act, 2008 proposed by Capevin between Capevin and the Capevin Shareholders, to which DGHL is a party, as defined in the Circular ("Capevin Scheme").
- Full details of the Capevin Scheme are contained in the Circular to Capevin Shareholders dated Wednesday, 20 September 2017, to which this form is attached and forms part.
- **This form is attached for Capevin Scheme Participants who are Certificated Capevin Shareholders, to enable them to surrender their Documents of Title prior to the date of the Capevin Scheme Meeting to be held at 09h00 on Friday, 27 October 2017 or such other adjourned or postponed date or time determined in accordance with the provisions of the Companies Act as read with the JSE Listings Requirements. No further Form of Surrender and Transfer will be sent to Capevin Shareholders.**
- **If the Capevin Scheme is implemented, Certificated Capevin Shareholders who (i) do not complete and return this Form of Surrender and Transfer in accordance with the instructions contained herein, or (ii) fail to provide any account details, or provide incorrect account details, of their CSDP or broker, will receive their DGHL Ordinary Shares in Dematerialised form and become an Issuer Nominee Dematerialised DGHL Shareholder, in which event you should pay careful attention to the Important Note provided below.**

### INSTRUCTIONS:

#### HOLDERS OF DEMATERIALISED CAPEVIN SHARES MUST NOT COMPLETE THIS FORM OF SURRENDER AND TRANSFER

1. This Form of Surrender and Transfer is for use only by Certificated Capevin Shareholders.
2. A separate Form of Surrender and Transfer is required for each Certificated Capevin Shareholder.
3. Part A and Part C must be completed by all Capevin Scheme Participants who return this form.
4. All Capevin Scheme Participants who are Emigrants from South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland (the Common Monetary Area) must also complete Part B of this form.
5. If this Form of Surrender and Transfer is returned with the relevant Document(s) of Title to Capevin Shares, it will be treated as a conditional surrender which is made subject to the terms of the Circular and to the Capevin Scheme becoming operative. In the event of the Capevin Scheme not becoming operative for any reason whatsoever, the Transfer Secretaries, Computershare Investor Services Proprietary Limited, will, by not later than five Business Days after the date upon which it becomes known that the Capevin Scheme will not be operative, return the Documents of Title to the Capevin Shareholders concerned, by registered mail, at the risk of such Capevin Shareholder.
6. Persons who have acquired Capevin Shares after the date of the issue of the Circular can obtain electronic copies of this form and the Circular from the Company's website ([www.capevin.com](http://www.capevin.com)) or from the Transfer Secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196 (PO Box 61763, Marshalltown, 2107).
7. The DGHL Ordinary Shares will not be delivered to Capevin Scheme Participants who are Certificated Capevin Shareholders unless and until the Form of Surrender and Transfer has been completed and the Documents of Title (together with this form) in respect of the relevant Capevin Shares have been surrendered to Computershare Investor Services Proprietary Limited.

To: Computershare Investor Services Proprietary Limited  
15 Biermann Avenue, Rosebank, Johannesburg, 2196, Republic of South Africa  
(PO Box 61763, Marshalltown, 2107)

Emigrants from the  
common monetary area  
**must complete Part B**





**PART B: TO BE COMPLETED BY CAPEVIN SCHEME PARTICIPANTS WHO ARE EMIGRANTS OF THE COMMON MONETARY AREA.**

Nominated authorised dealer in the case of a Scheme Participant who is an Emigrant from the Common Monetary Area (see note 2 below)

Name of dealer:

\_\_\_\_\_

Account number:

\_\_\_\_\_

Address:

\_\_\_\_\_

**NB: PART A MUST ALSO BE COMPLETED**

**PART C: TO BE COMPLETED BY ALL SCHEME PARTICIPANTS WHO ARE CERTIFICATED CAPEVIN SHAREHOLDERS TO CONFIRM THEIR ACCOUNT DETAILS FOR SETTLEMENT OF THEIR DGHL ORDINARY SHARES.**

All Capevin Shareholders (save for Dissenting Capevin Shareholders who have given notice in terms of sections 164(5) to 164(8) of the Companies Act and who do not withdraw their respective demands or allow any offers made by the Company to them in terms of section 164(11) of the Companies Act to lapse) should kindly complete the section below, dealing with the settlement of the DGHL Ordinary Shares upon the Capevin Scheme becoming operative.

Please insert the account details of your broker or CSDP, which account you wish to be credited with your DGHL Ordinary Shares:

Name of account holder:

\_\_\_\_\_

Name of broker:

\_\_\_\_\_

Name of CSDP:

\_\_\_\_\_

Account number of broker:

\_\_\_\_\_

Account number of CSDP:

\_\_\_\_\_

Telephone number of broker/CSDP:

\_\_\_\_\_

SCA number of broker/CSDP:

\_\_\_\_\_

**Please note:** The account details provided above must be verified by your broker or CSDP, and proof of such verification must accompany this Form of Surrender and Transfer. Should the account details provided by you above be incorrect or incomplete, it will not be possible to credit such account with the DGHL Ordinary Shares, in which case you will become an Issuer Nominee Dematerialised DGHL Shareholder, in which event you should pay careful attention to the Important Note provided below.

**Important Note:**

If:

- (i) you fail to complete and return this form in accordance with the instructions detailed herein, or
- (ii) you fail to provide any account details, or provide incorrect account details, of your CSDP or Broker, into which your DGHL Ordinary Shares are to be transferred,

your DGHL Ordinary Shares will be transferred in Dematerialised form to an account in the name of Computershare Nominees Proprietary Limited, the nominee of Computershare Proprietary Limited's CSDP, who will, subject to what is stated below, hold such DGHL Ordinary Shares as the registered holder thereof but for and on your behalf, and you will become an Issuer Nominee Dematerialised DGHL Shareholder. The beneficial ownership of such DGHL Ordinary Shares will remain with you, as the relevant Issuer Nominee Dematerialised DGHL Shareholder but subject to what is stated below, and will be recorded on a sub-register (also commonly known as the nominee sub-register) maintained by Computershare Proprietary Limited. Issuer Nominee Dematerialised DGHL Shareholders will receive a statement from Computershare Proprietary Limited, which will confirm the number of DGHL Ordinary Shares held by such Issuer Nominee Dematerialised DGHL Shareholder. Issuer Nominee Dematerialised DGHL Shareholders will have the option to move their DGHL Ordinary Shares to their own brokerage/CSDP account or to materialise and Certify their DGHL Ordinary Shares, at any stage but subject to what is stated below. Each Issuer Nominee Dematerialised DGHL Shareholder will be bound by the provisions of Strate's rules and directives in respect of their DGHL Ordinary Shares held in the nominee sub-register, and will be deemed to have concluded a custody agreement with Computershare Proprietary Limited, which establishes a business relationship between Computershare Proprietary Limited and each Issuer Nominee Dematerialised DGHL Shareholder. A copy of the custody agreement, which will be deemed to have been concluded in such circumstances, is available on the Computershare website at [www.computershare.com](http://www.computershare.com).

Shareholders should note that should any Issuer Nominee Dematerialised DGHL Ordinary Shareholder fail to arrange with Computershare Proprietary Limited for either the transfer of their DGHL Ordinary Shares from the nominee sub-register into their own brokerage/CSDP account or to materialise and Certify their DGHL Ordinary Shares within three years after the Distell Operative Date, the DGHL Shares due to such Issuer Nominee Dematerialised DGHL Ordinary Shareholder will be disposed of at the ruling market price and the disposal consideration, less the costs incurred in disposing of the DGHL Shares, will be paid to the benefit of the Guardian's Fund of the Master of the High Court. The proceeds of such disposal may be claimed by the relevant Issuer Nominee Dematerialised DGHL Ordinary Shareholder, subject to the requirements imposed by the Master of the High Court. In this regard, each Issuer Nominee Dematerialised DGHL Ordinary Shareholder irrevocably authorises and appoints Distell (or its successor-in-title), in *rem suam*, with full power of substitution, to act as its agent and in its name, place and stead to dispose of such Issuer Nominee Dematerialised DGHL Ordinary Shareholder's DGHL Shares and to pay the proceeds to the benefit of the Guardian's Fund in the aforesaid manner.

Please see instructions below.

**Instructions:**

1. This Form of Surrender and Transfer is irrevocable and may not be withdrawn once submitted.
2. Capevin Scheme Participants should consult their professional advisers in case of doubt as to the correct completion of this form.
3. No receipts will be issued for documents lodged unless specifically requested. In compliance with the requirements of the JSE, lodging agents are requested to prepare special transaction receipts, if required. Signatories may be called upon for evidence of their authority or capacity to sign this form.
4. Persons who are Emigrants from the Common Monetary Area should nominate the authorised dealer in foreign exchange in South Africa which has control of their blocked assets in Part B of this form. Failing such nomination, the DGHL Ordinary Shares due to such Scheme Participants in accordance with the provisions of the Capevin Scheme and the Entitlement Ratio will be held by Capevin or the Transfer Secretaries, pending receipt by the Transfer Secretaries of lawful instructions from the Capevin Scheme Participants concerned.
5. Any alteration to this form must be signed by the Capevin Scheme Participant in full, and not initialed.
6. If this form is signed under a power of attorney, then such power of attorney or a notarially certified copy thereof must be sent with this form for noting (unless it has already been noted by Capevin or its Transfer Secretaries). This does not apply in the event of this Form bearing a JSE Broker's stamp.
7. Where the Capevin Scheme Participant is a company or a close corporation, unless it has already been registered with Capevin or its Transfer Secretaries, a certified copy of the Capevin Scheme Participant's directors' or members' resolution authorising the signing of this form must be submitted if so requested by Capevin.
8. If this form is not signed by the Capevin Scheme Participant, the Capevin Scheme Participant will be deemed to have irrevocably appointed the Company Secretary of Capevin or its Transfer Secretaries to implement the Capevin Scheme Participant's obligations under the Capevin Scheme on his/her behalf.
9. Where there are any joint holders of any Capevin Shares, only that holder whose name stands first in the Register in respect of such shares need sign this form.
10. A minor must be assisted by his/her parent or guardian, unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Transfer Secretaries of Capevin.