MULTICHOICE
ENRICHING LIVES

PHUTHUMA NATHI
SHARE THE FUTURE

MULTICHOICE GROUP SHARE EXCHANGE OFFER AND MERGING OF PN AND PN2

Dear valued Phuthuma Nathi shareholder,

You are an important part of one of the most successful Broad-Based Black Economic Empowerment (B-BBEE) schemes in South Africa – Phuthuma Nathi. It is a scheme that is truly broad-based, with black shareholders from all walks of life. Phuthuma Nathi (PN) has grown your investment phenomenally since the scheme was launched in 2006. More than R11.9bn has been paid in dividends and your shares have also grown from just R10 per share in 2006 to around R130 per share in 2019.

MultiChoice Group listing on the JSE
The MultiChoice Group (MCG) listed on the Johannesburg Stock Exchange (JSE) in February 2019. As a result, there are three developments that affect you as a Phuthuma Nathi shareholder:

1. MCG share exchange offer
PN shareholders have an opportunity to exchange up to 20% of their PN shares for MCG shares which are listed on the JSE. If you choose to exchange a portion of your PN shares for MCG shares, you will own both PN and MCG shares.

If you choose not to exchange a portion of your PN shares, you will keep all your current shares and will not receive any MCG shares.

2. PN and PN2 Merging
It is being proposed that the two PN entities are combined into one entity. The combination of the PN entities will result in one listed entity with a single PN share price. This will not have any impact on your shareholding.

3. Certain amendments to the memoranda of incorporation (MOI) of PN and PN2
In order to implement the MCG share exchange offer and the merger of PN and PN2, certain amendments are required to be made to the MOI of PN and PN2. These MOI also contained certain historic references to "MIH Holdings Proprietary Limited" that should be replaced with "MCG". A notice convening a shareholders' meeting to consider these amendments will be posted to PN1 shareholders and the proposed amendments to the PN2 MOI will be considered by PN2 shareholders at the meeting to vote on the merger of PN1 and PN2 and will be included in the scheme circular.

How will the MCG share exchange offer work?
Participation in this offer is completely voluntary. The decision to participate in this opportunity is entirely up to the individual shareholder.

This offer is open to PN shareholders who hold more than 20 shares, as at Friday, 25 October 2019.

The MCG share exchange offer will be open from 25 September to 28 October 2019.

PN shareholders who decide to exchange a portion of their PN shares for MCG shares will receive 0.957 MCG shares for 1 PN share, which already includes transaction costs. For example, if you exchange 1000 PN shares you will receive 957 MCG shares.

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Your Choices:

Accept the offer and exchange up to 20% of your PN shares for MCG shares

OR

Ignore the offer and continue to hold your PN shares. In this case, you don't need to do anything, and you will not be affected by the offer.

How do shareholders accept the offer?
The shareholder can accept the offer in one of the following ways;

1. Contact the Phuthuma Nathi call centre on 0860 116 226 from 07:00 to 18:00 during weekdays (excluding public holidays) to advise that you are accepting the offer and how many PN shares you are exchanging.

OR

2. Use the online offer platform on www.EESE.co.za to indicate that you are accepting the offer and how many PN shares you are exchanging. To make use of this platform, PN shareholders are required to register. You will use your username and password to login to the platform.

OR

3. Complete the **Acceptance and Transfer Form (pink)** to accept the offer. The completed form must be submitted to the below address to be received by no later than 14:00 on Monday, 28 October 2019.
Please note no late acceptances will be allowed:

Singular Systems
PO Box 785261
Sandton
2146

Assistance to Complete Documents

- The Phuthuma Nathi call centre is available to help you with:
  - Completing the election and transfer form
  - Answering any questions
- Phuthuma Nathi call centre number: 0860 116 226

What happens now? (the next steps)
All PN shareholders will receive documents from 20 September 2019 about implementing the MCG share offer and how to participate in the offer. Please read the documents carefully and take the necessary actions required. The documents are as follows:

1. Offer Circular
The Offer Circular will provide you with more information about the MCG Offer and the actions you are required to take.

2. Prospectus
The Prospectus will provide you with additional information about MultiChoice Group and the MultiChoice Group shares.

3. Notice convening the PN shareholders' meeting (PN1 shareholders only)
The notice of the PN Shareholders' Meeting to approve amendments to the MOI of PN. THIS DOCUMENT WILL ONLY BE SENT TO PN SHAREHOLDERS.

4. Scheme Circular (PN2 shareholders only)
The Scheme Circular will provide you with information about the merging of Phuthuma Nathi Investments Limited and Phuthuma Nathi Investments 2 Limited. It provides you with details regarding the approvals required from shareholders to implement this merger. Certain amendments will also be required to the PN2 memorandum of incorporation in order to allow for the exchange offer and the merging of PN and PN2. THIS DOCUMENT WILL ONLY BE SENT TO PN2 SHAREHOLDERS.

For more information
If you have any queries or questions you can contact the Phuthuma Nathi call centre at 0860 116 226.
You can also visit www.phuthumanathi.co.za.
You can also attend the Phuthuma Nathi roadshows that will take place as follows:

- Durban: 10 September 2019, Durban International Convention Centre.
- Cape Town: 13 September 2019, Cape Town International Convention Centre.
- Polokwane: 18 September, Fusion Boutique Hotel.
- Johannesburg: 19 September 2019, Sandton Convention Centre.

Doors open at 9:30am, and proceedings will begin at 10:00am.

Kind Regards,

The Phuthuma Nathi Team