PHUTHUMA NATHI
SHARE THE FUTURE

PHUTHUMA NATHI INVESTMENTS (RF) LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2006/015187/06)
Ordinary Short Code: EXPN1
("**PN1**" or the "**Company**")

NOTICE CONVENING THE PN1 SHAREHOLDERS' MEETING

If you are in any doubt as to what action you should take in respect of the general meeting of PN1 shareholders ("PN1 Shareholders' Meeting") and/or the following resolutions, please contact Singular Services, a division of Singular Systems Proprietary Limited ("Singular Systems") on the PN1 shareholder help line at 0860 116 226 or consult your banker, legal advisor or other professional advisor immediately.

PN1 shareholders ("**Shareholders**") are reminded that:

- if a Shareholder wishes to vote on the resolutions to be considered at the PN1 Shareholders' Meeting, they may either:
  - contact the Singular Services call centre on 0860 116 226 between 07:00 and 18:00 on weekdays (excluding public holidays) to advise how they wish to cast their votes (or abstain from casting their votes) at the PN1 Shareholders' Meeting and thereafter Singular Services will on behalf of the Shareholders cast their votes (or abstain from casting their votes) in accordance with the Shareholders' instructions; or
  - make use of the online voting platform to indicate how they wish their shares in PN1 ("**PN1 Shares**") to be voted at the PN1 Shareholders' Meeting (or to abstain from casting a vote on the Shareholders' PN1 Shares) and thereafter Singular Services will on behalf of the Shareholders cast their votes (or abstain from casting their votes) in accordance with the Shareholders' online instructions. This online facility is free of charge and is available on the internet. To make use of the voting facility, Shareholders are required to register for the service, via the website on www.EESE.co.za. You will use your username and password to login to the voting platform. Shareholders will also be able to view and download a user guide explaining how to use the online process on PN1's website and www.EESE.co.za. The online voting platform will be available from 09:00 on Wednesday, 25 September 2019 until 17:00 on Friday, 18 October 2019;
- a Shareholder must advise Singular Services in accordance with its mandate if they wish to attend or participate at the PN1 Shareholders' Meeting and Singular Services will issue the necessary letter of representation to you to attend the PN1 Shareholders' Meeting; and
- in terms of section 63(1) of the Companies Act, any person attending or participating in a meeting of Shareholders must present reasonably satisfactory identification to the chairperson of the meeting (**Chairperson**), and the Chairperson must be reasonably satisfied that the right of any person to participate in and vote has been reasonably verified. Accordingly, all Shareholders will be required to provide identification reasonably satisfactory to the Chairperson of the PN1 Shareholders' Meeting in order to participate in and vote at the PN1 Shareholders' Meeting. Satisfactory forms of identification include valid identity documents or cards, driver's licences and passports.

A. NOTICE OF GENERAL MEETING OF PN1 SHAREHOLDERS

Notice is hereby given to the Shareholders recorded in the securities register of PN1 ("**Register**") on **Friday, 13 September 2019** (being the record date for receiving this notice as determined by the PN1 board of directors ("**PN1 Board**")), that the PN1 Shareholders' Meeting will be held at the offices of PN1 at MultiChoice City, 144 Bram Fischer Drive, Ferndale, Randburg, on **Monday, 21 October 2019** at 10:00, for the purpose of considering and if deemed fit, passing with or without modification, the resolutions set out below.

B. MCG OFFER, SCHEME OF ARRANGEMENT AND REASONS FOR PN1 SHAREHOLDERS' MEETING

This notice convening the PN1 Shareholders' Meeting should be read together with the Offer Circular (as defined below) posted together with this notice to Shareholders on Friday, 20 September 2019.

MCG Offer

Shareholders are referred to the announcement by MultiChoice Group Limited ("**MCG**") as published on the JSE Limited Stock Exchange News Services and on the Equities Express Securities Exchange ("**EESE**") news platform and EESE-News, on Monday, 16 September 2019 in which MCG announced its intention of making an offer to acquire, subject to certain conditions, up to 20% of the issued shares of PN1 and Phuthuma Nathi Investments 2 (RF) Limited ("**PN2**") from the shareholders of each of PN1 and PN2 in consideration for the issue of new shares in MCG ("**MCG Offer**").

The purpose of the MCG Offer is to provide additional liquidity for the Shareholders and Shareholders in PN2 (**"PN2 Shareholders"**) by way of MCG making an offer to the Shareholders and PN2 Shareholders (together the **"PN Shareholders"**) to exchange a portion of their indirect stake in MultiChoice South Africa Proprietary Limited (**"MCSA"**) for a direct stake in MCG. The MCG Offer will be open for acceptance by the PN Shareholders at their discretion; provided that no PN Shareholder may tender more than 20% of the shares that it holds in PN1 or PN2, as the case may be, to MCG in terms of the MCG Offer. For further information in relation to the MCG Offer, please refer to the circular accompanying this notice sent by MCG to Shareholders in relation to the MCG Offer (**"Offer Circular"**) and also available on the MCG website (www.multichoice.com), the Company's website (www.phuthumanathi.co.za) or Shareholders can contact the Singular call centre to request that a copy of the Offer Circular be forwarded to a different address. Should PN Shareholders have any questions in relation to the MCG Offer, they can contact the Singular Services call centre at 0860 116 226 or contact Singular Services by email at phuthumanathi@singularservices.co.za.

In terms of the MCG Offer, should PN Shareholders agree to participate in the MCG Offer (in respect of all or part of 20% of their shareholdings in PN1 or PN2, as applicable), then the MCG Shares received by such PN Shareholders will be freely tradeable on the securities exchange operated by JSE Limited, thereby liquidity for the PN Shareholders.

PN Shareholders are reminded that the memoranda of incorporation of PN1 and PN2 require PN Shareholders to at all times hold at least, in the case of PN1, 20 Shares, and in the case of PN2, 20 PN2 shares. Accordingly, when a PN Shareholder wishes to accept the MCG Offer, it must ensure that after tendering its Shares or PN2 shares, it still holds at least 20 Shares or 20 PN2 shares, respectively.

The independent advisor, Tamela Holdings Proprietary Limited, appointed by the PN1 Board and the board of directors of PN2 (**"PN2 Board"**), has considered and reviewed the MCG Offer. The independent advisor has confirmed that the terms of the MCG Offer are fair and reasonable to PN Shareholders based on their review of the MCG Offer, valuation work performed and other qualitative considerations. In light of this, the PN1 Board and PN2 Board are in unanimous support of the MCG Offer.

Scheme of Arrangement

Pursuant to the announcement published by PN2 on EESE-news on Friday, 20 September 2019, the PN2 independent board resolved, subject to a number of conditions and independent of the MCG Offer, to: (i) delist the PN2 shares from EESE and (ii) implement a scheme of arrangement in terms of section 114 of the Companies Act, 71 of 2008 (**"Companies Act"**), proposed by the PN2 independent board between PN1 and PN2 shareholders, in terms of which PN1 will acquire all of PN2's issued share capital from PN2 shareholders in consideration for the issue of PN1 Shares (**"Scheme of Arrangement"**). It is envisaged that, subject to, amongst others, the passing of a special resolution by PN2 shareholders to approve the Scheme of Arrangement, the Scheme of Arrangement will be implemented on and with effect from Thursday, 31 October 2019, regardless of whether the MCG Offer is to proceed or not. For further information in relation to the Scheme of Arrangement, please refer to the circular in relation to the Scheme of Arrangement (**"Scheme Circular"**) which was sent to all PN2 shareholders and is available on the website or Shareholders' can contact the Singular Services call centre to request a hard copy of the Scheme Circular.

Reasons for PN1 Shareholders' Meeting

In order to allow for the implementation of the MCG Offer and the Scheme of Arrangement, various amendments are required to be made to the memorandum of incorporation of PN1 (**"PN1 MOI"**). Additionally, as MCG was unbundled from Naspers Limited, various references to MIH Holdings Limited (**"MIHH"**) (a Naspers Limited group company) and to the preference shares issued to MIHH must be removed and in certain instances replaced with references to MCG in order to be reflective of the present shareholding of MCSA.

In terms of the Companies Act and the PN1 MOI, any amendments to the PN1 MOI will require shareholder approval by way of special resolution and accordingly the PN1 Shareholders' Meeting is required in order for Shareholders to consider and if deemed fit, to approve the resolutions set out below (with or without modification). In addition, the PN1 MOI currently requires that MIHH and MultiChoice South Africa Holdings Proprietary Limited must consent to any amendments to the PN1 MOI, which consent was obtained at the time of the posting of this notice convening the Shareholders' meeting.

C. RECORD DATE

The PN1 Board determined that, in accordance with the requirements of section 62(3)(a), read with section 59 of the Companies Act, the voting record date, being the date on which Shareholders must be recorded in the Register in order to be eligible to attend and vote at the PN1 Shareholders' Meeting, will be **Friday, 11 October 2019**. Accordingly, the last day to trade PN1 Shares in order to be recorded in the Register to attend and vote at the PN1 Shareholders' Meeting will be **Friday, 11 October 2019**.

RESOLUTIONS

SPECIAL RESOLUTION 1

"**RESOLVED THAT**, subject to obtaining the written approval of MIHH to make the proposed amendments, the conformed copy of the PN1 MOI, placed before this meeting and initialled by the Chairperson for purposes of identification in terms of which, *inter alia*:

1. references to "MIH Holdings Limited" and "MIHH" are deleted and replaced with references to "MultiChoice Group Limited" and "MCG" where appropriate;
2. all references to "MIHH Preference Shares" and "MIHH Preference Share Subscription Agreement" are deleted as the MIHH Preference Shares have been redeemed;
3. the authorised share capital of PN1 is amended by cancelling the MIHH Preference Shares and deleting paragraph 2 of Schedule 2 titled "Rights and privileges attaching to the MIHH Preference Shares" in its entirety;
4. the definition of "Trading Market" is deleted and all references thereto deleted;
5. definitions and appropriate provisions are included in order to allow for the implementation of the MCG Offer and the Scheme of Arrangement; and
6. certain amendments are made in order to align the PN1 MOI with legislative and regulatory updates,

be and hereby is approved and adopted as the PN1 MOI."

Voting requirement

In terms of the Companies Act and the PN1 MOI, the percentage of voting rights that will be required for Special Resolution 1 to be adopted is 75% of the voting rights exercised on the resolution by all Shareholders (whether present in person or by proxy at the PN1 Shareholders' Meeting).

SPECIAL RESOLUTION 2

"**RESOLVED THAT** the issue of 22 500 000 PN1 Shares to PN2 shareholders in terms of the Scheme of Arrangement, which may include the issue of PN1 Shares to any director, future director, prescribed officer or future prescribed officer of PN1 or a nominee of such person for purposes of section 41(1) of the Companies Act, and to the extent applicable to the Scheme of Arrangement, the issue of PN1 Shares that may be equal to or exceed 30% of the voting power of the issued PN1 Shares pursuant to section 41(3) of the Companies Act be and hereby is approved."

Voting requirement

In terms of the Companies Act and the PN1 MOI, the percentage of voting rights that will be required for Special Resolution 2 to be adopted is 75% of the voting rights exercised on the resolution by all Shareholders (whether present in person or by proxy at the PN1 Shareholders' Meeting).

ORDINARY RESOLUTION 1

"**RESOLVED THAT** each of the directors of PN1 is hereby authorised to do all things, perform all acts and sign all documentation necessary and ancillary to:

1. implement the Scheme of Arrangement; and
2. give effect to Special Resolution 1 and Special Resolution 2.

Voting requirement

In terms of the Companies Act and the PN1 MOI, the percentage of voting rights that will be required for Ordinary Resolution 1 to be adopted is 50% plus one of the voting rights exercised on the resolution by all Shareholders (whether present in person or by proxy at the PN1 Shareholders' Meeting).

D. GENERAL

Electronic Participation

Shareholders may participate in the PN1 Shareholders' Meeting by way of a teleconference call and, if they wish to do so:

- must contact the company secretary of the Company, Ms Donna Dickson (**"Company Secretary"**) (by email at the address: Donna.Dickson@multichoice.co.za), by no later than 10:00 on 11 October 2019 in order to obtain a pin number and dial-in details for that conference call;
- will be required to provide reasonably satisfactory identification by prior arrangement with the Company Secretary (email: Donna.Dickson@multichoice.co.za); and
- will be billed separately by their own telephone service providers for their telephone call to participate in the PN1 Shareholders' Meeting,

provided that Shareholders will not be able to vote telephonically at the PN1 Shareholders' Meeting.

Identification

In terms of section 63(1) of the Companies Act, any person attending or participating in a meeting of shareholders must present satisfactory identification and the person presiding at the meeting must be reasonably satisfied that the right of any person to participate in and vote has been reasonably verified. Accordingly, all Shareholders will be required to provide reasonably satisfactory identification to the Chairperson in order to participate in and vote at the PN1 Shareholders' Meeting.

Quorum and Voting Record Date

A quorum for the purposes of considering the resolutions above shall consist of at least three Shareholders present and sufficient persons being present to exercise, in aggregate, at least 0.05% of all voting rights that are entitled to be exercised on the resolutions above.

The time and date on which Shareholders must be recorded as such in the Register maintained by Singular Services for the purposes of being entitled to attend, participate in and vote at the PN1 Shareholders' Meeting is 17:00 on **Friday**, **11 October 2019**. Accordingly, the last day to trade PN1 Shares in order to be recorded in the Register to vote at the PN1 Shareholders' Meeting will be **Friday**, **11 October 2019**.

Voting procedures

PN1 has a large number of Shareholders and it is not possible for all of them to attend the PN1 Shareholders' Meeting. In view of this fact and because voting on the resolutions at the PN1 Shareholders' Meeting is regarded as of high importance, putting all the resolutions to a vote on a poll takes account of the wishes of those Shareholders who are unable to attend the PN1 Shareholders' Meeting in person. A vote on a poll also takes into account the number of PN1 Shares held by each Shareholder, which the PN1 Board believes is a more democratic procedure. All the resolutions will be proposed to be put to vote on a poll.

Other business

To transact such other business as may be transacted at the PN1 Shareholders' Meeting.

By order of the PN1 Board

DM Dickson
Company Secretary
16 September 2019

ADMINISTRATION AND CORPORATE INFORMATION

Registration number

2006/0015187/06

Registered office

MultiChoice City
144 Bram Fischer Drive
Ferndale
Randburg
2194
(PO Box 1502, Randburg, 2125)

Company secretary

Donna Dickson
MultiChoice City
144 Bram Fischer Drive
Ferndale
Randburg
2194
(PO Box 1502, Randburg, 2125)

Issuer representative

Carmen Miller

Attorneys and tax advisors

Webber Wentzel
90 Rivonia Road
Sandton
2196
(PO Box 61771, Marshalltown, 2107)

Trading helpdesk and transfer secretaries

Singular Systems Proprietary Limited
(Registration number 2002/001492/07)
25 Scott Street, Waverley, 2018
(PO Box 785261, Bramley, 2018)

Independent Advisor and Financial Advisor to PN1

Tamela Holdings Proprietary Limited
(Registration number 2008/011759/07)
Ground Floor, Golden Oaks House
Ballyoaks Office Park
35 Ballyclare Drive
Bryanston
Sandton, 2021
(PO Box 379, Morningside, 2057)

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