

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 8 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 Distell Shareholders

This document should be read in its entirety with particular attention to the section entitled "Action Required by Distell 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 Distell Shares on or before Friday, 15 September, this Circular should be handed to the purchaser of such Distell Shares or to the Broker, banker, CSDP or other agent through whom the disposal was effected.

Distell 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 Distell Shares to notify such beneficial owner of the details set out in this Circular.



DISTELL

Distell Group Limited

(Incorporated in the Republic of South Africa)

(Registration Number: 1988/005808/06)

JSE Code: DST ISIN: ZAE000028668

("Distell" or "the Company")

CIRCULAR TO DISTELL SHAREHOLDERS

Regarding

The restructuring of Distell's multi-tiered ownership structure 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 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;
- the issue of 124 226 613 B Shares in DGHL to Remgro Beverages;
- a waiver by the Distell Minorities of a Mandatory Offer pursuant to the RCI Exchange;
- the listing of all DGHL Ordinary Shares on the JSE; and
- the subsequent delisting of the Distell Shares from the JSE.

and enclosing

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

The Distell Scheme Meeting will be held on Friday, 27 October 2017

Date of issue: Wednesday, 20 September 2017

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



**Financial Adviser and Transaction Sponsor to
Capevin**



Legal Adviser to DGHL



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



Legal Adviser to Distell and Capevin



This Circular is only available in English. Copies may be obtained from Distell's website, <https://www.distell.co.za/investor-centre/> or at the registered office of Distell and Rand Merchant Bank, whose addresses are set out in the "Corporate Information and Advisers" section of this Circular, from Wednesday, 20 September 2017 until Friday, 27 October 2017.

CORPORATE INFORMATION AND ADVISERS

Year of incorporation

1988

Place of incorporation

South Africa

Company Secretary and registered office

Lizelle Malan
Distell Group Limited
(Registration number: 1988/005808/06)
Aan-de-Wagenweg
Stellenbosch, 7600
(PO Box 184, Stellenbosch, 7599)

Transfer Secretaries

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

Independent expert to the Distell Independent Board in respect of the Distell Scheme and Waiver Exemption

Ernst & Young Advisory Services (Pty) Limited
(Registration number: 2006/018260/07)
Waterway House
3 Dock Road, Waterfront
Cape Town, 8000
(PO Box 656, 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)

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)

Legal Adviser to Distell and Capevin

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

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)

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IMPORTANT DATES AND TIMES

2017

Record date to determine which Distell Shareholders are entitled to receive the Distell Circular	Friday, 15 September
Circular posted to Distell Shareholders and notice convening the Distell Scheme Meeting released on SENS	Wednesday, 20 September
Last day for Distell Minorities to make representations to the TRP in respect of the waiver of the Mandatory Offer Requirement	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 Distell Scheme Meeting	Tuesday, 17 October
Voting Record Date for Distell Shareholders to be recorded in the Register in order to be eligible to attend and vote at the Distell Scheme Meeting	Friday, 20 October
For administrative purposes, date by which Forms of Proxy for the Distell Scheme Meeting are requested to be lodged, by 12h00	Wednesday, 25 October
Form of Proxy to be handed to the chairman of the Distell Scheme Meeting, at any time before the proxy exercises any rights of the Distell Minorities at the Distell Scheme Meeting on	Friday, 27 October
Last date and time for Distell Shareholders to give notice to Distell objecting to the Distell Scheme in terms of section 164 of the Companies Act by 12h00, on	Friday, 27 October
Distell Scheme Meeting to be held at 12h00, Van Ryn's Distillery & Brandy Cellar, Van Ryn Road, Vlottenburg, Stellenbosch, Western Cape, 7600, on	Friday, 27 October
Results of the Distell Scheme Meeting released on SENS	Friday, 27 October
Results of the Distell Scheme Meeting to be published in the press	Monday, 30 October
Company to send notice of the passing of the special resolution approving the Distell Scheme, in terms of section 164(4) of the Companies Act	Monday, 30 October
If (i) all of the resolutions relating to the Distell Scheme and the Waiver are passed by the requisite majority of Distell Minorities at the Distell Scheme Meeting, and (ii) all of the resolutions required to give effect to the RCI Exchange, the Waiver and the Capevin Scheme are passed by Capevin Minorities at the Capevin Scheme Meeting	
Last day for Distell Minorities who voted against the Distell Scheme to require Distell to seek court approval for the Distell 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 Distell Minorities who voted against the Distell Scheme to apply to court for leave to apply for a review of the Distell Scheme in terms of section 115(3)(b) of the Companies Act	Friday, 10 November

2018

Anticipated receipt of approval of the South African Competition Authorities on or before	Monday, 29 January
Receive compliance certificate from the TRP	Monday, 29 January

If all Conditions Precedent relating to the Distell Scheme are fulfilled or waived (to the extent applicable)

2018

Finalisation announcement expected to be released on SENS	Monday, 29 January
Implementation of 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 Capevin securities 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 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
Last day to trade in order for Distell Shareholders to be recorded on the 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 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 Capevin securities register to participate in the Capevin Scheme	Friday, 9 February
Implementation of the Capevin Scheme (Capevin Operative Date)	Monday, 12 February
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 Register to participate in the Distell Scheme	Tuesday, 13 February
Implementation of the Distell Scheme (Distell Operative date)	Wednesday, 14 February
Distell Shareholders' 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 Distell will send the required notice to Dissenting Distell 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 Distell Scheme Meeting.
4. Share certificates in respect of Distell Shares may not be Dematerialised or rematerialised from Friday, 9 February 2018.

ACTION REQUIRED BY DISTELL SHAREHOLDERS

The definitions and interpretations commencing on page 8 of this Circular apply to this “Action required by Distell 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 Distell Shares, please forward this Circular to the person to whom you have disposed of such Distell Shares or the Broker, CSDP, banker or other agent through whom you disposed of such Distell Shares.

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

The Distell Scheme Meeting will be held at 12h00 on Friday, 27 October 2017, at Van Ryn’s Distillery & Brandy Cellar, Van Ryn Road, Vloottenburg, Stellenbosch, 7600, to consider and, if deemed fit, pass the resolutions required to authorise and effect the implementation of the Transaction by Distell. A notice to convene the Distell Scheme Meeting is attached to and forms part of this Circular.

ACTION REQUIRED BY DISTELL SHAREHOLDERS:

1. DEMATERIALISED DISTELL SHAREHOLDERS OTHER THAN WITH “OWN NAME” REGISTRATION

1.1 Voting at the Distell Scheme Meeting

Your Broker or CSDP should contact you to ascertain how you wish to cast your vote at the Distell 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 (*blue*).

1.2 Attendance and representation at the Distell 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 Distell Scheme Meeting. If so, your Broker or CSDP will issue the necessary letter of representation to you to attend the Distell Scheme Meeting.

1.3 Surrender of Documents of Title

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

1.4 Entitlement Ratio

If the Distell Scheme becomes operative, Distell 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 Distell Shares to DGHL. As a result of the entitlement ratio being on a one-for-one basis, no rounding down and paying out of fractions is applicable. Should the Distell Scheme not become operative, you will retain your Distell Shares and will not be entitled to receive DGHL Ordinary Shares.

2. DEMATERIALISED DISTELL SHAREHOLDERS WITH “OWN NAME” REGISTRATION

2.1 Voting and attendance at the Distell Scheme Meeting

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

Alternatively, you may appoint a proxy to represent you at the Distell Scheme Meeting by completing the attached Form of Proxy (*blue*) in relation to the Distell Scheme Meeting in accordance with the instructions it contains. It is requested that, for administration 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 12h00 on Wednesday, 25 October 2017. The Form of Proxy may however be handed to the

chairman of the Distell Scheme Meeting, at any time before the proxy exercises any rights of the Distell Minorities at the Distell Scheme Meeting.

2.2 **Surrender of Documents of Title**

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

2.3 **Entitlement Ratio**

If the Distell Scheme becomes operative, Distell 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 Distell Shares to DGHL. As a result of the entitlement ratio being on a one-for-one basis, no rounding down and paying out of fractions is applicable. Should the Distell Scheme not become operative, you will retain your Distell Shares and will not be entitled to receive DGHL Ordinary Shares.

3. **CERTIFICATED DISTELL SHAREHOLDERS**

If you hold Distell 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 Distell Scheme Meeting**

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

Alternatively, you may appoint a proxy to represent you at the Distell Scheme Meeting by completing the attached Form of Proxy (*blue*) in relation to the Distell 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 12h00 on Wednesday, 25 October 2017. The Form of Proxy may however be handed to the chairman of the Distell Scheme Meeting, at any time before the proxy exercises any rights of the Distell Minorities at the Distell 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 Distell Shares and surrender your Documents of Title in respect of your Distell Shares in anticipation of the Distell Scheme becoming operative, you should complete the attached Form of Surrender and Transfer (*blue*) and return it, together with the relevant Documents of Title, relating to all your Distell Shares, in accordance with the instructions contained therein to the Transfer Secretaries by no later than 12h00 on Tuesday, 13 February 2018. In accordance with the FMA, the DGHL Ordinary Shares owing to you in respect of your Distell 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 (*blue*) and return it together with the relevant share certificates or other Documents of Title in relation to your Distell 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 (*blue*) as aforesaid, or
- (ii) in the Form of Surrender, and Transfer (*blue*), 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.

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 Certificate 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 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.

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

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

4. GENERAL

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

5. DISSENTING DISTELL SHAREHOLDERS

- 5.1 A detailed explanation of the Distell Shareholder 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 Distell Shareholder Appraisal Rights, is set out in Annexure 5 to this Circular.

6. TAKEOVER REGULATION PANEL APPROVALS

The TRP approval only relates to the Distell Scheme of Arrangement and the waiver of the Mandatory Offer. Further, Distell Shareholders should take note that the TRP does not consider commercial advantages or disadvantages of the affected transactions when it approves such transactions.

DEFINITIONS AND INTERPRETATIONS

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.

“Act in Concert”	bears the meaning ascribed thereto in terms of section 117 of the Companies Act, and “Acting in Concert” will have a corresponding meaning;
“Adjustment Event”	bears the meaning ascribed thereto in the B Share Terms;
“Authorised Dealer”	a person authorised to deal in foreign exchange as contemplated in the Exchange Control Regulations;
“B Share Issuance”	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 Share Linking”	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 Share Ratio”	2.117 B Shares for every 1 DGHL Ordinary Share;
“B Share Terms”	the preferences, rights, limitations and other share terms attaching to the B Shares, as detailed in Annexure 6 of this Circular;
“B Shareholder/s”	(a) registered holder/s of (a) B Share/s;
“B Share/s”	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;
“Broker”	any person registered as a “broking member equities” in terms of the rules of the JSE in accordance with the provisions of the FMA;
“Business Day”	any day other than a Saturday, Sunday or official public holiday in South Africa;
“Capevin”	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;
“Capevin Circular”	the circular issued to Capevin Shareholders, on or about 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 issue of the RCI-Related Capevin Shares in terms of the RCI Exchange, the Waiver Resolution and the Capevin Scheme which will result in the Capevin Delisting;
“Capevin CSP Meeting”	the general meeting of Capevin Shareholders to be held in accordance with the Capevin Incentive Plan Circular;
“Capevin Delisting”	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;
“Capevin Incentive Plan Circular”	the circular issued to Capevin Shareholders simultaneously with, and accompanying, the Capevin 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;
“Capevin Independent Board”	the independent board of directors of Capevin, identified as such in the Capevin Circular;
“Capevin Minorities”	all Capevin Shareholders other than Remgro International;
“Capevin Operative Date”	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;

“Capevin Record Date”	the date and time at which Capevin Shareholders must be recorded in the securities register of Capevin to participate in the Capevin Scheme and receive their DGHL Ordinary Shares, expected to be 17h00 on Friday, 9 February 2018;
“Capevin Scheme”	the Scheme of Arrangement between Capevin and the Capevin Shareholders and to which DGHL is a party, as detailed in the Capevin Circular;
“Capevin Scheme Meeting”	the general meeting of Capevin Shareholders to be held 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 Resolution and the Capevin Scheme, which will result in the Capevin Delisting;
“Capevin Scheme Participants”	those Capevin Shareholders who are entitled to participate in the Capevin Scheme in accordance with the terms of the Capevin Scheme as set out in the Capevin Circular;
“Capevin Shareholder Appraisal Rights”	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;
“Capevin Shareholders”	all holders of Capevin Shares;
“Capevin Shares”	ordinary shares with no par value in the capital of Capevin;
“Certificate” and “Certificated”	the process by which electronic records of ownership of shares are replaced with paper share certificates and/or other Documents of Title;
“Certificated Distell Shareholders”	holders of Certificated Distell Shares;
“Certificated Distell Shares”	Distell Shares which are represented by a share certificate or other Document(s) of Title, which are not Dematerialised Distell Shares;
“CGT”	Capital Gains Tax as determined in terms of the Eighth Schedule of the Income Tax Act;
“CIPC”	the Companies and Intellectual Property Commission;
“Circular” or “Distell Circular”	this bound document issued to Distell Shareholders on or about Wednesday, 20 September 2017, including the annexures hereto, and incorporating a notice convening the Distell Scheme Meeting, a Form of Proxy (<i>blue</i>) and a Form of Surrender and Transfer (<i>blue</i>);
“Circulars”	collectively the Capevin Circular and this Distell Circular;
“Common Monetary Area”	South Africa, the Republic of Namibia and the Kingdoms of Swaziland and Lesotho;
“Companies Act”	the Companies Act, 2008 (Act 71 of 2008), as amended;
“Competition Act”	the Competition Act, 1998 (Act 89 of 1998), as amended;
“Competition Authorities”	the South African Competition Authorities and the Foreign Competition Authorities;
“Companies Regulations”	the Companies Regulations, 2011, as amended;
“Company Secretary”	the company secretary of Distell;
“Conditions Precedent”	the conditions precedent, to which the Distell Scheme is subject, as detailed in paragraph 6 of this Circular;
“Coronation”	Coronation Asset Management Proprietary Limited (registration number: 1993/002807/07), a company incorporated in accordance with the company laws of South Africa;
“CSDP”	a Central Securities Depository Participant registered in terms of the FMA;

“CSP Scheme”	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;
“Dematerialise” and “Dematerialised”	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;
“Dematerialised Distell Shareholders”	Distell Shareholders holding Dematerialised Distell Shares;
“Dematerialised Distell Shares”	Distell Shares which have been Dematerialised;
“DGHL”	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;
“DGHL Directors”	the directors of DGHL;
“DGHL Group”	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 1 or more member/s of the DGHL Group;
“DGHL Listing”	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;
“DGHL MOI”	DGHL’s memorandum of incorporation, extracts of which are provided in Annexure E to the Prospectus;
“DGHL Ordinary Shareholders”	all holders of DGHL Ordinary Shares;
“DGHL Ordinary Shares”	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;
“Dissenting Distell Shareholders”	Distell Shareholders who deliver a Valid Demand to Distell;
“Distell” or the “Company”	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;
“Distell CSP Meeting”	the general meeting of Distell Shareholders to be held in accordance with the Distell Incentive Plan Circular;
“Distell Delisting”	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;
“Distell Directors”	the board of directors of Distell as at the Last Practicable Date, whose details and further information appear on page 15 of this Circular;
“Distell Employee Scheme”	the Distell Equity Settled Share Appreciation Right Scheme approved by the Distell Shareholders at Distell’s annual general meeting held in 2010;
“Distell Financial Information”	the audited 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 19 of this Circular;
“Distell Group”	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;

“Distell Incentive Plan Circular”	the circular issued to Distell Shareholders simultaneously with, and accompanying, this Distell Circular in terms of which (i) an advisory vote is sought from the Distell Shareholders in respect of the CSP Scheme, as detailed more fully in paragraph 15 below, and (ii) approval is sought from the Distell Shareholders for the implementation of a conditional share plan scheme in respect of Distell on terms which are substantially similar to those of the DGHL CSP Scheme;
“Distell Independent Board”	the independent board of directors of Distell, identified as such in paragraph 27 and in Annexure 7 of this Circular;
“Distell Minorities”	all Distell Shareholders other than RCI;
“Distell Operative Date”	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;
“Distell Record Date”	the date and time at which Distell Shareholders must be recorded in the Register to participate in the Distell Scheme and receive their DGHL Ordinary Shares, expected to be 17h00 on Tuesday, 13 February 2018;
“Distell Scheme”	the Scheme of Arrangement between Distell and the Distell Minorities and to which DGHL is a party, as detailed in paragraph 3.1 of this Circular;
“Distell Scheme Meeting”	the Scheme meeting of Distell Minorities to be held at 12h00 on Friday, 27 October 2017, at Van Ryn’s Distillery & Brandy Cellar, Van Ryn Road, Vlottenburg, 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 Waiver, which will result in the Distell Delisting;
“Distell Scheme Participants”	Distell Shareholders recorded as such in the Register on the Distell Record Date, excluding Dissenting Distell Shareholders who do not subsequently become Scheme Participants as envisaged in paragraph 18.6;
“Distell Shareholder Appraisal Rights”	the rights in terms of section 164 of the Companies Act which Distell Shareholders will be entitled to exercise pursuant to the approval of the Distell Scheme;
“Distell Shareholders”	all holders of Distell Shares;
“Distell Shares”	ordinary shares with a par value of R0.01 each in the capital of Distell;
“Documents of Title”	share certificates, certified transfer deeds, balance receipts or any other documents of title to shares;
“Entitlement Ratio”	1 DGHL Ordinary Share for every 1 Distell Share held by a Distell Shareholder on the Distell Record Date;
“Exchange Control Regulations”	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 1993), as amended;
“Excluded Foreign Distell Shareholders”	Distell Shareholders resident or who have registered addresses in the United Kingdom, European Economic Area, Canada, United States of America, Japan or Australia;
“FMA”	the Financial Markets Act, 2012 (Act 19 of 2012), as amended;
“Foreign Competition Authorities”	the competition authorities (if any) having jurisdiction in the countries listed in Annexure K to the Prospectus;
“Foreign Distell Shareholders”	Distell Shareholders not resident in South Africa;
“FSB”	the Financial Services Board established in terms of section 2 of the Financial Services Board Act, 1990 (Act 97 of 1990), as amended;
“IFRS”	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;

“Incentive Plan Circulars”	collectively the Distell Incentive Plan Circular and the Capevin Incentive Plan Circular;
“Income Tax Act”	the Income Tax Act, 1962 (Act 58 of 1962), as amended;
“Issuer Nominee Dematerialised DGHL Shareholders”	if the Distell Scheme is implemented, DGHL Ordinary Shareholders who, prior to implementation of the Distell Scheme and whilst they were Certificated Distell Shareholders, (i) failed to complete and return a Form of Surrender and Transfer (<i>blue</i>) in accordance with the instructions contained therein or (ii) in the Form of Surrender and Transfer (<i>blue</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;
“JSE”	the exchange licenced 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;
“Last Practicable Date”	the last practicable date prior to the finalisation of the Circular, being Wednesday, 13 September 2017;
“Linked Ordinary Shares”	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;
“Listings Requirements”	the JSE Listings Requirements, as amended from time to time;
“Mandatory Offer”	means a “mandatory offer” as contemplated in section 123 of the Companies Act;
“Mandatory Offer Requirement”	the obligation on Remgro International under the Takeover Regulations to make, and the right of the Distell Minorities and Capevin Minorities, respectively, to receive, a Mandatory Offer pursuant to the implementation of the RCI Exchange;
“Non-RCI Related Ordinary Shares”	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;
“Non-resident”	a person who is not considered to be an ordinary resident in South Africa in terms of the Exchange Control Regulations;
“Option Event/s”	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;
“PIC”	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;
“Prior Capevin Shares”	all Capevin Shares held by Remgro International immediately prior to implementation of the RCI Exchange;
“Prospectus”	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 Distell Circular to Scheme Participants;
“Rand” or “R” or “ZAR” and “cents”	South African Rand and cents, the official currency of South Africa;
“Rand Merchant Bank”	Rand Merchant Bank, a division of FirstRand Bank Limited (registration number: 1929/001225/06), a company incorporated in accordance with the company laws of South Africa;
“RCI”	Remgro-Capevin Investments Proprietary Limited (registration number: 1965/005620/07), a company incorporated in accordance with the company laws of South Africa;

“RCI Exchange”	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;
“RCI-Related Capevin Shares”	the Capevin Shares to be issued to Remgro International in terms of the RCI Exchange;
“RCI-Related Ordinary Shares”	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;
“Register”	the register of Certificated Distell Shareholders maintained by the Transfer Secretaries and the sub-register of Dematerialised Distell Shareholders maintained by the relevant CSDPs in accordance with section 50 of the Companies Act;
“Related Parties”	bears the meaning ascribed thereto in section 2 of the Companies Act;
“Remgro”	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;
“Remgro Beverages”	Remgro Beverages Proprietary Limited (registration number: 2016/394940/07), a company incorporated in accordance with the company laws of South Africa and which is a wholly owned subsidiary of Remgro;
“Remgro Exchange”	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;
“Remgro Group”	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;
“Remgro International”	Remgro International Holdings Proprietary Limited (registration number: 1968/006356/07), a company incorporated in accordance with the company laws of South Africa and which is a wholly owned subsidiary of Remgro;
“SAR/s”	equity settled share appreciation right/s granted in terms of either or both of the Distell Employee Scheme and the DGHL SAR Scheme;
“SAR Participant”	selected employees and executive directors of the various companies within the DGHL Group;
“SARB”	the South African Reserve Bank;
“Scheme of Arrangement”	a scheme of arrangement in terms of section 114 of the Companies Act;
“Scheme Participants”	the Distell Scheme Participants and the Capevin Scheme Participants;
“Schemes”	the Distell Scheme and the Capevin Scheme;
“SENS”	the Stock Exchange News Service of the JSE;
“South Africa” or “SA”	the Republic of South Africa;
“South African Competition Authorities”	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;
“Strate”	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;
“STT”	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;
“Subsidiaries” and “Subsidiary”	bears the meaning ascribed thereto in the Companies Act;
“Takeover Special Committee”	means the Takeover Special Committee, established in terms of section 202 of the Companies Act;

“Total Voting Rights”	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;
“Transaction”	bears the meaning ascribed thereto in paragraph 5 of this Circular;
“Transaction Step/s”	any 1 or more or all of the steps making up the Transaction, as detailed in paragraph 5 of this Circular;
“Takeover Regulations”	the Takeover Regulations issued in terms of section 120 of the Companies Act;
“Transfer Secretaries” or “Computershare”	Computershare Investor Services Proprietary Limited (registration number: 2004/003647/07), a company incorporated in accordance with the company laws of South Africa;
“Treasury Shares”	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;
“TRP”	the Takeover Regulation Panel established in terms of section 196 of the Companies Act;
“TRP Waiver Ruling”	means 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 Resolutions are approved by the requisite majorities of Distell Shareholders and Capevin Shareholders, respectively;
“VAT”	value-added tax, payable in terms of the Value-Added Tax, 1997 (Act 89 of 1991), as amended;
“Valid Demand/s”	demand/s made in terms of section 164(5) of the Companies Act, within the time period contemplated in section 164(7) of the Companies Act, by one or more Distell Shareholders or Capevin Shareholders, as the case may be, who comply with the requirements of section 164(5)(a) and (c) of the Companies Act, in terms of which such shareholder/s demand that Distell or Capevin, as the case may be, pay such shareholder/s the fair value for all of the shares such shareholder/s holds in Distell or Capevin, as the case may be;
“Voting Record Date”	the date and time at which Distell Shareholders must be recorded in the Register in order to be eligible to attend and vote at the Distell Scheme Meeting, expected to be 17h00 on Friday, 20 October 2017;
“Waiver”	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, or 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;
“Waiver Exemption”	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
“Waiver Resolution”	an ordinary resolution adopted by more than 50% of the Distell Minorities in respect of Distell, and more than 50% of the Capevin Minorities in respect of Capevin, in terms of which such Distell Minorities and Capevin Minorities, respectively, agree to waive the Mandatory Offer Requirement.



Distell Group Limited

(Incorporated in the Republic of South Africa)

(Registration Number: 1988/005808/06)

JSE Code: DST ISIN: ZAE000028668

("Distell" or "the Company")

Distell Directors

Executive

Richard Rushton

Lucas Verwey

Non-executive

Jannie Durand

Pieter Louw (alternate)

Ethel Matenge-Sebesho

Chris Otto

Independent Non-executive

Piet Beyers

Gugu Dingaan (alternate)

Dr Prieur du Plessis

Joe Madungandaba

Louisa Mojela

André Parker

Catherina Sevillano-Barredo

Ben van der Ross

CIRCULAR TO DISTELL SHAREHOLDERS

1. INTRODUCTION AND BACKGROUND

- 1.1 Distell 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 which they were advised that the Distell Independent Board had resolved, subject to a number of conditions, to simplify the multi-tiered ownership structure of Distell.
- 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.
 - 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 the fulfilment of the conditions precedent to the Transaction, be renamed "Distell Group Holdings Limited".
- 1.4 It is a condition to the Distell Scheme and Capevin Scheme, respectively, that the Distell Minorities and Capevin 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 6.0% 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 Distell Shareholders with information on the Transaction, DGHL, the waiver of the Mandatory Offer Requirement and to convene the Distell Scheme Meeting at which Distell Minorities will be asked to consider and, if deemed fit, pass the resolutions of Distell necessary to give effect to the Distell Scheme and the Waiver, which will result in the Distell Delisting.
- 2.2 Distell Shareholders are also encouraged to familiarise themselves with the content of the Prospectus, as well as the Capevin Circular which is available on the Capevin website (<http://www.capevin.com>) setting out *inter alia* the impact of the Transaction, including the Capevin Scheme, on Capevin Shareholders.

3. OVERVIEW OF THE TRANSACTION

- 3.1 In terms of the Transaction, Distell will propose a Scheme of Arrangement between Distell and the Distell Shareholders and Capevin will propose a Scheme of Arrangement between Capevin and the Capevin 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.

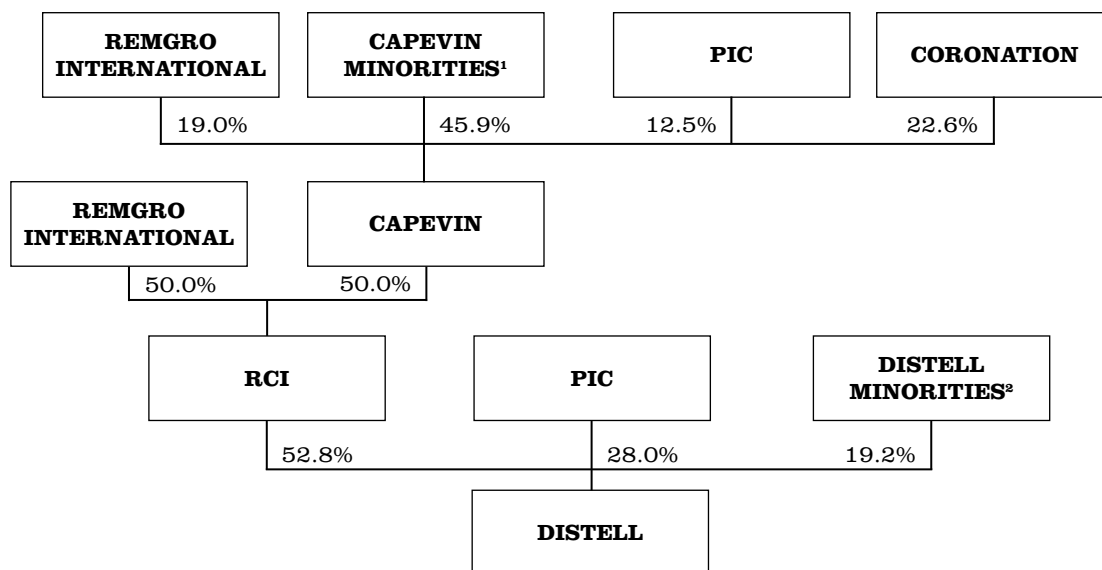
- 3.5 As stated above, subsequent to the aforementioned steps, Distell will become a wholly-owned Subsidiary of DGHL directly and indirectly (via RCI and Capevin). As part of the Distell Scheme, the Distell Shares will be delisted from the JSE. Similarly, as part of the Capevin Scheme, the Capevin Shares will be delisted from the JSE. The DGHL Listing will ensure that Distell Shareholders are able to trade their DGHL Ordinary Shares on the JSE, as they were previously able to trade their Distell Shares.
- 3.6 The DGHL Listing, B Share Issuance, RCI Exchange, Capevin Scheme, Remgro Exchange, Distell Scheme, Distell Delisting and Capevin 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, the Waiver and the Capevin Schemes as proposed at the Capevin Scheme Meeting; and (ii) RCI will not be entitled to vote on the resolutions to approve the Waiver and the 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 Distell Minorities and the Capevin Minorities;
 - The B Share Issuance will not lead to any economic dilution for the Distell Minorities or the Capevin 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 Annexure 8 of this 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 contained in the Capevin Circular.

3.10 Pre- and Post Transaction diagrams

Material Shareholding Pre-Transaction diagram:

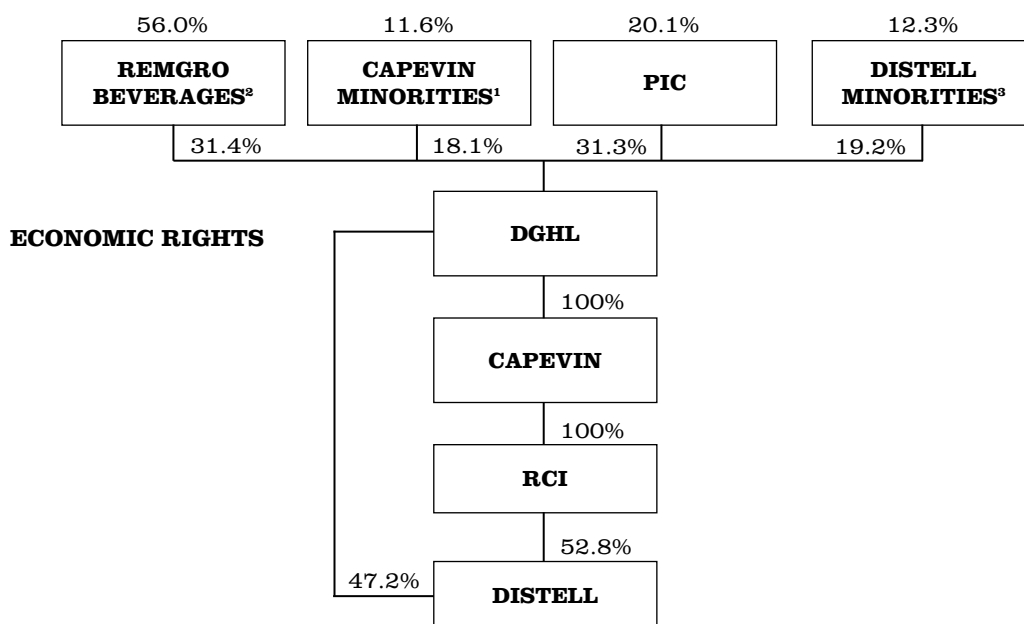


Notes:

1. Capevin minorities excluding PIC and Coronation.
2. Distell minorities excluding the PIC, but including a 3.2% interest held by Coronation.

Material Shareholding Post-Transaction diagram:

VOTING RIGHTS



Notes:

1. Capevin minorities including a 6.0% economic interest and a 3.8% voting interest held by Coronation.
2. The 56.0% voting interest and 31.4% economic interest held by Remgro Beverages includes the Linked Ordinary Shares and the DGHL Ordinary Shares that the Remgro Group will receive in exchange for its current 19.0% interest in Capevin and its 50% shareholding in RCI, both of which will be transferred to Remgro Beverages in terms of the Remgro Exchange.
3. The Distell minorities excludes PIC but includes a 3.2% economic interest and a 2.0% voting interest held by Coronation.

4. RATIONALE FOR THE TRANSACTION

- 4.1 The Distell Independent Board believes that, although the Transaction will provide the Remgro Group with specific rights regarding control of DGHL, the Transaction will nonetheless be beneficial to Distell, the Distell Minorities, 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 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 Distell's 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 Distell Independent Board resolved to submit the Distell Scheme to Distell Shareholders for their consideration.

5. TERMS OF THE TRANSACTION AND THE DISTELL 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 1 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 Distell Shareholders to implement the Distell Scheme and the Waiver as contained in the notice of the Distell Scheme Meeting annexed to this Circular, are adopted by the requisite majorities of Distell Minorities;

- 6.1.2 the Capevin Scheme becomes unconditional in accordance with its terms, save for the condition requiring that the Distell Scheme becomes unconditional;
 - 6.1.3 in respect of the Distell Shareholder Appraisal Rights, no Valid Demands are received by Distell or, if any Valid Demands are received by Distell, such Valid Demands are received from Distell Shareholders who, in aggregate, hold less than 5% of the aggregate Distell Shares in issue as at the Last Practicable Date;
 - 6.1.4 the South African Competition Authorities approve the implementation of the RCI Exchange;
 - 6.1.5 the Foreign Competition Authorities approve the implementation of the RCI Exchange; 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 Distell, Capevin 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 (i) the Condition Precedent detailed in paragraph 6.1.3 of this Circular, relating to the receipt by Distell of Valid Demands from Dissenting Distell Shareholders, which may be waived by agreement between Distell, Capevin and DGHL, and (ii) the Condition Precedent detailed in paragraph 6.1.5 of this Circular, relating to the approval of the RCI Exchange by the Foreign Competition Authorities, which may be waived by agreement between Distell, Capevin 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 Distell Scheme, 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 DISTELL 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 Distell Scheme immediately prior to its proposed implementation on Wednesday, 14 February 2018, the Distell Scheme will be implemented.
- 8.2 Pursuant to the Distell Scheme, each Distell Scheme Participant will be issued and allotted 1 DGHL Ordinary Share for every 1 Distell Share held:
- 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 and/or Distell Shares, as the case may be.

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, below.
- DGHL will adhere to the recognised and standardised electronic clearing and settlement procedures operating within the JSE environment.
- Subsequent to implementation of the Distell 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 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 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 3 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 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 DISTELL SCHEME

- 9.1 Subject to the Distell Scheme becoming unconditional and operative, Distell Scheme Participants shall –
- 9.1.1 be deemed, with effect from the Distell Operative Date, to have disposed of their Distell Shares to DGHL (and shall be deemed to have undertaken to transfer), free of encumbrances, and all risk and benefit in the Distell Scheme Participants’ Distell Shares will pass from the Distell 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 Shares to the Distell Scheme Participants, in accordance with the “Action Required by Distell Shareholders” section on page 5 of this Circular.
- 9.2 With effect from the Distell Operative Date, the Transfer Secretaries and/or each and every Director of Distell or any other person nominated by Distell will irrevocably be deemed to be the attorney and agent in *rem suam* of the Distell Scheme Participants to implement the transfer of the Distell 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 Distell Scheme and to take all steps necessary to procure electronic delivery of Distell 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 follow if Linked Ordinary Shares and/or B Shares are not transferred in accordance with the B Share terms.

10.3 If the Distell 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:

Distell Shareholder's direct interest in Distell	Before	After
Direct economic interest in Distell/DGHL	5.00%	5.00%
Direct voting interest in Distell/DGHL	5.00%	3.21%
Capevin Shareholder's indirect interest in Distell	Before	After
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 1 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 1 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 hold pursuant to the implementation of the RCI Exchange. The B Shares are only entitled to voting rights and have no right to any economic participation in DGHL save for the right, if 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 Shares 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 Distell Minorities or the Capevin 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), Distell 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 DISTELL SHAREHOLDERS

- 12.1 Insofar it is known to Distell, the names of all Distell Shareholders that, directly or indirectly, are beneficially interested in 5% or more of Distell Shares, together with the extent of such interests, as at the Last Practicable Date (excluding Treasury Shares), are as follows:

Distell

Shareholder	Number of Distell Shares held	Beneficial shareholding ¹ (%)	Beneficial shareholding excluding RCI ² (%)
PIC	62 193 303	28.0%	59.2%

1. Based on an aggregate of 222 382 356 issued Distell Shares, which excludes 2 997 994 Distell Shares held as Treasury Shares

2. Based on an aggregate of 222 382 356 issued Distell Shares, which excludes 2 997 994 Distell Shares held as Treasury Shares and 117 348 000 Distell Shares held by RCI

- 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 ¹	9.1%	5.9%

1. Representing clients of Coronation

13. LETTERS OF SUPPORT

- 13.1 As at the Last Practicable Date, the following Distell Shareholders, which collectively hold 31.2% of the Distell Shares, have provided letters of support to vote in favour of the Transaction and the resolutions relating to the Distell Scheme to be voted on at the Distell Scheme Meeting, namely:

Shareholder	Number of Distell Shares	% of Distell Shares ¹
PIC	62 193 303	28.0%
Coronation	7 078 835	3.2%

1. Based on the number of issued Distell shares of 222 382 356

- 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 in Distell. 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 3 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 3 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, Klipdrift, Nederburg, Richelieu, Savanna and Viceroy 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.

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, to ensure that appropriate talent and skills are retained within the Distell Group. Further details of this CSP Scheme are provided in the Incentive Plan 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 in relation to DGHL. Therefore, Distell, Capevin, DGHL and Remgro have agreed that, if the Distell Scheme 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 Plan 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 General 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 Scheme 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 Transaction is, for any reason (including if the Capevin Scheme and/or the Distell Scheme does not become unconditional), not implemented, it is proposed that the CSP Scheme nonetheless, but subject to the passing of the ordinary resolution detailed below (and explained more fully in the Distell Incentive Plan Circular), be implemented in relation to Distell.

In order to implement the CSP Scheme in relation to Distell (if the Transaction is not implemented) and in accordance with the requirements of Schedule 14 of the Listings Requirements, approval for such implementation must be obtained from the Distell Shareholders. The approval required from the Distell Shareholders in this regard is an ordinary resolution (requiring a 75% majority vote). It is proposed that such approval will be sought from the Distell Shareholders at the Distell CSP Meeting.

The proposed ordinary resolution required to approve the CSP Scheme in respect of Distell, if the Transaction is not implemented, is contained in the notice of the Distell CSP Meeting which is attached to and forms part of the Distell Incentive Plan Circular.

16. DISTELL DELISTING

Subject to the fulfilment of the Conditions Precedent detailed in paragraph 6 of this Circular, above, the shares of Distell will be suspended from trading on the JSE at the commencement of business on Friday, 9 February 2018 and Distell will delist from the Beverages sector of the JSE, with effect from the commencement of business on Thursday, 15 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 Resolutions are adopted by the Distell Minorities and Capevin Minorities, respectively, and the Waiver Exemption is granted by the TRP, Remgro International will not be obliged to make a Mandatory Offer to the Distell Minorities or Capevin Minorities, respectively. Distell Shareholders are further advised that the adoption of the Waiver Resolutions 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 Distell Minorities or Capevin Minorities, as the case may be, as independent shareholders holding more than 50% of the general voting rights of all the issued shares of Distell or Capevin, 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*, Waiver Resolutions are obtained from the Distell Minorities and Capevin Minorities, respectively. The Waiver Resolution in respect of the Distell Minorities is included in the notice of the Distell Scheme Meeting forming part of this Circular.

17.5 In terms of Regulation 86(7) of the Companies Regulations, the waiver of the Mandatory Offer Requirement by the Distell Minorities requires a fair and reasonable opinion. The required fair and reasonable opinion prepared by the independent expert is contained in Annexure 1 to this Circular. The Distell Independent Board, having received and considered the fair and reasonable opinion, is of the opinion that the waiver of the Mandatory Offer Requirement is fair and reasonable to the Distell Minorities. The Distell Independent Board accordingly recommends that Distell Minorities vote in favour of the Waiver Resolution proposed at the Distell Scheme Meeting.

17.6 The TRP has advised that it is willing to consider the application for the Waiver if the required majority of Distell 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 Distell Minorities and the Capevin Minorities, the application for the TRP Waiver Ruling will be submitted to the TRP.

- 17.8 Any Distell Shareholder who wishes to make representations to the TRP regarding the waiver of the Mandatory Offer Requirement 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:

If delivered by hand or courier:

The Executive Director
Takeover Regulation Panel
1st Floor, Block 2, Freestone Park
135 Patricia Road
Atholl
Johannesburg
2196

If emailed:

admin@trpanel.co.za

If faxed:

The Executive Director
Takeover Regulation Panel
+ 27 (0) 11 784 0062

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 Distell 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, Distell Shareholders are entitled, within 5 Business Days of the issue of the aforesaid announcement by Distell, to request the Takeover Special Committee to review the TRP Waiver Ruling.

18. DISTELL 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 Distell Scheme are voted on, a Distell Shareholder may give a written notice objecting thereto ("Notice of Objection");

18.1.2 within 10 Business Days after the Distell Shareholders have adopted the resolutions to enter into the Distell Scheme, Distell must send a notice ("Results Notice") that the resolutions have been adopted to each Distell 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 Distell Shareholder may, within 20 Business Days after receipt of the Results Notice, demand in writing that Distell pay the Distell Shareholder the fair value for all the Distell Shares held by that Distell Shareholder if:

- the Distell Shareholder sent Distell a Notice of Objection;
- Distell has adopted the resolutions in question; and
- the Distell 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 Distell Shareholders to Distell, as detailed in paragraph 18.1.3 above, must set out:

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

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

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

- 18.3 Distell 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 Distell Shareholder, as may be applicable.

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

- 18.5 The same condition precedent applies to the Capevin Scheme, in respect of the receipt by Capevin of Valid Demands from dissenting Capevin Shareholders in respect of the Capevin Shareholder Appraisal Rights. 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 the relevant condition precedent is waived as contemplated in the Capevin Circular.
- 18.6 If a Dissenting Distell Shareholder withdraws its demand to be paid the fair value of its Distell Shares before Distell makes an offer in terms of section 164(11) of the Companies Act or allows an offer made by Distell to lapse, or if Distell fails to make an offer in terms of section 164(11) of the Companies Act and the Dissenting Distell Shareholder withdraws its demand to be paid the fair value of its Distell Shares, as contemplated in section 164(9)(a) and (b) of the Companies Act (an “Offer Termination Event”), such Dissenting Distell 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 Distell Scheme; and
 - if the Offer Termination Event takes place after the Voting Record Date, be deemed to have been a Distell Shareholder as at the Distell Operative Date, provided that settlement of the DGHL Ordinary Shares to which such Dissenting Distell Shareholder is entitled, calculated in accordance with the Entitlement Ratio, and transfer of such Dissenting Distell Shareholders’ Distell Shares to DGHL shall take place as follows, namely: if the relevant Distell Shareholder is a Dematerialised Distell Shareholder, on the later of the Distell Operative Date and the date which is 5 Business Days after the Offer Termination Event occurs, or if the relevant Distell Shareholder is a Certificated Distell Shareholder, on the later of the Distell Operative Date and the date which is 5 Business Days after that Dissenting Distell Shareholder surrenders its Documents of Title and delivers a completed a Form of Surrender and Transfer (*blue*) in respect of the Distell 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 Circular.

19. FINANCIAL EFFECTS OF THE TRANSACTION

- 19.1 In simplistic terms, the Schemes entail a swap by Capevin Shareholders and Distell Minorities of the 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 Distell Shareholders or Capevin Shareholders because:
- 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); and
 - 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).
- 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 is provided:
- Annexure B to the Prospectus contains the audited financial statements of Distell for the 3 years ended 30 June 2017, prepared in accordance with IFRS, Annexure C to the Prospectus contains the audited financial statements of Capevin for the three years ended 30 June 2017, prepared in accordance with IFRS, and Annexure D to the Prospectus contains the historical financial information of RCI for the 3 years ended 30 June 2017, prepared in accordance with IFRS; and
 - Further historical financial information regarding Distell can be obtained from the Distell website www.distell.co.za and regarding Capevin can be obtained from the Capevin website www.capevin.com.

20. GOVERNING LAW

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

21. FOREIGN DISTELL SHAREHOLDERS

- 21.1 The issue of DGHL Ordinary Shares to Foreign Distell Shareholders in terms of the Distell Scheme may be affected by the laws of such Foreign Distell Shareholders' relevant jurisdiction. Those Foreign Distell 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.
- 21.2 Foreign Distell Shareholders are referred to Annexure 2 for further information on the restrictions applicable to Foreign Distell Shareholders.

22. EXCHANGE CONTROL

- 22.1 Distell 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 Distell Shareholders are in any doubt as to what action to take, they should consult their professional advisers.

23. TAXATION CONSIDERATIONS RELATING TO THE DISTELL SCHEME

- 23.1 Distell and DGHL intend to rely on the provisions of section 42 of the Income Tax Act in respect of the Distell 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 Distell Scheme.
- 23.2 Distell Shareholders are referred to Annexure 3 for information on the taxation consequences relating to the Distell Scheme.

24. MATERIAL INTERESTS OF DISTELL DIRECTORS

- 24.1 As at the Last Practicable Date, the Distell Directors held the following interests in Distell Shares (excluding Treasury Shares).

Name of Director	Indirect beneficial interest		SAR beneficial interest		Total beneficial interest	
	Distell Shares	Percentage interest	Distell Shares	Percentage interest	Distell Shares	Percentage Interest
DM Nurek	15 000	0.01%	–	–	15 000	0.01%
RM Rushton	–	–	559 007	0.25%	559 007	0.25%
LC Verwey	–	–	160 215	0.07%	160 215	0.07%
Total	15 000	0.01%	719 222	0.32%	734 222	0.33%

Based on 222 382 356 Distell Shares in issue, which excludes shares held as Treasury Shares

- 24.2 As at the Last Practicable Date, there were no dealings by Distell Directors subsequent to the financial period ended 30 June 2017.
- 24.3 Post the Distell Scheme being implemented, the abovementioned Distell Directors and their associates will no longer own any Distell Shares, as such shares will be exchanged with DGHL Ordinary Shares.

25. DISTELL DIRECTORS' SERVICE CONTRACTS AND REMUNERATIONS

The Distell Directors' service contracts and remuneration will not be varied as a result of the Distell Scheme. If the Distell Scheme becomes unconditional, the Distell Directors will be appointed as DGHL Directors, as detailed in Section One paragraph 1.2 of the Prospectus.

26. DISTELL DIRECTORS' INTERESTS IN THE DISTELL SCHEME

All Distell Shareholders will be treated equally in relation to the Distell Scheme, whether or not such Distell Shareholders are also directors of Distell. This means that the Distell Directors will receive DGHL Ordinary Shares, calculated in accordance with the Entitlement Ratio, pursuant to their holding of Distell Shares (if any) following the implementation of the Distell Scheme. The Distell Directors' interests in Distell are noted in paragraph 24 of this Circular, above.

27. DISTELL INDEPENDENT BOARD'S OPINION AND RECOMMENDATIONS

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

29. TRANSACTION EXPENSES

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

Service	Service provider	Estimated amount (R)
Legal adviser	CDH	R1 500 000
Independent Expert	Ernst & Young	R190 000
JSE inspection fees	JSE	R13 950
TRP inspection fees	TRP	R450 000
Ince	Printing	R125 000
Total		R2 278 950

30. RESPONSIBILITY STATEMENT

30.1 Distell Independent Board

The members of the Distell 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.

30.2 Distell Directors

The Distell Directors, collectively and individually, accept full responsibility for the accuracy of the information given in this Circular but excluding information in relation to the matters on which the Distell Independent Board has opined, 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, sponsor, 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 Distell Directors are not aware of any material changes in the financial or trading position of Distell 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 the Distell Group's financial position during the 12 months preceding the date of issue of this Circular.

34. MATERIAL CONTRACTS

Save as detailed below, Distell has not, for the 2 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 Distell, which contains an obligation or settlement that is material to Distell or the Distell Group. The only material contracts out of the ordinary course of business entered into by Distell in the 2 years preceding the Last Practicable Date are:

- 34.1 the agreement to propose and implement the Transaction, concluded with DGHL and Capevin. In this regard DGHL, Distell and Capevin 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; and
- 34.2 the agreements concluded in July 2017 in relation to the acquisition by Distell International Holdings Limited (a wholly owned subsidiary of Distell) of (i) 26% of Best Global Brands Limited ("BGB"), a holding company of a group which owns, manufactures and distributes the "Best" spirit brand in various countries throughout Africa, for US\$54.6 million ("Phase 1 of the BGB Transaction"); and (ii) once the relevant hurdles are achieved and conditions precedent met, but no earlier than the end of 2019, the remaining 74% of BGB for a purchase price determined with reference to a 9.3 x multiple of BGB's last 12 months, after tax, operating performance ("Phase 2 of the BGB Transaction"), as announced on SENS on 28 July 2017. Phase 1 of the BGB Transaction is not subject to any conditions precedent, has an effective date of 28 July 2017 and will be funded from internal cash resources. Phase 2 of the BGB Transaction will only be implemented if certain hurdles are met, which hurdles will be measured every 6 months from 30 June 2019 to 30 June 2022 against agreed criteria relating, *inter alia*, to (i) volumes delivered by the Angola operations, (ii) externalisation of cash remittances to other group companies; and (iii) minimum group profitability margins being achieved. Phase 2 of the BGB Transaction is, in addition, subject to the following conditions precedent, namely (i) all required regulatory approvals being obtained, (ii) Distell concluding a successful equity capital raising or obtaining the necessary funding to settle the purchase consideration payable in respect of Phase 2 of the BGB Transaction, and (iii) no material adverse change having occurred in Angola or any other territory comprising more than 20% of BGB's turnover. The purchase consideration payable in respect of Phase 2 of the BGB Transaction is payable in 2 (two) tranches, with 65% payable upon closing of Phase 2 of the BGB Transaction and the remaining 35% being deferred subject to certain hurdles being met within the earlier of 3 years of closing and 30 June 2023.

35. WORKING CAPITAL STATEMENT

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

36. FUNDING OF THE DISTELL SCHEME

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

37. GENERAL

- 37.1 Subject to the prior written consent of DGHL, and subject to the approval of the TRP, the Distell Board may consent, before or at the Distell Scheme Meeting, to any amendments, variations or modification to the Distell Scheme, provided that the Entitlement Ratio shall not be changed.
- 37.2 A certificate signed by a duly authorised director of each of Distell, Capevin and DGHL stating that the Distell Scheme is unconditional and has become operative, shall be binding on DGHL, Distell, Capevin and their shareholders.
- 37.3 All times and dates referred to in this Circular are subject to change by agreement between DGHL, Distell and Capevin, with the approval of the TRP and JSE where required. Any changes will be published on SENS.

38. DISTELL SCHEME MEETING

- 38.1 The Distell Scheme Meeting is to be held at 12h00 on Friday, 27 October 2017, at Van Ryn's Distillery & Brandy Cellar, Van Ryn Road, Vlottenburg, Stellenbosch, 7600, in order to consider and, if deemed fit, pass the special and ordinary resolutions of Distell necessary to give effect to the Waiver and the Distell Scheme, which will result in the Distell Delisting.
- 38.2 A notice convening the Distell Scheme Meeting is attached to and forms part of this Circular.
- 38.3 Remgro and its Related Parties and any persons Acting in Concert with Remgro 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 Distell and the offices of Rand Merchant Bank, 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 Distell Scheme Meeting:

- the written letters of consent as given in paragraph 31 above;
- the audited annual financial statements of Distell for the financial years ended 2015-2017 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 report detailed in Annexure 1;
- the rules of the Distell Employee Scheme;
- a signed copy of this Circular;
- a signed copy of the Capevin Circular (which is also available on the Capevin website: <http://www.capevin.com>); and
- the letters of support referred to in paragraph 13.

For and on behalf of the Distell Directors

AC Parker

Lead independent Director

Stellenbosch

Tuesday, 12 September 2017

ANNEXURE 1: REPORT AND OPINION OF THE INDEPENDENT EXPERT

The Independent Board
Distell Group Limited
Aan-de-Wagenweg
Stellenbosch
7600
South Africa

14 September 2017

INDEPENDENT EXPERT OPINION ON THE RESTRUCTURING OF DISTELL'S MULTI-TIERED SHAREHOLDING STRUCTURE

Dear Sirs

1 Introduction

Distell Limited ("Distell") currently has a multi-tiered ownership structure, in that Remgro Limited ("Remgro") and Capevin Holdings Limited ("Capevin") each own a material indirect interest in Distell via Remgro-Capevin Investments Pty Limited ("RCI"), which in turn holds a 52.8% direct interest in Distell.

The current ownership structure is viewed as a multi-tiered ownership structure as the JSE-listed Capevin's only assets comprise of the same basic assets as that of Distell.

Distell, in conjunction with Capevin and Remgro, have proposed a simplification of their multi-tiered ownership structure through the implementation of the Transaction.

The full details of the Transaction are set out in Distell's SENS announcement dated 22 June 2017 and are contained in this circular issued to Distell Shareholders ("Circular"), to which this opinion forms Annexure 1.

The salient details of the Transaction are as follows:

- A new entity has been established, namely Business Venture Investments No 1997 Limited ("DGHL"), whose ordinary shares will be listed on the JSE (the "DGHL Listing").
- Remgro will exchange its shareholding in RCI for shares in Capevin ("the RCI Exchange").
- Distell will propose a scheme of arrangement between Distell and Distell shareholders other than RCI ("Distell Minorities"), and Capevin will propose a scheme of arrangement between Capevin and Capevin shareholders, in terms of section 114 of the Companies Act, No 71 of 2008 ("Companies Act"), in terms of which DGHL will issue shares to all Capevin shareholders (the "Capevin Scheme") and all Distell Minorities (the "Distell Scheme") in exchange for their shares in Capevin and Distell, respectively, with the result that DGHL will own 100% of Distell directly and indirectly via Capevin and RCI.
- The issue of DGHL ordinary shares to all Capevin shareholders and Distell Minorities will have the result that they retain their current effective economic interest in Distell.
- DGHL will also issue unlisted voting shares (the "B Shares") to Remgro. The B Shares will have no economic rights but will have voting rights. The B Shares issued to Remgro will be "linked" to those DGHL ordinary shares that Remgro will receive in terms of the Capevin Scheme in exchange for its Capevin shares received in terms of the RCI Exchange (the "Linked Ordinary Shares"). The B Shares and accompanying Linked Ordinary Shares will provide Remgro with the same level of voting rights in Distell as it held immediately after the RCI Exchange, namely 52.8%.
- Distell and Capevin shares will be delisted from the JSE.

By agreement with the JSE and the TRP:

- Remgro will not be entitled to vote on the resolutions to approve the relevant steps of the Transaction, which will be proposed at the Capevin Scheme meeting; and
- RCI will not be entitled to vote on the resolutions to approve the relevant steps of the Transaction, which will be proposed at the Distell Scheme meeting.

The exchange of Distell shares for DGHL ordinary shares will occur on a one-to-one ratio for existing Distell shareholders and the exchange of Capevin shares for DGHL ordinary Shares will occur on a 1 to 0.0667 ratio, as set out in the table below, to retain the same economic interest in DGHL.

The table below provides a summary of the current direct ownerships of Distell and Capevin respectively prior to the Transaction:

Capevin Shareholders	Shares	Shareholders' interest
Remgro	167 645 356	19.0%
Coronation (1)	198 488 820	22.6%
PIC	109 587 699	12.5%
Capevin Minorities (excl. PIC and Coronation)	404 381 390	45.9%
Total	880 103 265	100.0%

Distell shareholders	Shares	Shareholders' interest
RCI (50% Remgro / 50% Capevin) (2)	117 348 000	52.8%
Remgro (2)	58 674 000	26.4%
Capevin	58 674 000	26.4%
PIC	62 193 303	28.0%
Distell Minorities (excl. PIC)	42 841 053	19.2%
Total	222 382 356	100.0%

Notes to tables:

1. Representing the clients of Coronation.
2. Remgro's holding is through RCI, which after the RCI Exchange is controlled by Remgro and provides Remgro 52.8% of the voting rights in Distell.

The table below provides a summary of the current economic interest and voting rights exercised by the various shareholder groupings in Distell, compared to their position in DGHL.

Summary of economic interests & voting rights exercised in Distell			Economic interest	Voting rights exercised
Remgro (via RCI)			26.4%	52.8%
Capevin Shareholders (via RCI) (3)			26.4%	0.0%
Remgro (via Capevin)			5.0%	0.0%
Coronation			6.0%	0.0%
PIC			3.3%	0.0%
Capevin Minorities (excl. PIC and Coronation)			12.1%	0.0%
PIC			28.0%	28.0%
Distell Minorities (excl. PIC)			19.2%	19.2%
Total			100.0%	100.0%

Summary of economic interests & voting rights exercised in DGHL	Ordinary Shares in DGHL	B Shares in DGHL	Economic interest	Voting rights exercised
Remgro (via RCI)	58 674 000	124 226 613	26.4%	52.8%
Capevin Shareholders (via RCI)	58 674 000	-	26.4%	16.9%
Remgro (via Capevin)	11 176 443	-	5.0%	3.2%
Coronation	13 232 689	-	6.0%	3.8%
PIC	7 305 903	-	3.3%	2.1%
Capevin Minorities (excl. PIC and Coronation)	26 958 966	-	12.1%	7.8%
PIC	62 193 303	-	28.0%	17.9%
Distell Minorities (excl. PIC)	42 841 053	-	19.2%	12.4%
Total	222 382 356	124 226 613	100.0%	100.0%

Notes to tables:

- Represents the minority shareholders of Capevin's interest in RCI that are converted to DGHL shares.

As required by the Companies Act, Distell has constituted an independent board in order to consider and deal with the Transactions and the Distell Scheme in particular ("the Distell Independent Board").

The Distell Scheme is a scheme of arrangement in terms of section 114 (1) of the Companies Act and an independent expert's report is accordingly, in terms of section 114 (3) of the Companies Act read with Regulations 90 and 110 of the Companies Regulations, 2011, as amended ("Companies Regulations"), required to be appointed by the Distell Independent Board.

Remgro International currently holds and will immediately before the implementation of the RCI Exchange hold approximately 19.1% of the issued Capevin shares. The implementation of the RCI Exchange will result in Remgro International holding approximately 59.5% of the issued shares in 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 voting rights in Capevin, having previously exercised less than 35% of such voting rights in Capevin. (It will as a directly consequence of the RCI Exchange therefore also acquire a beneficial interest in and be able to indirectly control the exercise of more than 35% of the voting rights in Distell).

Consequently, in terms of Section 123 of the Companies Act read with the Companies Regulations, Remgro is obliged to make a mandatory offer -

- to Capevin Minorities to acquire all of the ordinary shares of Capevin (other than those that it already owns) unless this requirement is waived in accordance with Regulation 86(4) of the Companies Regulations; and
- to Distell Minorities to acquire all of the ordinary shares of Distell (other than those owned by RCI) ("Distell Mandatory Offer"), unless this requirement is waived in accordance with Regulation 86(4) of the Companies Regulations ("Distell Mandatory Offer Waiver").

Regulation 86(4) of the Companies Regulations permits an exemption from the obligation to make a mandatory offer to be granted by the Takeover Regulation Panel (the "TRP") if the independent shareholders holding more than 50% of the general voting rights of all the affected shares of the relevant company 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.

It is a condition to the Distell Scheme and to the Capevin Scheme, that the Distell Minorities and Capevin Minorities respectively, via separate whitewash resolutions, waive their right to receive a mandatory offer from Remgro pursuant to the RCI Exchange and that the TRP grants a dispensation exempting Remgro from such mandatory offer Requirement.

The TRP has been asked to grant such an exemption, subject to more than 50% of the general voting rights of the Distell Minorities resolving to waive the right to receive a mandatory offer, as envisaged by regulation 86(4) of the Companies Regulations.

In terms of regulation 86(7) of the Companies Regulations, a proposal to shareholders to consider and vote on such a waiver requires a fair and reasonable opinion to be obtained from independent expert and for such report to be included in the applicable circular to shareholders.

2 Scope

The Distell Scheme constitutes a scheme of arrangement in terms of S114 (1) of the Companies Act No 71 of 2008 and as such an independent expert's report is required to be obtained by the Distell Independent Board and to be included in this Circular.

In terms of regulation 86(7) of the Companies Regulations, the proposal to Distell Minorities to consider and vote on the Distell Mandatory Offer Waiver requires a fair and reasonable opinion to be obtained from an independent expert and for such report to be included in this Circular to shareholders.

Ernst & Young Advisory Services (Proprietary) Limited ("EY") has been appointed by the Distell Independent Board as the independent expert -

- to provide a report in relation to the Distell Scheme, as required by section 114 (3) of the Companies Act read with Regulations 90 and 110 of the Companies Regulations; and
- to provide a fair and reasonable opinion in respect of the Distell Mandatory Offer Waiver, as required by regulation 86(7) of the Companies Regulations.

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

3 Responsibility

Compliance with the Companies Act and Takeover Regulations is the responsibility of the Distell Independent Board. Our responsibility is to report on the Distell Scheme and to provide an opinion in respect of the Distell Mandatory Offer Waiver in compliance with the Companies Act and Companies Regulations.

We confirm that our report has, insofar as it relates to the Distell Scheme, been provided to the Distell Independent Board for the sole purpose of assisting it in forming and expressing an opinion for the benefit of Distell Shareholders.

4 The terms "fair" and "reasonable"

Market value is defined as the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

A transaction will generally be considered "fair" to the company's shareholders if the benefits received by shareholders, as a result of a corporate action, are equal to or greater than the value surrendered.

The assessment of "reasonableness" is generally based on qualitative issues. Even though the consideration attributable to the transaction 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.

This report and opinion does not purport to cater for individual shareholders' positions but rather the general body of Distell Minorities.

A Distell shareholder's opinion regarding the Distell Scheme, the Distell Mandatory Offer Waiver and the Transaction may be influenced by his or her particular circumstances (for example taxation and the consideration received for the shares). Should a Distell shareholder be in doubt, he or she should consult an independent expert as to the merits Distell Scheme, the Distell Mandatory Offer Waiver or the Transaction, considering his/her personal circumstances.

5 Information utilized

We relied on financial and other information, including prospective financial information, obtained from Distell's management team, together with industry-related and other information in the public domain in developing our valuation model. Our conclusion is dependent on such information being complete and accurate in all material respects.

The principal sources of information used in performing our independent valuation and in formulating our opinion regarding the terms and conditions of the Distell Scheme include:

- SENS announcement released by the board of Distell on 22 June 2017
- Distell management's 5-year forecast
- 5-year strategy document prepared for the board and key stakeholders in June 2017
- Audited annual financial statements of Distell for the year ended 30 June 2016
- Interim financial statements of Distell for the half year ended 31 December 2016

Where practical, we have corroborated the reasonableness of the information provided to us for the purpose of our opinion, whether in writing or obtained through discussions with the respective management teams.

6 Procedures performed

We have undertaken the following procedures in evaluating the Distell Scheme and the Distell Mandatory Offer Waiver:

- Reviewed the envisioned steps for executing the Transaction as set out in the SENS announcement released by Distell on 22 June 2017.
- Compared the economic interests and voting rights of the various Distell shareholders prior to the Transaction and post the Transaction to establish whether:
 - The economic participation and rights to dividends have at least remained the same or improved;
 - The ability to influence the decision making of the business has not been deteriorated by losing their ability to block or support ordinary or special resolutions; and

- The value of the Distell shares would be negatively impacted by the Transaction, and more specifically by the introduction of the Capevin shareholders as new direct shareholders in DGHL.
- Reviewed the reasonableness of management's forecast assumptions, including:
 - Cash flow forecasts;
 - Projected profit and EBITDA margins;
 - Long term growth rates; and
 - Other performance measures.
- Performed a corroborative valuation as at 30 June 2017.
- Reviewed the correspondence between PIC and Distell to establish their support for the Transaction.
- Considered the rationale for the Transaction.
- Held discussions with management.
- Considered the information included in analysts' reports.

We have not held interviews with the Distell Shareholders.

7 Valuation approach and results

Distell

In considering the Distell Scheme, we performed a corroborative valuation of Distell based on the information available to us at 6 July 2017.

For the purposes of our valuation, our methodology included:

- Applying the income approach by way of a discounted cash flow forecast valuation, based on Distell management's most recent business plans.
- Assessing the impact of key internal value drivers on the projected cash flow targets, by amongst other procedures:
 - Considering the capital expenditure required to execute the growth plan;
 - Analysing the working capital investment required to execute the growth plan; and
 - Separating the expected returns generated from investments in operational efficiencies, or inorganic growth from new investments from the base operating businesses of Distell.
- Assessing the impact of various key external value drivers such as inflation, expected GDP growth, consumer confidence and interest rate yields on the risk profile of the projected cash flows and resultant discount rates.
- Below is a summary of our critical valuation assumptions applied:
 - A weighted average cost of capital ("WACC") of 11.57%;
 - Terminal growth rate of 5.3% based on South African inflation expectations;
 - EBITDA margin 11.7%;
 - A minority discount of 13% based on a 2016 independent survey;
 - That reliance can be placed on the historical and forecast financial information as prepared by Distell management; and
 - There are no undisclosed contingencies that could impact the value of Distell.

A sensitivity analysis performed on the key value drivers of Distell is summarised in the table below that sets out the valuation range determined. We note that the discount rate applied in the valuation is subject to the required return of the individual investor.

<i>Sensitivities</i>	Midpoint DCF valuation	WACC - 1%	WACC + 1%	Terminal growth + 1%	Terminal growth - 1%	Higher EBITDA growth	Lower EBITDA growth
Discount / premium to base	R30.40bn	20%	-12%	16%	-12%	28%	-37%

The above sensitivities were performed using the base DCF valuation of Distell and making the following adjustments to the key inputs and assumptions of the valuation:

- Increased and decreased the WACC of 11.57% by 1% respectively;
- Increased and decreased the terminal growth rate of 5.3% by 1% respectively; and
- Increased and decreased management's target EBITDA growth for each year in the forecast period by 1% respectively.

DGHL

In considering the Distell Scheme, we also performed a corroborative valuation of DGHL on a pro-forma basis based on the information available to us at 6 July 2017.

The sole investment of DGHL will be (i) a 52.8% indirect interest in Distell, held via Capevin and (ii) a direct 47.2% direct interest in Distell.

We have accordingly valued DGHL on a pro-forma basis by applying the same methodology as for Distell. The result of our valuation concluded that the one for one swap ratio of Distell shares for DGHL shares is fair.

The table below presents the expected swap ratio to be applied for Distell shareholders for the implied share prices determined in our valuation range.

<i>Valuation results</i>	Rands (billion)	Share price (Rands)	Distell swap ratio
Mid-point	30.39	136.67	1:1
Low	26.80	120.54	1:1
High	36.45	163.91	1:1

8. Approach to fairness and reasonableness of the Distell Mandatory Offer Waiver

In assessing the fairness and reasonableness of the Distell Mandatory Offer Waiver, we considered the following:

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

Ultimately the implementation of the RCI Exchange is merely one of series of steps comprising the Transaction, and following the implementation of the Transaction the earnings and dividends for all Distell shareholders will be the same as before the RCI Exchange. Ultimately the rights and interests of Distell Minorities are not materially affected by the RCI Exchange.

9 Shareholder rights

There will be no material change to the rights of the Distell Shareholders as a result of the execution of the Transaction.

It is noted that the PIC currently holds 28% of the voting rights in Distell and has the ability to exercise certain rights such as blocking a special resolution at annual general meetings. The Transaction will result in PIC's economic position being unaffected but its level of effective voting control diluting to 17.9%, which falls below the 25% threshold to block any special resolutions.

Valuation considerations

The DGHL ordinary shares will be issued at a price equivalent to the last trading price of the current Distell shares on the eventual implementation date, determined by the swap ratios set out for the various shareholders in the SENS announcements.

The current Distell Minorities will receive a direct swap for DGHL ordinary shares and will retain the same economic interest as before the Transaction.

The Transaction will introduce the Capevin shareholders as new shareholders in Distell, who will receive DGHL ordinary shares in lieu of their delisted Capevin shares at a ratio of 0.06667 DGHL ordinary shares for every 1 Capevin share held. The swap ratio will result in value being added for the Capevin shareholders as shareholders in DGHL, as the Capevin shares have historically traded at a discount to Distell shares, but this is not at the expense of Distell Minorities.

The anticipated added value generated for Capevin shareholders should not result in the holdings of the current Distell Minorities being decreased, as:

- Capevin shares have historically traded at a discount to that of Distell, which is brought on by the complex holding structure and additional head office costs incurred.
- Current Distell shareholders will retain their proportionate shareholding in DGHL, which in turn will retain the same economic and shareholder control over the operating assets as the current business.
- DGHL will hold 100% of Capevin, who in turn will hold 100% of RCI. Furthermore RCI and New Distell will hold 100% of Distell in which the operating assets are housed. The new holding structure should not result in DGHL ordinary shares being traded at a discount to the old shares.
- The share price of DGHL will possibly be positively influenced by the addition of a new grouping of minority shareholders, through added liquidity and a larger free float of shares traded.

Voting rights

The Transaction results in all of the Distell shareholders retaining the same economic interest in DGHL as what they held in Distell, however their voting rights are diluted by the issuance of the B Shares to Remgro. The other Distell Minorities whose voting rights are diluted from 19.2% to 12.4%, during the restructuring, are not considered to be unfairly impacted by the dilution as the individual shareholders' ability to influence the decisions of the company, either individually or as a grouping, has not changed. Distell directors that own shares in Distell are included in the Distell Minorities grouping. These directors are treated equitably with the other Distell Minorities.

Resolution to waive the right to receive a mandatory offer from Remgro

As a condition to the Distell Scheme and Capevin Scheme, the Distell Minorities and Capevin minorities will respectively be required, via separate whitewash resolutions each approved by the TRP, to waive their right to receive a mandatory offer from Remgro pursuant to the RCI Exchange.

The condition requires that the impacted parties pass the approved whitewash resolution based on the current shareholder's rights. Therefore, the Distell shareholders would have the right to block such a waiver, should they wish to do so.

10 Opinions

The Distell Scheme

Based on the results of our procedures performed, our detailed valuation work and the other considerations listed in paragraphs 6 to 9 above, we are of the opinion that the Distell Scheme is both fair and reasonable to Distell shareholders.

The Distell Mandatory Offer Waiver

Subsequent to the implementation of the RCI Exchange and the resultant increase of the voting control of Remgro in respect of Distell, the earnings and dividends for all Distell shareholders will be the same as before the RCI Exchange. Ultimately the economic rights and interests of Distell shareholders of Distell Minorities are not affected by the RCI Exchange.

Based on the results of our procedures performed, our detailed valuation work and the other considerations listed in paragraphs 6 to 9 above, we are of the opinion that the Distell Mandatory Offer Waiver is fair and reasonable to the Distell Shareholders.

11 Limiting conditions

The valuation above is provided solely in respect of this report and opinion and should not be used for any other purposes. Our opinion is based upon the information available to us up to 7 July 2017, including in respect of the financial, regulatory, securities market and other conditions and circumstances existing and disclosed to us at the date thereof. We have furthermore assumed that all conditions precedent, including any material regulatory, other approvals and consents required in connection with the Distell Scheme and the Transaction have been or will be timeously fulfilled and/or obtained. Accordingly, it should be understood that subsequent developments may affect this opinion, which we are under no obligation to update, revise or re-affirm.

This report and opinion does not purport to cater for each individual Distell shareholder's circumstances and/or risk profile, but rather that of the general body of shareholders taken as a whole. Each Distell shareholder's decision will be influenced by such shareholder's particular circumstances and, accordingly, shareholders should consult with an independent adviser if they are in any doubt as to the merits or otherwise of the Transaction.

This report and opinion is provided solely for the use of the Distell Independent Board and Distell Shareholders and for the sole purpose of assisting the Distell Independent Board in forming and expressing an opinion on the Distell Scheme for the benefit of the Distell Shareholders. Unless as stipulated in this letter, this opinion shall not, in whole or in part, be disclosed, reproduced, disseminated, quoted, summarised or referred to at any time, in any manner or for any purpose, nor shall any public references to EY or Ernst & Young Advisory Services Proprietary Limited be made by Distell or any of its affiliates, without the prior consent of Ernst & Young Advisory Services Proprietary Limited.

We have relied upon the accuracy of the information used by us in deriving our opinion albeit that, where practicable, we have corroborated the reasonableness of such information through, amongst other things, reference to work performed by independent third party/ies, historic precedent or our own knowledge and

understanding. While our work has involved an analysis of the valuation model and other information provided to us, our engagement does not constitute, nor does it include, an audit conducted in accordance with generally accepted auditing standards. Accordingly, we assume no responsibility and make no representations with respect to the accuracy of any information provided to us in respect of Distell.

Forecasts relate to uncertain future events and are based on assumptions, which may not remain valid for the whole of the forecast period. Consequently, forecast financial information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting purposes. We express no opinion as to how closely actual results will correspond to projections made by the management of Distell (including its underlying investments) and made available to us during the course of our review.

12 Independence, competence and fees

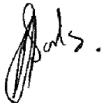
We confirm that we have no direct or indirect interest in Distell (including underlying investments) shares. We also confirm that we have the necessary qualifications and competence to provide this report and opinion on the acquisition.

Our fees amount to R190,000 excluding VAT and disbursements. Furthermore, we confirm that our professional fees are not contingent upon the success of the Distell Scheme.

13 Consent

We consent to the use of our name, the inclusion of this letter and the reference to our report and opinion in the Circular to be issued to the Distell Shareholders in the form and context in which it appears and in any required regulatory announcement or documentation.

Yours sincerely



Hannes Boshoff
Partner



Steve Alt
Partner

Ernst & Young Advisory Services Proprietary Limited

INFORMATION FOR FOREIGN DISTELL SHAREHOLDERS AND FOR ALL DISTELL SHAREHOLDERS IN RESPECT OF EXCHANGE CONTROL REGULATIONS

1. DISTRIBUTIONS TO FOREIGN DISTELL SHAREHOLDERS

The distribution of DGHL Ordinary Shares to Foreign Distell Shareholders, in terms of the Distell Scheme, may be affected by the laws of such Foreign Distell Shareholders' relevant jurisdiction. Those Foreign Distell 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 Distell 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 Distell Shareholder.

It is the responsibility of any Foreign Distell 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 Distell 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.

Distell reserves the right, but shall not be obliged, to treat as invalid any distribution of DGHL Ordinary Shares, in terms of the Distell Scheme, which appears to Distell 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 Distell believes or its agents believe that the same may violate applicable legal or regulatory requirements.

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

Excluded Foreign Distell Shareholders will, in respect of their entitlement to the DGHL Ordinary Shares, receive the average consideration per Distell 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 Distell Shareholder will only be paid once all such DGHL Ordinary 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 Distell 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 Distell 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 Distell Shareholders be credited to their blocked share accounts at the CSDP controlling their blocked portfolios; or
- in the case of Certificated Distell 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 payment pursuant to the Distell Scheme will, in the case of Dematerialised Distell Shareholders, be credited to their blocked banking account at the CSDP controlling their blocked portfolios or, in the case of Certificated Distell 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 Distell 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 Distell Shareholders be credited to their share accounts at the CSDP controlling their portfolios; or
- in the case of Certificated Distell 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 Distell Shareholder. It will be incumbent on the Distell 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 Distell 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 Distell Scheme will be regarded as freely transferable and, in the case of Dematerialised Distell 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 Distell Shareholder. It will be incumbent on the Distell 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 Distell Shareholder concerned pending the receipt of the necessary information or instruction.

TAXATION CONSIDERATIONS RELATING TO THE DISTELL SCHEME

The summary below is a general guide and is not intended to constitute a complete analysis of the taxation consequences of the Distell 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 Distell Shareholders' attention to certain key aspects of the tax legislation that may be relevant to them pursuant to the Distell Scheme.

Distell and its advisers cannot be held responsible for the taxation consequences that the Distell Scheme may have on individual Distell Shareholders and therefore Distell 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 Distell Shareholders that are subject to South African tax legislation whose receipts and accruals are not otherwise exempt from income tax.

The Distell Scheme may constitute an 'asset-for-share transaction' between Distell 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 DISTELL SHARES BY DISTELL SHAREHOLDERS FOR DGHL ORDINARY SHARES**

Where the market value of the Distell Shares exceeds their base costs, on the basis that Distell Shareholders hold the Distell Shares as capital assets, the Distell Scheme should not attract CGT. Distell Shareholders will be deemed to have disposed of their Distell 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.

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

2. **DISTELL SHARES HELD AS TRADING STOCK**

Where the market value of the Distell 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 Distell Shareholders hold the Distell Shares as trading stock, the exchange should not attract income tax. Distell Shareholders will be deemed to have disposed of their Distell 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.

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

3. **SECURITIES TRANSFER TAX**

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

4. **NON-RESIDENT SHAREHOLDERS**

Distell 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 Distell 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.

EXTRACT OF THE EXCHANGE CONTROL REGULATIONS

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.

EXTRACTS OF SECTIONS 115 AND 164 OF THE COMPANIES ACT

“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:
 - (a) withdrawn that notice; or
 - (b) 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:
- (a) that shareholder must comply with the requirements of subsection 13(a); and
 - (b) 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."

TABLUAR SUMMARY OF THE B SHARE TERMS

Key B Share terms

Key Term	B Share terms
Class of Shares	<ul style="list-style-type: none"> • Unlisted, non-convertible, no par value shares • Voting rights but no economic participation (save as detailed below) • Issued at a nominal value of R0.00001 per B Share • B Shares will be linked to the Linked Ordinary Shares (collectively, for purposes of this Annexure, “B/Linked Ordinary Shares”) immediately after implementation of the Remgro Exchange and cannot be traded separately from each other • To be issued in a pre-determined ratio of B Shares to DGHL Ordinary Shares, namely the B Share Ratio, which is 2.117 B Shares for every 1 Linked Ordinary Share
Voting Rights	<ul style="list-style-type: none"> • 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
Economic Rights	<ul style="list-style-type: none"> • 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"> – Not entitled to participate in any profits of DGHL – Not entitled to any dividends from DGHL
Administering B Shares	<ul style="list-style-type: none"> • Disposal or transfer of B/Linked Ordinary Shares held by a B Shareholder must be as follows: <ul style="list-style-type: none"> – Linked Ordinary Shares (linked to B Shares): 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, plus – B Shares (linked to Linked Ordinary Shares): must be off-market • 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
Adjustments	<ul style="list-style-type: none"> • 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 implementation of the relevant corporate event or alteration of share capital

Effective voting threshold/procedural issue	Disposal term	Effect	Rationale for the term
Procedural	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.	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.	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.
	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.	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.	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, or any “off-market disposal of Linked Ordinary Shares without a disposal of the B Shares linked to such Linked Ordinary Shares.

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 all the 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 ("25% Election Term").</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> <p>to make the same offer to all other DGHL Ordinary Shareholders at the same price it paid for the B/Linked Ordinary Shares; or</p> <p>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 DGHL Ordinary Shares.</p>	<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>

Effective voting threshold/procedural issue	Disposal term	Effect	Rationale for the term
≥ 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>

MANAGEMENT OF CONFLICT AND MAINTENANCE OF INDEPENDENCE

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

In particular:

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

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

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

- AC Parker (chair)
- GP Dingaan
- DP du Plessis
- LM Mojela
- MJ Madungandaba
- PE Beyers
- CE Sevillano-Barredo
- BJ van der Ross

**ILLUSTRATIVE DILUTIVE EFFECT ON VOTES NOTIONALLY EXERCISABLE
BY DISTELL SHAREHOLDERS IN DGHL**

Effective voting interest of Distell Shareholders pre-Transaction

RCI (50% Remgro/50% Capevin)	52.8%
PIC	28.0%
Distell minorities (excluding PIC)	19.2%

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

Remgro Beverage (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)	10.2%
Capevin minorities (excluding PIC and Coronation)	7.8%



Distell Group Limited

(Incorporated in the Republic of South Africa)

(Registration Number: 1988/005808/06)

JSE Code: DST ISIN: ZAE000028668

("Distell" or "the Company")

Distell Directors

Executive

Richard Rushton

Lucas Verwey

Non-executive

Jannie Durand

Pieter Louw (alternate)

Ethel Matenge-Sebesho

Chris Otto

Independent Non-executive

Piet Beyers

Gugu Dingaan (alternate)

Dr Prieur du Plessis

Joe Madungandaba

Louisa Mojela

André Parker

Catharina Sevillano-Barredo

Ben van der Ross

NOTICE OF SCHEME MEETING

If you are in any doubt as to what action you should take in respect of the Distell 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 Distell Shareholders will be held at Van Ryn's Distillery & Brandy Cellar, Van Ryn Road, Vlottenburg, Stellenbosch, at 12h00 on Friday, 27 October 2017 ("**Distell Scheme Meeting**") 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 Distell Scheme Meeting Friday, 15 September 2017

Last day to trade in order to be eligible to attend and to vote at the Distell Scheme Meeting Tuesday, 17 October 2017

Record date for Distell Shareholders to be recorded in the Register in order to be eligible to attend and vote at the Distell Scheme Meeting ("**Voting Record Date**") Friday, 20 October 2017

For administrative purposes, date by which forms of proxy for the Distell Scheme Meeting are to be lodged, by 12h00 Wednesday, 25 October 2017

Date of Distell Scheme Meeting (12h00) Friday, 27 October 2017

Results of Distell Scheme Meeting released on SENS Friday, 27 October 2017

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

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

- A Distell Shareholder who is entitled to attend and vote at the Distell Scheme Meeting is entitled to appoint a proxy, or 2 or more proxies, to attend and participate in and vote at the Distell Scheme Meeting in the place of the Distell Shareholder, by completing the form of proxy in accordance with the instructions set out herein, and Distell Shareholders are referred to the attached form of proxy (*blue*) in this regard.
- A proxy need not be a Distell Shareholder.
- Distell 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 Distell Scheme Meeting, before being entitled to attend or participate in the Distell Scheme Meeting. Forms of identification include valid identity documents or smart cards, driver's licences and passports.

SPECIAL RESOLUTION NUMBER 1: APPROVAL OF THE DISTELL SCHEME

“**RESOLVED THAT**, subject to the Distell Scheme becoming unconditional (save for any condition relating to this resolution being passed), the Distell Scheme (more fully described in the Distell Circular), proposed by Distell between Distell and the Distell Minorities, 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 1 to be adopted is at least 75% of the voting rights exercised on the resolution.

Neither RCI nor any holders of Treasury Shares will be entitled to vote on Special Resolution Number 1.

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 1 is to obtain the approval of Distell Shareholders, in terms of section 114 read with section 115 of the Companies Act, for the Distell Scheme.

SPECIAL RESOLUTION NUMBER 2 – REVOCATION OF SPECIAL RESOLUTION NUMBER 1 IF THE DISTELL SCHEME DOES NOT BECOME UNCONDITIONAL OR IS NOT CONTINUED

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

- (i) Special Resolution Number 1 being approved by the Distell Shareholders; and
- (ii) the Distell Scheme not becoming unconditional for whatever reason;

Special Resolution Number 1 is revoked with effect from the date of the announcement by Distell that the Distell 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 2 to be adopted is at least 75% of the voting rights exercised on the resolution.

Neither RCI nor any holders of Treasury Shares will be entitled to vote on Special Resolution Number 2.

Explanatory Note

The reason for and effect of Special Resolution Number 2 is to ensure that the Distell Scheme will terminate and not be implemented, notwithstanding the approval of Special Resolution Number 1, if the Distell 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, Distell is not obliged to pay any Dissenting Distell Shareholder the fair value of their Distell Shares.

ORDINARY RESOLUTION NUMBER 1 – WAIVER BY DISTELL MINORITIES OF THE MANDATORY OFFER REQUIREMENT IN TERMS OF REGULATION 86(4) OF THE REGULATIONS TO THE COMPANIES ACT

“**RESOLVED THAT** the Distell 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 Distell 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.

Neither RCI nor any holders of Treasury Shares will be entitled to vote on Ordinary Resolution Number 1.

ORDINARY RESOLUTION NUMBER 2 – AUTHORISATION OF MEMBERS OF THE DISTELL INDEPENDENT BOARD

“**RESOLVED THAT** any of the members of the Distell Independent Board be and are hereby authorised to do all things and sign all documents required to give effect to and implement Special Resolution Number 1, Special Resolution Number 2, and Ordinary Resolution Number 1 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.

Neither RCI nor the holders of Treasury Shares will 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 3 Distell Shareholders personally present (or represented by proxy) and entitled to vote at the Distell Scheme Meeting. In addition, a quorum shall comprise at least 25% of all voting rights entitled to be exercised by Distell Shareholders in respect of the resolutions above.

The time and date on which Distell 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 Distell Scheme Meeting is 17h00 on Friday, 20 October 2017. Accordingly, the last day to trade Distell Shares in order to be recorded in the Register of Distell Shareholders to vote at the Distell Scheme Meeting will be Tuesday, 17 October 2017.

VOTING AND PROXIES

A Distell Shareholder entitled to attend and vote at the Distell Scheme Meeting is entitled to appoint 1 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 Distell Shareholder present in person or represented by proxy shall have 1 vote only. On a poll, every Distell Shareholder present in person or represented by proxy shall have 1 vote for every share held in the Company by such Distell Shareholder.

A form of proxy (*blue*) is attached for the convenience of any Distell Shareholder holding Certificated Distell Shares or Dematerialised Distell Shareholders who have elected “own-name” registration, who cannot attend the Distell 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 (*blue*) 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, Republic of South Africa (PO Box 61051, Marshalltown, 2107) or the registered office of the Company, to be received by no later than 12h00 on Wednesday, 25 October 2017. Alternatively, the form of proxy may be handed to the Chairperson of the Distell Scheme Meeting before the Distell Scheme Meeting commences at 12h00 on Friday, 27 October 2017. Any Distell Shareholder who completes and lodges a form of proxy (*blue*) will nevertheless be entitled to attend and vote in person at the Distell Scheme Meeting should the Distell Shareholder subsequently decide to do so.

Attached to the form of proxy is an extract of Section 58 of the Companies Act, to which Distell 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 Distell 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 Distell Scheme Meeting. Such Distell Shareholders must not complete the attached form of proxy (*blue*).

ELECTRONIC PARTICIPATION

Distell Shareholders or their proxies may participate in (but not vote at) the Distell Scheme Meeting by way of electronic communication and, if they wish to do so:

- must contact the Company (by email at the address hcmalan@distell.co.za or telephone at +27 21 809 8104), by no later than 12h00 on Wednesday, 25 October 2017 in order to obtain a pin number and dial-in details for that conference call;
- will be required to provide reasonably satisfactory identification; and
- will be billed separately by their own telephone service providers for their telephone call to participate in the Distell Scheme Meeting;

provided that Distell Shareholders and their proxies will not be able to vote telephonically (or by any other form of electronic voting) at the Distell Scheme Meeting and will still need to appoint a proxy to vote on their behalf at the Distell Scheme Meeting.

DISTELL SHAREHOLDER APPRAISAL RIGHTS

In accordance with section 164, read with section 115, of the Companies Act, at any time before Special Resolution 1 as set out in this notice convening the Distell Scheme Meeting is voted on, a Distell Shareholder may give the Company a written notice objecting to the special resolution.

Within 10 Business Days after Distell has adopted Special Resolution 1, Distell must send a notice that the special resolution has been adopted to each Distell Shareholder who:

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

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

- the Distell Shareholder has sent Distell a written notice of objection;
- Distell has adopted Special Resolution 1; and
- the Distell Shareholder voted against Special Resolution 1 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 Distell Circular. Further detail regarding the process and consequences of a Distell Shareholder exercising its Distell Shareholder Appraisal Rights are set out in paragraph 18 of the Distell Circular.

By order of the Board

Distell Group Limited

Registered office

Distell Group Limited
(Registration number: 1988/005808/06)
Aan-de-Wagenweg
Stellenbosch, 7600
(PO Box 184, Stellenbosch, 7599)

Transfer secretaries to Distell

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



Distell Group Limited

(Incorporated in the Republic of South Africa)

(Registration Number: 1988/005808/06)

JSE Code: DST ISIN: ZAE000028668

("Distell" or "the Company")

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 Distell Shareholders holding Certificated Distell Shares and/or Dematerialised Distell 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 Distell Scheme Meeting to be held at Van Ryn's Distillery & Brandy Cellar, Van Ryn Road, Vlottenburg, Stellenbosch, at 12h00 on Friday, 27 October 2017 (the "**Distell Scheme Meeting**") or any postponement or adjournment thereof.

If you are a Dematerialised Distell Shareholder, other than with "own-name" registration, do not use this form. Dematerialised Distell 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 Distell Shareholders having Distell 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 Distell Scheme Meeting by giving written notice to Distell of the appointment of that representative.

Each Distell Shareholder is entitled to appoint 1 or more proxies (who need not be shareholders of the Company) to attend, speak and vote in place of that Distell Shareholder at the Distell Scheme Meeting.

Please read the notes on the reverse hereof carefully, which, amongst other things, set out the rights of Distell 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 Distell Shares hereby appoint:

1. or failing him/her,

2. or failing him/her,

3. the Chairman of the Distell Scheme Meeting,

as my/our proxy to attend and speak and to vote for me/us and on my/our behalf at the Distell 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 Distell Scheme Meeting, and to vote on the resolutions in respect of the Distell Shares registered in my/our name(s), in the following manner (see note 1):

Shares	Number of votes (Shares)		
	*For	*Against	*Abstain
Special resolution number 1 – Approval of the Distell Scheme			
Special resolution 2 – Revocation of Special Resolution Number 1 if the Distell Scheme does not become unconditional and is not continued			
Ordinary resolution number 1 – Waiver by Distell Minorities of the Mandatory Offer in terms of regulation 86(4) of the Companies Regulations			
Ordinary resolution number 2 – Directors' authority			

* 1 vote per share held by Distell 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 Distell Shares than you own in the Company, insert the number of Distell 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 Distell Shareholder entitled to attend and vote at the Distell 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 Distell Shareholder is entitled to appoint 1 or more proxies to attend, speak and vote in place of that Distell Shareholder at the Distell Scheme Meeting.

Please read the notes on the reverse side hereof.

Notes:

1. This form of proxy is only to be completed by those Distell Shareholders who:
 - (a) hold Distell Shares in certificated form; or
 - (b) are recorded in the sub-register in electronic form in their "own name", on the date on which Distell Shareholders must be recorded as such in the Register (Voting Record Date) maintained by the Transfer Secretaries, Computershare Investor Services Proprietary Limited, Ground Floor, 15 Biermann Avenue, Rosebank, Johannesburg, 2196, Republic of South Africa, or at the registered office of the Company, in order to vote at the Distell Scheme Meeting being held on Friday, 27 October 2017, and who wish to appoint another person to represent them at the Distell Scheme Meeting.
2. This form of proxy will apply to all the Distell Shares registered in the name of the Distell 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 Distell Shareholders wishing to attend the Distell Scheme Meeting must, before the meeting, verify with the Transfer Secretaries (being Computershare Investor Services Proprietary Limited) that their Distell Shares are registered in their name.
4. Beneficial Shareholders whose Distell 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 Distell Shareholder and they should contact the registered Distell Shareholder for assistance in issuing instructions on voting their Distell Shares, or obtaining a proxy to attend, speak and vote at the Distell Scheme Meeting.
5. A Distell Shareholder may insert the name of a proxy or the names of 2 or more alternative proxies of the Distell Shareholder's choice in the space provided, with or without deleting "the Chairman of the Distell Scheme Meeting". The person whose name stands first on this form of proxy and who is present at the Distell 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 Distell, 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 Distell Scheme Meeting, even if the Distell Scheme Meeting or a part thereof is postponed or adjourned. This form of proxy shall not be used at the resumption of the Distell Scheme Meeting (if adjourned), if it could not have been used at the Distell Scheme Meeting from which the adjournment took place for any reason other than that it was not lodged timeously for the Distell Scheme Meeting from which the adjournment took place.
8. A Distell 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 Distell Shareholder wishes to cast his or her votes in respect of a lesser number of Distell Shares than he or she owns in the Company, the number of Distell Shares in respect of which he or she desires to vote should be inserted in the space provided. If: (i) a Distell 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 Distell Shareholder will be deemed to authorise the Chairman of the Distell Scheme Meeting, if the Chairman is the authorised proxy, to vote in favour of the resolutions at the Distell Scheme Meeting, or any other proxy to vote or to abstain from voting at the Distell Scheme Meeting as he/she deems fit, in respect of all the Distell Shareholder's votes exercisable thereat. If, however, the Distell 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 Distell Shareholder from attending the Distell Scheme Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Distell 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 Distell Shareholder chooses to act directly and in person in the exercise of any rights as a Distell 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 Distell 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 Distell 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 Distell 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 Distell 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 Distell 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 Distell Shares. For this purpose, seniority will be determined by the order in which the names of such Distell Shareholders appear in the Register.
15. If duly authorised, companies and other corporate bodies who are Distell Shareholders having Distell 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 Distell Scheme Meeting by giving written notice of the appointment of that representative. This notice will not be effective at the Distell 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, Republic of South Africa or at the registered office of the Company, to reach the Company by no later than 12h00 on Wednesday, 25 October 2017.

16. This form of proxy may be used at any adjournment or postponement of the Distell Scheme Meeting, including any postponement due to a lack of quorum, unless withdrawn by the Distell 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 12h00 on Wednesday, 25 October 2017 (or 48 hours (on Business Days only) before the resumption of an adjourned Distell Scheme Meeting which date, if necessary, will be released on SENS). Alternatively, this form of proxy may be handed to the Chairman of the Distell Scheme Meeting before the Distell Scheme Meeting commences at 12h00 on Friday, 27 October 2017.
18. If this form of proxy has been delivered to Distell, as long as that appointment remains in effect, any notice that is required by the Companies Act or Distell's memorandum of incorporation to be delivered by Distell to the Distell Shareholder must be delivered by the Company to (i) the Distell Shareholder or (ii) the proxy or proxies, if the Distell Shareholder has directed Distell in writing to do so and paid any reasonable fee charged by Distell 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;
 - (a) 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;
 - (a) the company must not require that the proxy appointment be made irrevocable; and
 - (a) 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."



Distell Group Limited

(Incorporated in the Republic of South Africa)

(Registration Number: 1988/005808/06)

JSE Code: DST ISIN: ZAE000028668

("Distell" or "the Company")

Distell Directors

Executive

Richard Rushton

Lucas Verwey

Non-executive

Jannie Durand

Pieter Louw (alternate)

Ethel Matenge-Sebesho

Chris Otto

Independent Non-executive

Piet Beyers

Gugu Dingaan (alternate)

Dr Prieur du Plessis

Joe Madungandaba

Louisa Mojela

André Parker

Catharina Sevillano-Barredo

Ben van der Ross

FORM OF SURRENDER AND TRANSFER

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 Distell between Distell and the Distell Minorities, to which DGHL is a party, as defined in the Circular ("**Distell Scheme**").
- Full details of the Distell Scheme are contained in the Circular to Distell Shareholders dated 20 September 2017, to which this form is attached and forms part.
- **This form is attached for Distell Scheme Participants who are Certificated Distell Shareholders, to enable them to surrender their Documents of Title prior to the date of the Distell Scheme Meeting to be held at 12h00 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 Distell Shareholders.**
- **If the Distell Scheme is implemented, Certificated Distell 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 DISTELL SHARES MUST NOT COMPLETE THIS FORM OF SURRENDER AND TRANSFER

1. This form of surrender and transfer is for use only by Certificated Distell Shareholders.
2. A separate form of surrender and transfer is required for each Certificated Distell Shareholder.
3. Part A and Part C must be completed by all Distell Scheme Participants who return this form.
4. All Distell 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 Distell Shares, it will be treated as a conditional surrender which is made subject to the terms of the Circular and to the Distell Scheme becoming operative. In the event of the Distell Scheme not becoming operative for any reason whatsoever, the Transfer Secretaries, Computershare Investor Services Proprietary Limited, will, by not later than 5 Business Days after the date upon which it becomes known that the Distell Scheme will not be operative, return the Documents of Title to the Distell Shareholders concerned, by registered mail, at the risk of such Distell Shareholder.
6. Persons who have acquired Distell 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.distell.co.za) or from the Transfer Secretaries, Computershare Investor Services Proprietary Limited, 15 Biermann Avenue, Rosebank, Johannesburg, 2196, Republic of South Africa, (PO Box 61763, Marshalltown, 2107).
7. The DGHL Ordinary Shares will not be delivered to Distell Scheme Participants who are Certificated Distell Shareholders unless and until this form of surrender and transfer has been completed and the Documents of Title (together with this form) in respect of the relevant Distell 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

Dear Sirs,

PART A – TO BE COMPLETED BY ALL DISTELL SCHEME PARTICIPANTS WHO ARE CERTIFICATED DISTELL SHAREHOLDERS AND WHO ARE NOT EMIGRANTS OF THE COMMON MONETARY AREA.

I/We hereby surrender the Distell Share certificate/s and/or other Documents of Title attached hereto, representing Distell Shares, registered in the name of the person mentioned below, and authorise the Transfer Secretaries, conditional upon the Distell Scheme becoming operative, to register the transfer of these Distell Shares into the name of DGHL or its nominee(s).

Name of shareholder	Certificate number(s)	Number of Distell Shares covered by each certificate(s) enclosed
Total		

Surname or name of corporate body:

First names (in full):

Title (Mr, Mrs, Miss, Ms, etc.):

Telephone number (office):

Telephone number (work):

Cell number:

Fax Number:

Email address:

In order to comply with the requirements of the Financial Intelligence Centre Act, 2001 (Act 38 of 2001), the Transfer Secretaries, Computershare Investor Services Proprietary Limited, will not be able to record any change of address mandated unless the following documentation is received from the relevant Distell Shareholder:

- An original certified copy of your identity document;
- An original certified copy of a document issued by the South African Revenue Services to verify your tax number. If you do not have one, please confirm this in writing and have the letter signed by a Commissioner of Oaths; and
- An original or an original certified copy of a service bill to verify your residential address e.g. rates/electricity bill or telephone bill (not a mobile telephone account) bearing your name and current residential address. Alternatively you may provide any two retail credit account statements (e.g. Edgars, Jet, Woolworths etc), that reflect your residential address. Should the service bill be in the name of a third party, please supply a certified copy of the homeowner's identity document, service bill and a completed and signed "Co-Habitant form" in the form required by the Transfer Secretaries, Computershare Investor Services Proprietary Limited. Please note that all documents should be dated within the preceding 3 months.

Please note that copies of certified copies will not be accepted.

PLEASE SIGN BELOW – ALL DISTELL SCHEME PARTICIPANTS WHO ARE CERTIFICATED DISTELL SHAREHOLDERS MUST SIGN

Signature of Distell Shareholder(s)	Stamp and address of agent lodging this form (if any)
Assisted by me (if applicable)	
State full name and capacity	
Date	
Telephone number (home)	
Telephone number (work)	
Cell phone number	

PART B: TO BE COMPLETED BY DISTELL SCHEME PARTICIPANTS WHO ARE CERTIFICATED DISTELL SHAREHOLDERS AND 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 DISTELL SHAREHOLDERS TO CONFIRM THEIR ACCOUNT DETAIL FOR SETTLEMENT OF THEIR DGHL ORDINARY SHARES.

All Distell Shareholders (save for Dissenting Distell 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 Distell 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 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.

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 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 on reverse side hereof.

Instructions:

1. This form of surrender and transfer is irrevocable and may not be withdrawn once submitted.
2. Distell 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 Distell Scheme and the Entitlement Ratio will be held by Distell or the Transfer Secretaries, pending receipt by the Transfer Secretaries of lawful instructions from the Scheme Participants concerned.
5. Any alteration to this form must be signed by the 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 Distell or its Transfer Secretaries). This does not apply in the event of this form bearing a JSE Broker's stamp.
7. Where the Scheme Participant is a company or a close corporation, unless it has already been registered with Distell or its Transfer Secretaries, a certified copy of the Distell Scheme Participant's directors' or members' resolution authorising the signing of this Form must be submitted, if so requested by Distell.
8. If this form is not signed by the Scheme Participant, the Scheme Participant will be deemed to have irrevocably appointed the Company Secretary of Distell or its Transfer Secretaries to implement the Scheme Participant's obligations under the Distell Scheme on his/her behalf.
9. Where there are any joint holders of any Distell 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 Distell.

