

Dear Shareholder

**Scheme of Arrangement: Distell Group Holdings Limited and Heineken International B.V –
Dividend Withholding Tax Administration**

We refer the circular to shareholders dated 17 January 2022 (“the Circular”) and the scheme of arrangement approved by shareholders on 15 February 2022 (“the Scheme”).

As set out in the Circular, one of the transactions to be implemented in terms of the overall Scheme (once all relevant conditions have been fulfilled) will be the distribution of all the shares in Capevin Holdings Proprietary Limited (“Capevin”) to shareholders in the ratio set out in the Circular. Each shareholder will also have the election to retain the Capevin ordinary shares or sell the Capevin ordinary shares in terms of the Capevin Offer (as determined in the Circular) to Heineken for R15 per Capevin ordinary share.

The distribution by Distell Group Holdings Limited (“Distell”) of the Capevin shares will be a distribution *in specie* in terms of the Income Tax Act No. 58 of 1962 (as amended) (“the Income Tax Act”). The Income Tax Act contains provisions in terms of which a distribution of a dividend will be exempt from Dividend Withholding Tax (“DWT”) in certain instances. The provisions relating the liability for and payment of DWT in respect of a **dividend in specie** are somewhat different from those relating to a **cash dividend**.

The Income Tax Act determines that Distell will be liable for DWT in respect of the distribution *in specie* of Capevin to shareholders. In order for Distell to rely on the requisite DWT exemption in respect of such a distribution *in specie*, the Income Tax Act requires that the (beneficial) shareholders in Distell submit a declaration to Distell that it/they 1) qualify for the DWT exempt status and 2) will inform Distell if such status changes. These declarations must be submitted to Distell before the distribution of the Capevin shares, which will occur once all Scheme conditions have been fulfilled.

Just to note, the requirement for making these declarations is different from the declarations that you may have made in the past in respect of a cash dividend. In terms of the Income Tax Act, Distell cannot rely on previously made declarations in respect of cash dividends.

Accordingly, in order for Distell to correctly account for the DWT liability arising from the distribution of the Capevin shares (as a dividend *in specie*), we request that you complete either the Dividend Exemption declaration or the Dividend Reduced Rate declaration which can be found on the Distell-Heineken deal website <https://www.distell.co.za/Investor-Centre/heineken-deal-site/> and return these to us as soon as possible but before **15 August 2022 to dwt@distell.co.za**.

Should you have any questions regarding the above please do not hesitate to contact me, or Frank Ford (Head of IR) at dwt@distell.co.za.

Best Regards



Company Secretary